Enough! - A socialist bites back
by Jan Marijnissen

PREFACE

Writing a book. To be honest: that was not exactly the first – or second – thing I thought of after entering the Dutch Parliament in the spring of 1994. Nevertheless in the autumn of 1996 'Tegenstemmen' (Oppositional voices) was published – and with a lot more success than I could have imagined. It even reached the Dutch non fiction bestseller list – and I was told that this was quite remarkable.

After the book was published I got tremendous new opportunities to talk with all kinds of people about its contents. Writing appeared to be the shortest way to discussing, debating, testing and sharing my ideas with critical journalists, enthusiastic voters, new sympathisers and many political opponents.

The attention 'Tegenstemmen' got in the Dutch media also drew the attention of friends from abroad. Their problem: how to read a book that is written in Dutch? My answer was: start learning it – I did it myself. Their reaction was: if you want to tell us and others that are interested in your way of analysing modern society and its problems – take care that 'Tegenstemmen' is translated in a normal language.
You can imagine that this made me laugh at first. Nevertheless: it happened and here it is. I hope you can spare some time to read it and then find ways to do – something with it. Perhaps in new debate with others about the necessity to answer the world wide flood of – dangerous – neoliberalist ideas and practice with modern socialist thoughts and creative alternatives. Because it is just too stupid to return at the end of the 20th. century to social structures of the 19th. 'because the Market says so' – instead of going forward to a 'society for people' in the brand new 21st. century. If you see that happening – and it ís happening, believe me! – I hope you will agree that it is time to say: Enough! It is time to bite back.

I owe special thanks to Steve McGiffen who really learned Dutch and then helped me, not only in translating 'Tegenstemmen' into beautiful English but also in summarising and internationalising the 10 chapters, freeing them of a too specific Dutch character – without harming the original. It is sad that exactly in this period his beloved football team of Middlesborough lost its place in the Premier League and the Cup Final – from Chelsea and its Dutch coach Ruud Gullit. At least Steve was able to swear about this in beautiful Dutch

Introduction

Since the outbreak of euphoria which surrounded the collapse of `actually existing socialism' in eastern Europe, critical scrutiny of the fundamental faults which characterise our own system in the west has become increasingly rare. This book is an attempt to contribute to the broad debate which must ensue if we are to change that sorry situation and rebuild a socialist movement capable of being effective in the changed circumstances of a new century.
Whereas neoliberals expect nothing but good to come from the market, socialists remain committed

to a society based on a perception of humanity not as the narrow homo economicus of classical economic theory, but rather as homo universalis. Where liberals believe that individualism will lead us to `the empire of liberty', socialists counter this with an understanding of the social nature of human beings and of the fact that any practical politics must take this into account.
The one-dimensional character of neoliberalism leads it to ignore the fact that as well as purely economic interests (for which read `the interests of the economically and financially powerful'), there exist numerous other criteria upon which policy can be criticised and assessed. Standards, values, the idea of a social conscience, these may recently have returned as legitimate subjects of political debate, but for a long time they seemed to have disappeared from the stage. In the no-nonsense approach of the '80s and '90s, any talk of such things has been regarded as suspect.
For most of those who subscribe to the doctrines of neoliberalism this remains the case. Every man for himself, sauve qui peut, is the cornerstone of a philosophy which is shortsighted and narrowminded. And it is this shortsightedness which seems more than anything to underscore the current prevailing political and economic ideology, the long-term consequences of governmental or commercial actions being rarely weighed in the balance.
The removal of ideology from the sphere of politics has certainly contributed to this overvaluing of the short-term. Political parties are less and less frequently a form of expression for people gathered together to promote their ideas of how to improve the social good. A consensus dominates, silencing debate. Politics is becoming a wallflower, and through this process democracy itself is endangered. People are increasingly led to feel that what they think or believe or for whom or what they vote are no longer of any importance. As a result, a growing number of men and women who until recently placed their hopes in the political process no longer bother to vote. The legitimacy of government is called into question.
The collapse of Comecon, the Warsaw Pact and the Soviet Union, has relieved capitalism's critics of the deadweight of an unwanted identification with the eastern European system. There is now more space for us to make, on the basis of a concrete analysis of a concrete situation, a critical review of the status quo, as well as to look towards possible alternatives. Missed chances, however, continue to pile up. Despite continual economic growth, social conflicts are sharpening as a range of problems intensify and more and more people are condemned to live lives of poverty, solitude and hopelessness. The world as `global village' should be bringing different peoples closer together to the mutual benefit of all; paradoxically, of course, it has done more to divide than to unite us.
"The head cannot teach what the heart doesn't feel." Effective political engagement begins with observation, scepticism and analysis, but this must always proceed from a certain ethical framework. Only in this way can we begin to approach society's ills in a rational manner. Is my anger or indignation justified? Is there an alternative? Does the pursuit of this alternative justify the effort and resources involved?
The gap between "what is" and "what ought to be" has grown too wide. For anyone for whom what may be practical in the parliamentary arena does not provide the be-all and end-all of politics, the challenge is now to think of ways in which we might create a society which does justice to the dignity of every individual, a society which is willing and able to base itself upon the principles of equality and solidarity amongst all of its members

Chapter 1

The wondrous rebirth of liberalism

In the autumn of 1994 the Dutch Christian television channel NCRV broadcast a remarkable series of programmes under the title Poor and Rich. For an evening in the studio members of the public

were invited to play the role of the minister for social affairs and employment in a cash-strapped Dutch government. The idea for the programme came from an earlier series, On Life and Death, in which viewers were presented with medical-ethical dilemmas such as "who has more right to an operation, a heartpatient of 65 or a child with leukaemia?"
In *Poor and Rich* two similarly worthy causes vied for the public's favour. This time, however, a typical question might be this: if you were looking to make new savings, which would you choose, a person on disability allowance who, thanks to the reassessment of his benefits, has seen them almost halved to less than £500 a month, or a mother on social security who has to keep herself and her children on a monthly income only slightly higher than that? And who has more right to complain, a family with five children which has just lost £70 a month in child benefit, or that same disabled person? The choice was yours – and at the end of the show, in order to put the audience's solidarity to the test, there was an appeal for money for the `winner'.
These examples were not dreamed up by the programme's producers. They came direct from the actual practice of the newly-formed Labour-Liberal government, the so-called Purple Coalition headed by a Labour Prime Minister, Wim Kok. All the same, the dilemmas were in a real sense false, and they were presented moreover under a misleading title. Clearly the choice here presented was not between poor and rich, but between poor and poor. Nobody asked whether any of Holland's fast-growing band of millionaires should not perhaps give something up for the benefit of, say, unemployed immigrants. No: before the eyes of the nation's viewers one `outcast' was pitched against another. Who could have predicted even ten years ago that a respected European television station with a serious reputation would have contributed in such a way to the growth of divisions between people who should surely feel only solidarity for each other?

The Silent Revolution

Poor and Rich is the direct product of a silent revolution which has, during the last few years, taken over not only the whole of Europe but most of the rest of the world. Up to the beginning of the 1980s a sort of social-democratic consensus prevailed amongst the major political parties of what is now the European Union. To one extent or another they had all accepted the creed of ever-widening knowledge, wealth and power. Everyone agreed that the state had a duty to protect `the weak'. The welfare state could count on broad popular support. In the course of that decade, however, this near-unanimity began slowly, and then ever-more-rapidly, to crumble, in the end giving way to an entirely new consensus: neoliberalism.
At the end of the nineteenth century Marx considered the speedy demise of capitalism and its free-market ideology to be an historical inevitability. A century later, however, this ideology seems stronger than ever. The mind-set which in the early '80s began its long advance under the leadership of Ronald Reagan and Margaret Thatcher has quickly conquered virtually the whole world. From Peru to Indonesia, from Albania to Zimbabwe, can be heard the same call for more market and less government.
The implication, everywhere, is that free market capitalism should be given its head, even at the cost of welfare systems, working conditions or the environment. This is the core of neo-liberal thought: it seeks to rid the capitalist system as far as is possible of any social-democratic influences. Drawing a contrast unfavourable to European traditions, it speaks of the necessity for American dynamism, looking to replace the welfare state with a system in which government retreats to perform only the most minimal functions. In everyday reality this means, in country after country, the privatisation of the health system and other caring services, the deregulation of public transport, cutting back of levels of pensions and unemployment, sickness and other benefits, attacks on education, publicly-funded arts programmes, and so on.
The neo-liberal programme seeks to replace what has been called the `Rhineland' variant of the capitalist model with the `Anglo-Saxon'. The distinction between these two types of capitalism was first made by the former director of the French State Planning Office, Michel Albert. He stated that in countries such as France, Germany, Holland, Sweden and Denmark the free market was to a large extent kept in check by the state, as well as through negotiation between the `social partners' –

trade unions and employers' groups. This he termed the `Rhineland' model. In contrast to this stood the British and American version of capitalism. In these countries there was a longstanding faith in the self-regulating workings of the market and corresponding distrust of state interference.
Albert wrote:

> The neo-American model is based on individual and financial profit in the short term. The Rhineland model (...) attaches great value to collective success, consensus and long-term concerns. (...) The last ten years have demonstrated that the Rhineland model, that up to now was not seen as a separate system, is both fairer and more efficient. (Michel Albert, Capitalism v.Capitalism, 1992)

Albert based this conclusion on a large number of comparative studies. From these he deduced that both systems had experienced enormous increases in prosperity, but that in the Rhineland model more people were able to share in this well-being. Moreover he considered the Rhineland model to be superior not only on social grounds, but also in economic terms. This, he argued, was due to three causes: in comparison to those in Britain and America, firms gave far more attention to the quality of their products; twice as much was spent on training; and twice as much was invested in civil research and development.
Despite this, since the 1980s the Anglo-Saxon model has spread to an impressive degree through the world, at least on the level of politics and ideology. According to Albert the explanation for this lies principally in two factors. The first of these is the relentless propaganda for `the American way of life'. Through advertising, films and television the temptations of the Anglo-Saxon system are continually dangled before our eyes. From the Nike slogan just do it to the therapeutic pep-talks of Oprah Winfrey, the message is repeated and repeated: become like us and you'll be happy. Albert:

> The fact is now that Rhineland capitalism, with all its virtues, its social equality, foresight and considerateness, has not been found attractive by the international public. (...) And that is something of a euphemism. (...) The competing American model offers exactly the spectacle that the public finds beautiful: fine words, romance and legends. (...) It is as if the consumer were to choose a car with pretty bodywork hidden within which lay a chuffing and puffing little motor.

The élites in the Rhineland economies during the '80s began to develop a taste for another attraction of the American system: *the fast buck*. The dynamism of the Anglo-American market had made it possible, through, for example, speculation or trading in stocks, to make huge sums of money in a very short space of time. For an ever-growing section of the western élite the allure of the hedonistic slogan "the present in service of profit, profit in service of the present" appeared irresistible.

The success of Reaganomics and Thatcherism

In the United States and Great Britain there had long been a tradition of resistance to government interference in the economy. At the beginning of the 80s, Ronald Reagan and Margaret Thatcher found themselves in a position to carry through their neoliberal revolution. The tearing down of `big government' in the cause of the freedom of the market was, to use an advertising term, the *unique selling point* in the election campaigns of the Great Communicator and the Iron Lady.
Both leaders attacked the edifice of the state with unprecedented energy. Taxes on corporations and high earners were drastically reduced, countless laws and regulations concerning working conditions were scrapped, state-owned industries such as railways and electricity and water companies were privatised, and benefits for retired people, the unemployed and those with disabilities, scarcely generous in either country, were further reduced.
The apparent results of this enormous neoliberal vigour were impressive. In America Reaganomics created thousands of new jobs, forcing down unemployment. In England Thatcherism led to a new flowering of the City of London financial district and to a fast-growing community of the super-

rich. At the end of the '80s, however, the realization began slowly to emerge that a huge price would have to be paid for this new prosperity. Americans watched their inner cities burn, as poor blacks who saw no future poured out their anger over the police violence of which they were daily victims. Meanwhile the British could only stand powerlessly by as what was left of the pride of the world's first manufacturing nation dwindled away: British Leyland car factories closed down, Rolls Royce and other famous marques were sold abroad, coal, steel and other heavy industries were reduced to a rump. British Rail, which had long suffered from under-investment, was transformed into a collection of slow, badly-maintained trains, while the flagship of British health-care, the NHS, was starved of funds as private clinics sprung up like mushrooms from the ground.
Great Britain, in the estimation of the British themselves, was left, in social terms, miles behind the rest of western Europe. In one of the richest countries in the world more and more people were beginning to ask themselves how it could be that their towns and cities, their roads and even that source of national pride, the countryside, had begun to resemble the Third World.

The unaffordable welfare state

The long recession of the late '70s and early '80s brought about record unemployment in most parts of the west. The large number of economically inactive people led to a sharp increase in the cost of the welfare state. Government debts rose accordingly.
At the same time state spending came under pressure from a different direction. Under the leadership of the US, the industrialised nations had been working since the beginning of the 1970s towards a major liberalisation of world trade. As a result, international competition was in a process of ongoing intensification. Naturally a great deal of this competition came from low-wage economies where working conditions were poor. Anyone who could limit their labour costs would thus be able to take better advantage of the world market. This thinking led not only to pressure on wages but, in addition, to demands for a cut in non-wage labour costs, largely made up of payroll-related taxes and employers' social insurance contributions.
Just as water always flows to its lowest point, so corporations will invariably go to where profit yields are highest. The countries with the lowest gross wage levels are thus at an advantage. If a government wants to be successful in the relentlessly competitive struggle to attract corporate employers, and thus jobs, then it has no choice but to cut the financial burden on enterprises and therefore its own income and spending. The overriding political cry of the '80s and 90s was born: "in Europe the collective financial burden is too high – we have to find savings." In order to continue to compete internationally, every country has to subject itself to "the discipline of the market", which means in practice that national authorities are taken hostage by commerce – with unemployment as the chains which bind and the reduction of the corporate financial burden as the ransom.
To the extent that there were still political leaders who doubted the beneficence of the market – and instead of less state interference demanded more – they finally had the rug pulled from under them by the collapse of the Eastern Bloc. The failure of "actually existing socialism", in the opinion of many, delivered the definitive proof of the erroneous nature of left-wing ideas. At the same time it gave to the champions of neoliberalism a powerful psychological boost: their already growing self-confidence suddenly took on fantastical forms. The American philosopher Francis Fukuyama euphorically proclaimed the end of history. Humanity's struggle for an ideal society had at last reached its goal. Now the great communist enemy had been destroyed, the centuries-long hegemony of liberalism could be established.

Criticisms of neoliberalism

If neoliberalism has been embraced by so many in such a short space of time, what can be wrong with it? This is, of course, the question to which as socialists we must urgently address ourselves.
In the neoliberal worldview human intercourse is conducted essentially in service of a single goal: the pursuit of personal gain. The solution to every social problem can be found in the unrestrained

striving towards this single end by every member of society. Without any intention to do so, each person, by attempting to further his or her own interests, best serves the public good.
This one-dimensional view of people is not only unjust and inaccurate, it is also dangerous. The complexity of society renders correspondingly complex the position of every one of its members. A doctrine in which people are seen exclusively as *homo economicus* might exhibit the charm of simplicity, but it does not provide a workable basis for politics. Whatever importance may be given to the idea that people are responsible for their own life and happiness, the view that the pursuit of personal gain is the only true purpose of human activity is held only by a few. Yet it is this view that forms the ideological justification for the political-economic situation that is now advancing on all fronts throughout the world, and which, crucially, has its concrete economic manifestation in the private ownership of the means of production and in the striving to maximise profits.
No sensible person would disagree with the principle that the individual is of ultimate value. But does this apply to every individual in equal measure? Is it not rather one of the distinctive features of liberalism that it actively approves of social inequality, justifies it and tries to pass it off as a fact of life? How does this vaunted respect for the individual fit with the health risks to which workers are purposely and knowingly exposed by their employers, employers who are after all doing only what liberalism demands – maximising their profits? And how does it fit with the obviously unequal circumstances in which different individuals must begin their lives?
The implicit message of liberalism can, then, be no other than this: whoever is unsuccessful in life is to blame for their own lack of success. *Blaming the victim*, the Americans call it, and under the neoliberal administration of Reagan and Bush this cynical view of one's fellow human beings gained in popularity. In his book *The Culture of Contentment*, the American economist J.K.Galbraith explained that the contented in society needed a doctrine which was capable of bringing together a number of their desires in a coherent fashion. He summed up the three most important aspects of such a doctrine as follows:

> One is the need to defend general limitation on government as regards the economy; there must be a doctrine that offers a feasible presumption against government intervention (…) The second more specific need is to find social justification for the untrammelled, uninhibited pursuit of possession and wealth. This cannot rest in the enjoyment of wealth by the wealthy, undoubted as that enjoyment may be. There is no need for demonstration that the pursuit of wealth or even less spectacular well being serves a serious, even grave social purpose. (…)
> The third need is to justify a reduced sense of public responsibility for the poor. Those so situated, the members of the functional and socially immobilised underclass, must, in some very real way, be seen as the architects of their own fate. If not, they could be, however marginally, on the conscience of the comfortable. There could be a disturbing feeling, however fleeting, of unease, even guilt. Why is one so happy while so many struggle to survive – or fail the struggle? This could be psychologically unpleasant ad, if carried to extremes through socially compelled charity and philanthropy or, more forcefully through government action, could result into unwanted personal expense.

So emerged this new doctrine. Several of its ideas were taken from the freelance philosopher George Gilder, whose book *Wealth and Poverty* acquired virtually Biblical authority at the beginning of the 1980s. Gilder's most important proposal was the introduction of a regressive system of taxation, on the grounds that such a system would help the poor. To succeed socially, Gilder argued, the poor need, above all, the spur of their poverty. At the same time the new rich could consider their fortunate position to be exclusively the product of their own efforts. They had no need, therefore, to feel any sense of responsibility towards those whom success had not favoured.
The social consequences of these attitudes were devastating. Another American, social critic Christopher Lasch wrote of the new rich in his country:

> They send their children to private schools, insure themselves against medical emergencies by enrolling in company-supported plans, and hire private security guards to protect themselves against the mounting violence. It is not just that they see no point in paying for public services they no longer use; many of them have ceased to think of themselves as Americans in any important sense, implicated in America's destiny for better or worse. Their ties to an international culture of work and leisure – of business, entertainment, information and 'information retrieval' – make many members of the elite deeply indifferent to the prospect of national decline.

The second distinctive feature of `modern liberalism' – the idea that the social order must in large part emerge from self-regulating, spontaneous processes, an idea which again gives implicit approval to the social inequality which is an inherent feature of capitalism – is in reality no different to the time-honoured plea for "the free play of market forces". And like that slogan, which is as old as capitalism itself, it ignores the obvious fact that these forces are manifestly unequal, that freedom for the wolves means death for the lambs. The *struggle for life* and the *survival of the fittest* might well be the laws of the animal kingdom, but they should have no role to play in the organisation of human societies.

In his book, Michel Albert sketches the three phases through which the relationship between capitalism and the state has passed. The end of the eighteenth century was, he argues, the era of "capitalism against the state", the period during which the bourgeoisie struggled to free itself from the old feudal authority. The end of the nineteenth century was the time of "capitalism directed by the state". It was the period in which the aid of the state was called in in order to correct the excesses of the free market and smooth off its sharp edges. And it was the end of the twentieth century as the epoch of "capitalism in place of the state". The time in which the state is no longer seen as protector or regulator, but as a parasite, as dead weight. Ideas of the state as safety net or guiding light have been ditched. No longer a safety net for those in need of protection. No longer a source of moral or social guidance or innovation, the state has instead come to be seen more as a sort of criminal suspect, its place not above or around but before us, in the dock of a never-ending court. The only good state is a dead state, or one that comes to life only at night: the state as night watchman.

As for the third of neoliberalism's distinctive features, the plea for constitutional democracy. If one accepts that many of its adherents genuinely believe themselves to be democrats, then it would be reasonable to ask them if, within the gamut of European politics, they also honestly believe that this distinguishes them from the rest of us. Yet how `democratic' is their precious market? The social and economic operations of the state are after all, in a democracy, limited by the wishes of the electorate. The `invisible hand' of the market, on the contrary, works not according to the principle of `one person one vote', but of `one dollar one vote'. What that means for a world in which two billion people have to survive on less than a dollar a day, while Microsoft boss Bill Gates has a total personal estate of 18 billion dollars, is not difficult to guess. Under the democratic president Clinton the introduction and spread of the Internet and the much-discussed electronic superhighway is given considerably higher priority than the struggle against poverty.

One final important point of criticism: the fact is that the market is incapable of dealing with the long-term or of accommodating the broader social context. This is, once more, a consequence of the monomaniacal fixation on profit maximisation. The neoliberal hobbyhorse of the 24-hour economy offers a good illustration of this.

In order to see a return on the high level of investment in new technology, business has sought to boost profits through the introduction of longer opening hours and a more flexible labour market. Overtime and weekend working are less and less generously and frequently rewarded by higher rates of pay. Everyone must be available whenever the boss says so. The fact that this leads to greater stress and fatigue and therefore more health problems is of no concern to the employer and is therefore no longer of any interest to the liberal state. No one in authority bothers to ask how working parents of young children can lead responsible and fulfilling family lives in the 24-hour

economy. No one considers the consequences for communal life, for citizenship, for the broad range of activities in which people should be able to indulge if they are to lead happy, healthy, socially conscious lives. None of this can be measured in the profit and loss figures of the neoliberal master accountants; but that these costs must sooner or later be paid, of that there is no doubt.
The same short-sightedness and irresponsibility can be seen when it comes to the environment. Troublesome questions such as "but how do we dispose of the waste?" stand in the way of profit maximisation and are thus swept under the carpet. Unless someone with the power or determination to stand up to the dictatorship of the market (environmentalist groups or a strong, responsible government) is able to do something about it.
The mass embrace of an ideology with only one principle is more dangerous than religious fanaticism. The biggest threat to our wellbeing and civilisation comes not from Islam, as is often suggested, but from the market fundamentalism of the neoliberal Ayatollahs.

Chapter 2

The death of social democracy

> "In the midst of this sad drama social democracy feels more strongly than ever before its sacred vocation to turn your eyes from the dark present towards a better time, a time which must and will come; towards socialism, which will bloom from the soil of suffering and struggle." – Dutch social-democrat, Pieter Jelles Troelstra, 1903
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> "We don't speak any more about the 'Vision' or 'The Alternative' of the Labour Party... There is no alternative to the existing social system and so it doesn't make any sense to strive for one." – Dutch social-democratic prime minister, Wim Kok, 1989

The transformation of social democratic parties like the Dutch Labour Party (PvdA) from parties of change into conservative, conformist organisations began in the early 1980s. In the Netherlands it has, for the time being, reached its conclusion in the formation of the so-called Purple Coalition of Labour and Liberals. Numerous political commentators and supporters of the `modern left' have greeted this metamorphosis with applause, seeing it as the only possible development of the left now that the collapse of the Eastern Bloc has become an irrevocable fact. It is as if, since the greatest political experiment of all time has foundered on the rocks, any desire to change society must have gone down with it and liberal democracy has turned out to be the only practical system.
Social democracy thus decided to cut itself from its socialist roots, to end any association with the political current, which had, for a century or more, dedicated itself to the struggle for a better society. Its new perspective was that the society that we have now was the only one feasible. There would no longer be conflict between what is and what ought to be, no more unrest, no more impatience, no more searching for truth and justice, an end in fact to what socialism had always been: a quest for an alternative to capitalist society.
Socialism was born in the latter half of the nineteenth century as a movement opposing the particular form capitalism had taken. At first resistance was idealistic in character and based on little more than anger over the injustices that were such a common feature of the system. However, by the 1880s it was much more commonly characterised by a more realistic and worldly ideology of which Karl Marx and Friedrich Engels were pioneers. From complementary elements of German philosophy (Hegel, Feuerbach), French socialism (Saint-Simon, Fourier) and British economics (Ricardo, Smith), Marx and Engels formulated the new philosophy of `scientific socialism'. Their analysis developed from an intensive study of a number of interrelated questions: from where

exactly did profit come? how were the value and price of a good determined? What was the relationship between the development of the means of production (tools and machines) and the development of productive relations (those between the possessing and non-possessing classes)? And how did the struggle for existence affect or determine people's ideas and opinions?
Marx and Engels immersed themselves in a study of history that led them to the conclusion that the development of the means of production is the determining factor in human development. Their philosophy came to be known as dialectical materialism and its application to history, historical materialism. Many aspects of the historical pattern their studies revealed have been borne out by later scholarship, and large sections of their analysis of capitalism retain their worth. Nevertheless, there is much to criticise in their predictions for the future, especially where they concern the supposedly inevitable unfolding of a particular scenario.
That Marxist analysis came to the conclusions that it did in the latter half of the nineteenth century had a great deal to do with the fertile ground in which the ideas of its two founders planted themselves. Expanding capitalism was the cause of widespread poverty, misery and insecurity. People lived and worked in the most appalling conditions and the relative protection of the old feudal system's values and class relations was exchanged for the unrestrained greed for profits of the new bourgeoisie. Farmers became labourers, freed it is true from their feudal chains, but `freed' also from the ownership of their land. The whole of their labour power was now required by the new economic power, the industrialists, who made full use of it. Extremely long working hours, no rest days, child labour and life-threatening working conditions were the norm.
Gradually Marxism won more and more influence over the burgeoning labour movement, gaining strength as the movement grew. Yet by the end of the century a major ideological split was already evident amongst those who called themselves socialists. Two main currents emerged, one standing for `pure', radical socialism, while the other argued for a more moderate variant which came to be known as social democracy.
The first tendency asserted that capitalism was doomed to destruction and that it would inevitably be replaced by a new socialist order in which capital would no longer belong to the exploiting class, but instead to the whole community. This `dictatorship of the proletariat' would be the gateway to a society in which the rule would be `from each according to his abilities, to each according to his needs', to communism. Social democracy, whilst rejecting this scenario, preserved for a long time its fundamental opposition to the capitalist system. In practice, however, social democrats tended to accept capitalist property relations as unchangeable, striving not to overturn the system but rather to soften its consequences for the working class.
During our own century, in most European countries, a broad spectrum of parties has been established each of which lies somewhere on the continuum between these two original currents. Generally known under a variety of titles such as Socialist, Social-Democratic, Labour, Left, Workers' and Communist Parties, they vary enormously in size and influence. In the Netherlands, the most important have been the Communist Party and the Social-Democratic Workers' Party, which later became the Labour Party, the PvdA. The Dutch Communist Party dissolved itself during the '80s, becoming part of GroenLinks (the Green Left). The PvdA of course still exists, now as part of the purple experiment, having completed its journey to its destination, a place in one room of the great liberal house.
Similar developments have taken place in other countries: in Britain, Spain, Denmark and Portugal the Social Democrats have in practice severed themselves from their historical and ideological roots to embrace the creed of neoliberalism. The same is true elsewhere, although in some countries, notably Sweden and Germany, significant progressive tendencies can still be found within social democratic parties. In Italy, the social democrats collapsed under the weight of corruption, a development, which now seems possible in Belgium. As for the Communist Parties, most remain in a state of flux following the disarray caused by the collapse of the Soviet Union and her allies, and generalisations are difficult. It is certainly the case, however, that where serious socialist resistance to neoliberalism continues, it tends to come from parties within the Communist tradition or from those like our own or the Danish Red-Green Alliance, whose immediate origins lie outside of these

two central traditions.
Its neoliberal opposite has thus replaced the social democratic consensus, which prevailed throughout Western Europe in the years between 1950 and 1980. With Paul Kalma, leading ideologue of the PvdA, most prominent European social democrats have clearly concluded that their parties had "more to lose than to gain, in the long term, from radical social change."

The Titanic Welfare State

Since its adherents ceased to question capitalism's right to exist, the overriding project of social democracy has always been the welfare state. It is for this reason that the gradual abandonment of the welfare state by parties like the PvdA is so significant: it marks their transformation from social democratic organisations into something quite different. For the Socialist Party, however, the welfare state has itself always been seen as an inadequate, second-best solution to the problems of the working class under capitalism. We believe that, as long as capitalism persists, the welfare state serves as the best form of protection against the system's injurious consequences, but we do not see it as a fundamental or ultimately tenable solution to the problems it purports to address.
The welfare state has two inherent defects: firstly, it fails to do justice to human dignity; secondly, it will always in the end become unaffordable. Human dignity is before anything else based on recognition that each individual is ultimately responsible for his life and happiness. The state's task, certainly, is to ensure that every individual has the best possible opportunity to achieve that happiness, but it has neither the duty nor the ability to make every person happy. In the thoroughgoing welfare ideology of the 1970s, it was falsely asserted that the state did indeed have such a responsibility. Every person had the right to happiness and the state knew best how it could be achieved.
This unrealistic and pernicious view was reflected in a number of different areas: authoritarian attitudes towards parents whose ideas on raising children were deemed old-fashioned. A utopian refusal to accept the urgent need to develop policies designed to facilitate the integration of migrant workers into Dutch society and to prevent the formation of ghetto's; the patronising, cotton-wool approach of many welfare- and community-workers, and in countless other ways.
The welfare state was forced to labour under the burden of overblown assertions and unrealistic thinking at the very time that it began to come under attack. At the beginning of the 1980s, it became obvious that its burgeoning demands on the public purse threatened to make it unaffordable. It was at this time that Holland, in common with many other developed countries, entered a deep recession. Mass redundancies were the order of the day and claims on social funds rose accordingly. The competitiveness of the Netherlands' economy was called into question, leading to a widespread conclusion that payroll taxes and social security contributions were too high. The welfare state was forced to respond. Social security began to change rapidly into social insecurity.
Here we encounter a concrete example of the second structural shortcoming of the welfare state, that within the capitalist system it will always eventually prove unaffordable, because during times of adversity it will always be foremost in the firing line of capitalism. It is capitalism that must, clearly, find the means to finance the welfare state and, in times of hardship, it will require these means for its own, more pressing purposes.
The combination of these two inherent weaknesses (a lack of respect and realism, and ultimate non-affordability) goes a long way towards explaining the Titanic-like sinking of the social democratic flagship during the 1980s. And just as on the Titanic, it was the First Class passengers who knew how to escape with their lives, to the cost of the poor wretches on the lower decks.

The irresistible rise of the Social Technocrats

The popularity of the left amongst intellectuals in the 1970s brought into social democratic parties throughout Europe a whole new layer of administrators. Culturally opposed to the type of people who dominated parties of the centre-right, and with little attachment to the traditional values of

social democracy. Such people were determined to further their own careers by ensuring that the movements to which they were attached became the dominant political tendencies within their respective societies, became in each case `the natural party of government'.
The precise form the consequences of this determination took, varied according to a number of factors specific to each society and to each party: the attitude of the old guard, the strength of the left both within and outside the social democratic parties, the particular nature of the broader culture. In Spain, Belgium and Italy centre-left politics wallowed in corruption. in Holland and France grandiose projects were preferred to attempts to meet the increasingly urgent needs of growing numbers of people. In Britain, the left of the Labour Party, which had reached the highpoint of its influence in the early '80s, was witch-hunted out of the mainstream of politics and confined to an existence the margin, in which it was no longer regarded as a legitimate participant in political debate.
In each case, however, certain common features could be observed. The idea of a mass, democratic party based on working people was dumped in favour of a two-tier structure in which the élite made all the decisions and the rank and file paid their dues. (Of course, most social democratic parties had long operated to a large extent on this basis, but what was new was that they no longer made any attempt to disguise it.) Secondly, the cadre that now controlled these parties was made up of people who were less social-democrats than social technocrats. Fired by a belief that they could recreate society in their own image by purely technical means with which any reasonable person would concur and which only dinosaurs of left and right would resist. As for the electorate, professionals hired to do the job would court it. By marketing and communications experts, market-researchers, opinion pollsters and advertising specialists.

Trade unions or charitable trusts?

The trade union movement, traditionally the bedrock of social democracy, would, in the vision of these new social technocrats, be transformed from an instrument for the betterment of working peoples' lives into a combination of `social partner' and voluntary sector organisation. It would become an updated and glorified version of the nineteenth century 'friendly society'.
In the Netherlands we saw this very clearly. The PvdA (Labour Party) had always had strong links with the trade union movement. Even in modern times many of its most prominent leaders had first served their time at the top of trade unions. Politically, unions and PvdA were close; but just as the successes of social democracy could often be put down to the willingness of the unions to fight for them, so its weakening could be attributed to their ever-diminishing taste for struggle. When workers' social security rights were threatened in the early '80s, by proposals from a PvdA minister, the unions fought back and won; but how different things had become by 1995. Again it was a Labour reform which threatened to undermine long-established rights. This time, in fact, plans went much further, amounting to a virtual abolition of the collective Sickness Insurance Law. And what did the trade unions do? They protested verbally, but took no action, with the result that the 'reform' passed through Parliament unamended.
This passivity has been evident in other areas of policy, such as in relation to attacks on disability benefits. The result is that throughout the process of the dismantling of social security and collective provisions the unions have been able to play no more than a marginal role in the resistance to such measures. Not only in the Netherlands, but in many other countries, the depoliticisation of trade unions, has allowed neoliberal plans to be implemented with often only the faintest murmuring of dissent. Instead of adapting themselves to the neoliberal trend, the trade unions should be offering leadership to a broad counter-offensive, taking note of the lessons of their own long history. The ability to fight back, vision, unselfish dedication, unity and organisation are, just as they always were, the essential ingredients of a successful social movement.

The fall of ‘Actually Existing Socialism’

At the same time as social democracy was undergoing this transformation, the twentieth century's

other great experiment with its origins in the socialist movements of the late 1800s was also drawing to a close. With the exception of the short-lived Paris Commune of 1870, the Russian Revolution of October 1917 was the first attempt to put socialist ideas into practice. What initially began as a revolution against the absolute power of the tsars and the indescribable exploitation of the poor peasants led in the end to a seizure of power by the Bolsheviks.

The 'dictatorship of the proletariat' was thus established, but for how long? Russia was completely isolated and the new state was attacked from all sides by enemies who saw the experiment as a threat, a fear which was not wholly without foundation, given the widespread sympathy on which the young workers' republic could count in the west.

As a consequence of naivety and an anger that learnt to be highly selective in its targets, this sympathy persisted even when it had become clear that the institutionalised revolution with its inflexible leadership of party and state had led to the most appalling consequences. The destruction of the Soviet model was undoubtedly in large part caused by the centralist manner in which society was organised and the excessive power and prosperity of the nomenclature. From the experience of the Soviet Union and of the other countries taken over, generally against their will, it was wrongly concluded that social ownership of the means of production must automatically imply a centrally-planned economy. That socialists must see every form of private ownership of the means of production as wrong, and that the market must by definition and in all circumstances be rejected. Moscow created a bureaucracy that stood in the way of progress and excluded any kind of flexibility. All of the fine ideals of the early Soviet Union in the end collapsed under the weight of this dictatorial bureaucracy. In addition, the urge for order meant that insufficient space was given to people's creativity, and individual initiative, far from being rewarded, was punished. Human dignity and the sense of personal responsibility which comes from it were pushed to one side, and the products of such responsibility – energy, creative thinking, good will, those features of the individual upon which the collective interest so vitally depends – were undermined. The Soviet-state was so preoccupied with enemies from outside and later from within the system, that all criticism and every form of opposition was nipped in the bud. In place of a free exchange of ideas was the icy cold of absolute truth, a truth articulated by the party. The leading role of the Communist Party was itself embodied in the constitution, as a result of which its leaders no longer felt the need to justify their authority in either words or deeds.

That this system eventually collapsed is therefore no loss to those who strive for a socialism that respects human freedom. Neither does it mean, however, as Fukuyama has argued, the `end of history'. Anyone asserting that the world's great ideological battles are now in the past will find a ready audience of neoliberals eager to lap up such arguments. Such a proposition would undoubtedly prove rather more difficult to explain, however, to the poor in Colombia. To the homeless in New York, to child workers in Calcutta or – to come closer to home – to the mother on social security who cannot afford to allow her child to continue his or her education however much she may wish it.

Poverty and exploitation are, at the end of the twentieth century, still as prevalent as they were a hundred years ago. Socialism proposes in their stead a vision of society in which human dignity, equality and solidarity occupy a central position. How this vision, at the dawn of the twenty-first century, can be transformed into real improvement and social change is the most important question facing socialists throughout the world. Just as liberalism has developed into neo-liberalism, so must all of us who seek a coherent, contemporary answer to the problems of today and tomorrow, be prepared to learn from our mistakes and to work on a renewal of socialism – or, if you like, to create a 'neo'-socialism.

Chapter 3

The disempowerment of the people

> "The logic of the reintroduction of a selective right to vote is obvious: as the gap between rich and poor widens, and the education of the poorest groups deteriorates, there will come a time when liberal democracy will be forced to confront such a proposal." – Meindert Fennema

The famous Dutch comedian Wim Kan used to tell the story of how he had once looked up the word `democracy' in the dictionary. Democracy, he found, means that whatever the people want, that is what will indeed come to pass. From then on he would read the newspaper every morning in a state of astonishment at the idea that what was reported there was apparently what he wanted to happen.

Wim Kan has been dead for many years, but his joke is just as relevant as when he first told it. Although the Tweede Kamer, (the lower, directly-represented house of the Dutch Parliament) is officially populated by representatives of the people, and although the people have, at least once every four years, the chance to alter its composition, democracy appears to be in decline in the Netherlands as much as elsewhere. Anxious talk of the growing gap between citizen and politics has become commonplace. Where did this gap come from? What can be done about it? And what role can political parties play in this process?

Political parties have always been the exponents of particular ideologies and opinions, and at the same time the most important intermediaries between government and citizen. Increasingly, however, they appear to be losing both of these functions and evolving instead into a sort of glorified employment bureau for political careerists. They can no longer for the most part be looked at to provide any kind of long term perspective, whilst they seem also to have lost any sense of the real value of their relationship with the citizen. They appear, moreover, neither to exercise nor to seek any real influence on vital social developments.

The result is that fewer people feel the urge to join a political party and the vicious circle turns and turns. The less political parties are rooted in society and the less attention they pay to social abuses, the less they address themselves to the problems of ordinary people; and the less that they do that, the fewer people interest themselves in the ballot box. Bill Clinton's Democratic Party, Tony Blair's New Labour, Wim Kok's PvdA, have all adopted the same strategy of moving towards the centre in order to please the middle class and thus to win power. Traditional supporters are disregarded, and so lose faith in the democratic process. At every election fewer and fewer bother to vote, and from each lower turnout the political parties take affirmation of the correctness of their political strategy. How otherwise are we to understand that, on the eve of the election in the autumn of 1996 Bill Clinton had the nerve to propose a `welfare reform' of unprecedented proportions: states were to be allowed to end social security payments to young, unmarried mothers. The time during which unemployed people could claim benefits would be limited. All financial support for immigrants who had been in the country for less than five years would stop. Emergency financial aid and food stamps for ex-prisoners and drug addicts would also come to an end. And people below the poverty line, of whom 6,500,000 are above the age of retirement, would have their entitlement to food stamps reduced. Not so electoral astute, one might suppose, unless Clinton expected more support from the middle class and the rich than from people who have traditionally given the Democratic Party its power base.

America, of course, has always had a relatively weak tradition of social solidarity, but the same pattern can be seen in recent European elections. In Britain, the two major parties spent the 1997 campaign vying with each other for who could produce the most vicious attacks on the poor. The most draconian cuts in the welfare budget, and as to who could best pander to the prejudices of the well-to-do; while a month later France witnessed the extraordinary spectacle of a "Socialist" party attacking a conservative Prime Minister for the alleged generosity of his social spending plans.

The Americanisation of Politics

In the autumn of 1995 I had the honour to be invited to deliver a speech to a meeting of the Young Democrats, the youth organisation of D66 (Democrats 66, the `progressive' liberals, smallest of the three parties of the Purple Coalition). Although I was flattered by the invitation (I don't often get the chance to speak to an audience none of whose members has ever voted for the Socialist Party), I was also somewhat surprised. Now that D66 were for the first time in years participating in government, one would think that they would be able to find more interesting speakers than the parliamentary chair of a small opposition party. However, after consulting the organisers I discovered that the Democrats' ministers diaries were too full to allow space for a meeting with their own young supporters.

By coincidence the cabinet had, only a day earlier, taken its long-awaited decision concerning the Betuwelijn, an environment damaging and economically unnecessary rail freight line between Rotterdam and Germany. My naturally suspicious mind led me to ask myself whether it would not be reasonable to point out, during my speech, the possible connection between that decision and the reluctance of D66 ministers to address the meeting. The cabinet's decision to give the go-ahead to the construction of the Betuwelijn had made the biggest-ever dent in D66's carefully nurtured green image, and nothing was more certain than that the Young Democrats would have been appalled by it.

There is no party in Holland that has, in recent times, shown more concern for the democratic standards of society in general and of the political system in particular than D66. Criticism of dysfunctional democracy is to some extent the party's reason to exist. At the same time, however, D66 is the party that illustrates most clearly precisely what is wrong with political parties both in the Netherlands and further afield.

Traditionally, political parties have played a crucial role in the democratic process. It is political parties that produce an analysis of society on the basis of which they develop a vision of the future. The ideology a party propagates gives the voter an idea as to what is likely to happen if that party wins the right to participate in government. Moreover, political parties offer citizens the possibility of taking part in the decision-making process: by means of their party's internal democratic structures members can find their way on to the list of candidates for elections at the local, regional or national level. From that point on it is, of course, up to the electorate to decide whether that person and his or her party are suitable for office.

It is a noteworthy feature of D66 that it has never had any real ideology, that it has in fact prided itself on being the first non-ideological political party, an organisation which proceeds entirely on the basis of pragmatism. Yet what does pragmatism mean other than an acceptance that the status quo is the sole reality imaginable and that one must base one's politics on this perspective? And where can such a perspective find its critical thrust? What frame of reference can a party constructed on this basis apply?

It is significant that D66 has never issued a statement of principles, though it does of course have an ideology, the prevailing ideology known as liberalism. From its name – as is also the case, for example, with Britain's Liberal Democrats, Germany's Free Democrats and Ireland's Progressive Democrats – it seems to follow that the party is `democratic'. To which one can only reply that with the exception of a few parties of the extreme right, most of them happily very small, the same can be said of all western European political parties. D66 also sees itself above all as the authorities' common-sense adviser, but once again it is certainly not the only group to claim such a role. In the 1980s it liked to present itself as a `green' alternative'. Yet when it came to a vote on gas-drilling on the island Ameland and on the construction of a motorway across the Amelisweerd nature reserve – votes which were taken during the tenure of a D66 minister of Transport and Water – that image came to a swift and sudden end. The only constant feature of D66 is the demand for constitutional and administrative reform, a demand that has won little applause either inside or outside politics.

D66 is typical of a political current, which can be clearly seen in a number of countries in Europe and beyond. German Free Democrats, British Liberal Democrats, Irish Progressive Democrats, Italian Radicals, Australian Democrats, all sing the same tune. In response to the decline of

participatory democracy they demand constitutional and governmental reforms. Ignoring the fact that the decline itself is not merely a product of particular constitutional arrangements, but the result of a complex of economic and social changes. Changes that are now being accelerated by the global ideology which every one of these self-styled democrats refuses to question and, indeed, generally enthusiastically supports: the ideology of neoliberalism.

D66 became the first party in Holland to reflect the first major aspect of the Americanisation of politics, the playing-down of ideology and even policies in favour of an emphasis on the personality of its leaders. It was even asserted by D66 leader Hans van Mierlo that this focus on personality at the expense of opinion, on image rather than substance, would actually reduce the gap between politics and the citizen and strengthen the relationship between elected and electorate. The opposite has of course been the case.

In February 1990, the leading Dutch newspaper NRC Handelsblad published an article entitled "The Netherlands, A One-Party State". The kernel of its argument was that all of the big political parties were growing more and more alike and that in fact nothing of any substance any longer divided them. The truth of this argument, which might equally be applied to almost any country in the developed world, was brought home by the scant differences evident in the manifestos placed before the people in the Dutch general election of 1994.

This was without doubt the most American-style election our country had ever seen. Because of the absence of substantial policy division, in order to show that an election was indeed taking place the parties were forced to search for small remaining differences of emphasis and tone and exaggerate them out of all proportion. In addition, great emphasis was placed on the characters of the various leaders. This style has since caught on, as the British and French general elections of 1997 demonstrate. The latter however, also shows what a serious party of the left with widespread electoral support can achieve by way of forcing the other parties to focus, at least for part of the time, on important issues.

Parties that drop politics in favour of personality and serious debate for childish invective can always count on the loyal co-operation of the media. For reasons the press pay more attention to promises contained in the current election manifesto than they do to the question of whether the outgoing government has honoured those which its constituent parties made the last time round. It is why the PvdA could continue to claim to be a protector of the weak. Despite the fact that the then Christian Democrat-PvdA coalition had put through considerably more measures to the detriment of ordinary people's interests than had previous coalitions of Liberal and Christian Democrat, and more than the PvdA, in the election of 1989, had admitted it was likely to do.

In fact, rather than focussing attention on either its policies or its record, the PvdA gambled on the trustworthy and `presidential' emanations of Wim Kok, with the other major parties similarly relying on the personalities of their leading figures to attract the voters. By pushing the mediagenic Van Mierlo to the fore, D66 won the biggest share of the vote in its history and thus the Purple Coalition of Labour and two liberal parties was born.

It is, I feel, also significant, that D66 has achieved this feat despite having an extremely small membership. Even after considerable shrinkage, the Christian Democrat CDA retains around 95,000 members. Our own Socialist Party has recently passed 20,000. D66, on the other hand, has only 15,000. According to a 1995 survey conducted by the University of Groningen, only 3% of the Dutch population are members of a political party, and of these only one in every ten is active. What this means is that, no more than 30,000 people are involved in party politics. Thus limiting input into the system and therefore the range of ideas on offer to the electorate and leading inexorably to the development of a system of patronage, preference and graft such as already exists in, for example, Belgium and Italy.

As parties throughout Europe cease to make any real attempt to involve the people in the process of ideological development, preferring instead to base their activities on superficially attractive leaders, `sound-bite' policy statements and slavish adherence to the whimsical movements of opinion polls, this phenomenon advances on all fronts. The result is that everywhere the political caste looks increasingly to its own interests and less and less to those of the electorate. The gap

between voter and politician, between citizen and government, grows ever wider, threatening to discredit the democratic process itself.

No politics without ideals

The drain of members from the major political parties is often blamed on the general decline of collective institutions and on growing individualism. These certainly have played a role. However, it appears to me at least as important that intelligent, critical citizens can no longer find any good reason to join these parties, which have come to be completely dominated by career politicians and professional cadre, people who have little affinity with their founding ideals. Many of the `angry young men' of the New Left who joined the PvdA in the 1970s, shaking it from its torpor, changed during the 1980s to become its new governors. D66, the party that always used to direct its anger towards the lack of real democracy in Dutch politics, has become a pillar of the establishment.
In the 1980s the political debate, under the influence of so-called `no-nonsense thinking', narrowed until for lay people it became an unintelligible discussion between number fetishists. If politics in the 1960s was primarily about principles, and in the '70s attention shifted to ends and means, then during the '80s this gave way to a discussion that focussed on `efficiency'. Even this idea was narrowed to a point where it meant only an efficiency that could be measured in terms of price, profit and loss.
This shift can be seen in the priorities the political élite set for itself. In his study *Politics as the Art of Balance*, the political scientist A van Hoogerwerf had the following to say about this development:

> To Dutch ministers, secretaries of state, leading Members of Parliament, prominent functionaries and advisers on the national level the following question was posed: "What personal qualities do you think a person needs if he or she is to perform well the type of function which you yourselves fulfil?" Most named an ability to deal with people (78%), good understanding and intellectual skills (60%), a stable personality (58%), substantial knowledge of the job (49%), trustworthiness (16%) and good health (11%). In the `no-nonsense' climate of the '80s and '90s, certain other qualities were rarely mentioned: a social and human vision; zeal and idealism; a dedication to the job and its purposes rather than to one's own career.

Without an analysis informed by fundamental guiding values, without a consistent vision of what a democratic society should look like or ideas as to how it could be different and better, any political party will in the end lose its purpose, its very reason to exist. Under these circumstances parties degenerate into cynical clubs for job-hunters in which the turbo-charged language of sharp-suited public relations managers and advertising boys takes the place of ideological debate. Pandering to the media and to fashionable delusions, impressive-sounding claptrap and `image building' win out with increasing frequency over serious analysis and a consistent position. Little wonder that Van Hoogerwerf's study went on to show that nine out of ten citizens agreed with the statement that politicians promise more than in practice they can achieve.
These developments have, of course, had a profound effect on the quality of parliamentary debate. In legislatures throughout Europe members are bound hand and foot by the instructions of the governments or leading opposition parties as whose supporters they have been elected. The idea of parliaments as controllers of the executive appears to have died. In the same way as the ordinary citizen is effectively being excluded from the decision-making process, so rank-and-file members of parliament are being transformed into cannon fodder for their parties' leaders. Thy are kept in line by the knowledge that they can only aspire to positions of real power if they keep their heads down and their noses clean, raising their hands only when the leadership issues an instruction that they should do so.

The empty shell of `administrative renewal'

In a democracy it is the least that can be expected of politicians that they make themselves clear, express themselves intelligibly and always attempt to give the citizens a good understanding of their proposals and aims. Unfortunately the habit of communicating in euphemisms has now reached epidemic proportions. New measures whose baleful effects are clear and which are obviously the results of the imposition of a restrictive financial dictate are sold to the public by means of a torrent of deliberately misleading terms. The destruction of social security systems is called `modernisation', the abolition of established rights such as overtime and weekend pay premiums is passed off as `flexibilisation', the introduction of the market economy into health care is explained in terms of `increasing people's individual responsibility'. In Britain, everyone from a passenger stranded by an inefficient and recently-privatised rail system to a claimant applying for the pitiful benefit levels available in that country is a `customer', and there are no longer unemployed people, only `job seekers'.

The secret behind all of these euphemisms is that in each case a term is chosen which suggests something no reasonable person could be against: who doesn't want to be seen as modern and flexible, and who is not proud to accept responsibility for him- or herself? And isn't the customer always right? The effect, however, is that the citizens, who day in day out must experience for themselves the harmful effects of the real measures behind these euphemisms, begin of course to understand just how they are being deceived. The result is cynicism about the whole political process.

It is not only the Socialist Party that sees the malfunctioning of democracy in Holland as a problem. The Purple Coalition partners have also looked into the matter, coming up with a solution they call `administrative renewal'. Not surprisingly, this proposal originated with D66. At last it appears that room will be found for the referendum, an unprecedented procedure for our country. The type of referendum suggested, however, and which the purple cabinet has now agreed upon, the so-called `corrective legislative referendum', looks an extremely weak infusion when set beside the brew that the advocates of administrative renewal had in mind.

Firstly, there will be no general right of initiative. Whether the Netherlands should give up a large part of her sovereignty is a question that cannot be placed before the people simply on their demand, for instance. If it is up to the purple cabinet, this will be a matter only for a `corrective' referendum through which the citizens will be given the opportunity to pronounce retrospectively on a piece of legislation already accepted by parliament. The barriers erected are moreover so high, that it seems doubtful whether any referendum will ever be held. A minimum of 600,000 signatures must be collected at town halls for a petition for a referendum to be valid, and the most important political issues, such as infrastructure projects, are excluded as possible subjects. Yet it is in precisely such matters as the construction of the Betuwelijn, the high speed train line and the extension of Schiphol airport that we have seen demonstrated how great the divide between politics and the citizen can be.

Another subject Wim Kok's cabinet would like to put back on to the agenda is Holland's system of proportional representation. What is being talked about is a reform that would shift the system in the direction of district-based representation, under which the country would be divided into five regions from each of which fifteen people would be elected. The resulting 75 deputies would come together with a further 75 elected under the current national-based rules to form a Tweede Kamer of 150 seats. This would of course have negative consequences for small parties and therefore for politics as a whole, as minority parties are often rightly described as `the salt in the porridge of politics'. But an equally important objection is this: in common with the proposal for corrective referenda, the plan aims to increase the involvement of the ordinary citizen in politics. This should never, however, be the overriding aim of any constitutional reform, for the following reason. Elections are held for the purpose of choosing the people's representatives for local, provincial and national assemblies in the most democratic fashion possible. The most democratic system of elections is undoubtedly based on proportional representation. Referenda are, furthermore, not designed to reduce the distance between government and citizen, but to improve the quality of

governmental decisions by letting the authorities know whether or not their measures are grounded in solid popular support. The introduction of the referendum and the changing of the electoral system will in themselves neither improve the quality nor enhance the legitimacy of public administration, nor will they reduce the much-discussed gap between government and citizen.
The government of the Netherlands, taking its lead from similar moves in the United Kingdom, Belgium and elsewhere, has also declared itself in favour of giving more power to local authorities. Under the guise of promoting `made-to-measure' care and adaptability, more and more problems are being handed over to city and town councils. Again, the pretence is that by these means the gap between citizen and politics will be narrowed. In fact, all it means is that the gap between the level of services provided in some towns and others, and even in different districts of the same town, for example for disabled people, is growing ever greater. Two separate evaluation reports have shown this to be the case, yet the government continues to talk of decentralisation as something which should be extended, even to something as fundamental as rent subsidies. It is, of course, a noticeable feature of all of these decentralisation programmes that they do nothing to provide the money needed to address the problems involved.
In a democratically constituted state the administration's legitimacy derives from the fact that it was elected by the enfranchised voters. Yet in ever-increasing numbers, people do not vote. In the case, for example, of local and European elections less than 50% of the eligible electorate chooses to exercise its right to vote. In other countries matters are sometimes even worse. In the same elections in the United Kingdom, turn-outs are routinely below 40%, whilst in a 1996 European by election caused by the death of the sitting Labour member for Merseyside (the Liverpool area), only 11% of the electorate bothered to turn up. Despite a landslide win, the victorious New Labourite received the support of just seven out of every hundred of the local citizens. In America, where registering to vote is the responsibility of the citizen and entirely voluntary, as many as 20% fail to enrol. Yet even the turnout rates of `registered voters' in the bewildering variety of elections which characterise the US system (everyone, as they say, from dogcatcher to president has to submit to the judgement of the people) are often extraordinary low. The phenomenon is truly international. Even in Belgium, where voting is compulsory, over a tenth of the electorate regularly risks a fine rather than queue at the polls for something which, though their grandparents may have fought for their right to do it, they no longer feel has any relevance to their lives. Perhaps most striking of all, is the high rate of abstention in the numerous countries, of the Eastern Bloc and elsewhere, where parliamentary democracy is a new phenomenon. While we in the west were led to believe, during the cold war, that the right to vote would be the fulfilment of a cherished dream.
Of course, there are those in politics who take the view that this is no bad thing, that boring political debate and low electoral turnouts indicate a populace contented with its lot. This, however, is nothing but wishful thinking. The reality is that for many, politics has become synonymous with indolence, inertia, self-interest and corruption, rather than being seen as any kind of instrument of change.
Falling turnouts are, however, not uniform. In every country, region, city and town it is clear that the rate of participation in elections has fallen far more amongst the poorest sections of society than amongst the better off. This phenomenon is generally a matter of indifference to politicians, but it has brought at least a few, if only on the eve of an election, to the conclusion that here is a problem that demands to be addressed. Yet, as is so often the case with good intentions, they remain just that: good intentions. Few political parties, either in the Netherlands or abroad, make any serious efforts to attract the votes of the poor. And if their activists are seen at all in poorer districts it will invariably be at the moment, once every four or five years, when they are needed, rather than in the long periods between elections when lasting support can be won.
Politicians may complain that most people show too little interest in politics, but the complaint of many ordinary citizens is that politics takes too little interest in them. The consequence of this is that a large number of people who until recently saw politics as an instrument for bringing about a better future, are now turning their backs on it. They no longer allow themselves to be taken in by election promises and impressive television ads. The turnout when compared to particular layers of

the population is increasingly proportionate to level of education and income. In the Netherlands, and still more so in countries like the United Kingdom where socio-economic divisions are measurably wider, we are in effect returning to a franchise which depends upon social standing, income and wealth.
That would, in itself, be bad enough, but there are at least two further developments that pose a threat to democracy: European integration and the transfer of national competence to the un-elected European Commission and the Council of Ministers; and the growing impotence of politics itself. Amongst the unchallengable truths of the neoliberal consensus is the idea that everything which can be left to the market should be. The state has moved from being trend-setter to trend-follower. The concept of `more market, less government' has even invaded areas which, not so long ago, everyone agreed should be controlled by the democratically-elected authorities, a process which continues relentlessly to erode the power and credibility of the state. At the same time, the inherent effect of the market itself is to create new and wider inequalities.
Taken as a whole this is a sombre picture, especially as it affects the future of democracy, and one that can only benefit the far right. If we who remain attached to democracy do not take urgent action, if the process of European integration is not toned down, and if the domination of neoliberal thought and the philosophy of the market is not broken, then democracy might well have had its day.

Chapter 4

Poverty in the Midst of Plenty

> "People's health can be seen as a mirror for society as a whole (...) a society which is so arranged that those who have less of everything are less healthy and live shorter lives can hardly be called a healthy society." – Prof. J.P.Mackenbach, MD, Unhealthy Differences

It was no more than two words and even then they were buried in the middle of a long, somewhat ponderous sentence: "The government appeals to citizens, enterprises, other authorities and social organisations to do what they can to tackle poverty, together and with determination." Nevertheless, the fact that Beatrix, Queen of the Netherlands had spoken these two words created something of a furore. For the first time in many, many years the head of state had spoken about poverty in her own country.
The Liberals were unfazed. Their leader, Frits Bolkestein, expressed the opinion that any measure of inequality was acceptable if it brought about the more efficient working of the economy. He was perfectly happy to see the gap between rich and poor grow ever wider.

The many faces of poverty

Of course, nobody in the Netherlands or in any of the other rich countries of Western Europe is, as yet, likely to die of starvation. Poverty is a relative concept, but for every person whose life it touches it is an absolute fact. Poverty can be defined as a condition of existence that prevents an individual from leading a normal life within his or her own society. More precisely, a person is poor according to the generally accepted Council of Europe definition if he or she has a disposable income of less than half of the average of the country in which they live. Poverty means social exclusion, lack of money, and lack of realistic prospects for improvement. It also means a high vulnerability to ill-health.

Countless investigations have demonstrated that a huge gap exists between the condition of health and the life expectancy of high- and low-income groups. A 1993 study by the Dutch National Institute for Public Health and Environmental Hygiene showed that people in the lowest socio-economic group die on average four and a half years earlier than those in the highest. Also, they can expect to remain healthy for twelve and a half years less. Two years later an official British government report concluded that:

> Systematic variations in mortality rates between different groups of the population have consistently been observed in the UK and elsewhere. Within the UK there are marked differences by occupational class, sex, region and ethnicity, in life expectancy, healthy life expectancy, and incidence of survival from a range of diseases (...) Variations indicate the extent of preventable ill health and premature death.

These conclusions were reached on the basis of findings which speak volumes about the effects of the greater social inequality found in Britain than in other parts of Western Europe. Life expectancy at birth was seven years greater for the richest group than for the poorest. Children in the poorest group were four times more likely to suffer accidental death than were their richer contemporaries. Out of 66 major causes of death in men, 62 were more common amongst the poorest 40% of the population. And although women in the richest group were 50% more likely to contract breast cancer than those in the poorest group, the latter were more likely to die from it.

In 1970, Japan and the UK had comparable income distribution and similar life expectancy. In Japan, where after 1970 income differentials were drastically reduced, differences in standards of health were likewise narrowed and life expectancy considerably increased. In Britain, on the other hand, income differentials grew larger and their growth was reflected in widening health differences and a decline in life expectancy.

Neo-liberal apologists for widening income differentials often point to the fact that the relationship between financial condition and state of health is complex. Yet the widening of the gap between rich and poor also exacerbates other inequalities which bear upon health, such as standard of education, housing, working conditions and stress, all of which are related to the level of financial resources at a person's disposal.

It is also argued that the high mortality of poorer people is self-inflicted. It is true that almost twice as many people in the least-educated group smoke, as is the case amongst university graduates. And that the poorer you are the more likely you are to eat too much fat and sugar, too many processed foods and too little wholemeal bread, fresh vegetables and fruit. Yet even if these factors could reasonably be described as `self-inflicted', they account, according to the same British study cited above, for only part of the difference. In the case of coronary heart disease, for example, where the gap is particularly pronounced, only a third of the differential can be traced to the unhealthy diets and heavier smoking of poorer people.

In the face of clear evidence that income inequality kills, moves by governments to lower real minimum wages, cut welfare benefits and undermine social provision of housing, health care and education are, to put it mildly, irresponsible. Yet all of these are at the heart of the neo-liberal project. Effects on standards of health are rarely taken into account when legislation is proposed which points to the dismantling of social security provision, the reduction of protection of employees in the workplace, or the running down of social housing.

Governments tend to respond to the publication of damning figures (often, as in the British example, by their own medical civil servants) with a pretence that all that is needed is more information. A few campaigns to get people to eat more fruit, more restrictions on tobacco advertising, or a stepping up of the promotion of breast cancer screening and all will be well. Research confirms, however, what common sense would suggest: the people most in need of information are also those least likely to encounter it, or to heed its advice. Poverty breeds a sense of hopelessness, of futility, a lack of interest in the long-term consequences of immediate behaviour.

Governments that are serious about reducing health and life expectancy differentials need to look

less to advertising and more to serious preventative medicine. Such a policy would, in the long term, pay for itself by reducing pressure on the medical services. Unfortunately, governments capable of seeing this are rare. Internationally a pattern is discernible which is directly connected to the rise of neoliberalism: cuts in health care provision, increases in charges, and the introduction of the principles of the market economy into the sphere of health care.

Insecurity, education and civil rights

Poorer people are threatened not only by ill health but by a range of things which undermine their personal security. A study conducted in Rotterdam in 1995 confirms this. In the lower-income areas a range of factors such as high unemployment, poverty itself and drug-dealing have combined to produce a high rate of residential turnover and little social cohesion. Poorer areas are far less secure than richer ones. There were three to six times as many burglaries in the poorest areas than in the richest, five times the rate of car-related crime, two to four times the rate of violent crime and twice as many non-violent crimes against the person.

These raw figures describe only a small part of the reality of the situation. Crime breeds a host of related problems people are forced to deal with in their everyday lives. Yet, in the poorest areas there are as many people as there are anywhere else who try to bring their children up as best they can. But what are their prospects? Schools in such areas are unlikely to be able to offer an education as good as that found in those in better-off areas. As one study conducted in Nijmegen concluded, "Education, even at the level of the primary school, remains a social privilege." Anyone with any common sense is of course already fully aware of this; yet at the official level it is rarely recognised.

And the problem is growing. Increasing segregation on the basis of both income and ethnic origin is fuelling a growing gap between the results achieved by schools in the poorest and richest areas. There are now primary schools in the Netherlands in which 80% of the pupils are the children of immigrants whose first language is not Dutch. The creation of ghetto's makes it impossible for these children to learn the language in which later they will have to seek employment, it makes it impossible for them to make friends with children of non-immigrant families. From the earliest age government policies are working against these children's interests rather than offering them the support they need.

The problems of poverty are being further exacerbated by the withdrawal of the state from any responsibility for housing. Deregulation, the failure to build new publicly-owned dwellings, under investment in and the selling-off of those which already exist, in short the casting of the unfortunate tenant into the shark-infested waters of the free market, have all led to rising rents, deteriorating living conditions and widespread homelessness. The evidence for this can be seen on the streets of virtually every major city in Europe.

The decline of public provision also leads to deterioration in the quality of what is available in the private sector and in the behaviour of those who own it. Bad housing means that the poor man or woman who spends long days in unpleasant working conditions, the child whose school is run-down and depressing, the victim of unemployment or sickness, the retired worker on an inadequate pension, can take no comfort even from their own home. Damp, draughty and dilapidated, it contributes to ill health and depression, makes studying difficult even for those children who retain the motivation to self-improvement, and undermines family life.

"Poverty is the fault of the poor"

The minimum income in European Union member states, that is to say the level at which unemployment and comparable benefits are set, is invariably too low to enable its recipients to avoid social exclusion. Anyone who has spent any length of time depending upon such benefits, or is familiar with the daily lives
of those who must do so, will surely lend support to this conclusion. In most, moreover, the minimum wage and the level of benefits are linked, and the real purchasing power of both has

declined substantially over the last fifteen years. In the Netherlands the decline has been three percent, but this has to be set against the fact that, because other groups have seen their incomes increase, the relative position of the poorest has deteriorated. This pattern is repeated elsewhere. In the UK, to take another, admittedly extreme example, only the incomes of the bottom fifth of the population have experienced a reduction. The result, however, is that almost a third of British children now live in poverty. In every country, the effective reduction of minimum wages and benefits has been a major cause of the emiseration and marginalisation of a section of the population that had already been living close to the edge.

Governments, of whatever colour, have been unable to ignore the spread of poverty. The Dutch Purple Coalition was goaded into action by the Queen's acknowledgement of the existence of poverty in the Netherlands, but what they were prepared to do about it was another matter. Firstly, of course, they had to produce a report, which appeared under the title De Arme Kant van Nederland (The Poor Side of the Netherlands).

The report's principal premise is that the causes of poverty must be sought primarily in the characteristics of the poor themselves. In its own words, "The probability of an individual's being poor is connected with the person's own attributes: family situation, the social group to which he or she belongs, the labour market." Read on and you will come across other, sometimes, contradictory concepts such as "personal setbacks", "social-psychological factors", "the complexity of regulations" and "people's skills and abilities". Yet the core of the message remains. The individual in question is the problem; as for structural causes, there is not a word on these in the whole report. The victim is also the principal culprit: the poor cause their own poverty.

In other areas of policy the government has no problem identifying underlying causes. They were prepared, for instance, to refer to the "structural need" for huge tax reductions to be given to business. It is also worth noting that the billions given to trade and industry were handed over with no strings attached, such as a condition that firms benefiting create new jobs. On the other hand, the policy statement of the Kok government in relation to poverty was so many empty words: there would be no rise in the legal minimum wage or in benefits, no action against the rising cost of housing, no measures to prevent huge increases in local taxes.

This attitude to poverty is, needless to say, not confined to the government of the Netherlands. It is shown in many parts of Europe by making scapegoats of the poor through such means as high-profile campaigns against benefit fraud. These campaigns have several features in common. They exaggerate the extent of the problem, distort its nature, and serve, as well as making people suspicious of those who are unemployed or too ill to work, to distract attention away from much more serious and costly problems such as tax evasion and corporate fraud of the public finances. As a recent report conducted by the Industrial Insurance Administration in Amsterdam concluded:

> The impression that calculating, half-criminal individuals commit this sort of benefit fraud is in many cases unjust. It is generally perpetrated by people from socially and economically weak and vulnerable groups, people who employ a number of strategies to keep their heads above water. Getting into debt is one such strategy. When this no longer works, benefit fraud can be the next step.
> "Debt Drives People to Fraud" Trouw, 3.4.96

Far from fraud being the major problem, the real scandal is the low take-up of available benefits, a phenomenon that in many countries makes a significant contribution to poverty and derives from a complex of factors. For instance the unnecessary complexity of the system, the lengthy and humiliating process to which claimants are often subjected, deliberately limited publicity, and the persistence of an attitude which sees state benefits as a form of charity.

As little as ten years ago, if you walked through the centre of any major town of Western Europe, the sight of a homeless person rummaging in a bin for something to eat would have been unusual and disturbing. This sight, once familiar to us only through television reports of New York City's streets, is now commonplace. London once had perhaps a few hundred people who habitually slept rough, almost all of whom had serious psychological that made them difficult to help. Now,

thousands of people, many of them young and with little to distinguish them from more fortunate members of society, eke out an existence through begging, petty crime, prostitution and ingenuity. Often gathered around the most famous of tourist attractions, they were described by one Tory minister as "the people one steps over when one is leaving the opera."

There is much talk these days, and not all of it from the left of the political spectrum, of the need to defend the `European' social model from that produced by America's unrestrained market system. Walk around our streets and you might ask yourself whether that is all it is: talk. Every year in the Netherlands, France, Belgium, Germany and Britain – even the last of which once exhibited most features of this `European' model of softer, kinder capitalism – the number of homeless people is growing with frightening rapidity. More and more children eat, sleep and live on the street. What is to blame? Apathy? A lack of concern? Or is it perhaps some upside-down idea of personal freedom that insists that "even the homeless person – albeit a child, or someone in need of psychiatric help – must be allowed to be himself."

All of these developments are the direct result of a policy that takes no account of people, but only of macro-economic statistics. Where the welfare state and social security once sought to address every problem `from the cradle to the grave', now these achievements of social democracy are gradually disappearing and the true characteristics of capitalism, in all their ugliness, are being revealed. The biggest mistake would be to think that things can not get any worse. If the neoliberal consensus is not broken, we face an Americanisation which will go much further than almost anyone believes is possible.

The elite look after their own

It is important that we do not allow the impoverishment of one section of the population to prevent us from noticing the enrichment of another section. The `European model' and the `Rhineland capitalism' upon which it is based, were designed, in part, to respond to popular pressure to reduce social inequality. This has, of course, varied in its impact from one country to another. In the Netherlands and Scandinavia, people have shown a strong aversion to the existence of enormous differences between rich and poor. At the other extreme stands Britain, but even there, surveys have repeatedly shown healthy majorities in favour of re-distributive taxation and the continued existence of the welfare state. (It is worth remembering, on this point, that only the first-past-the-post electoral system allowed Mrs Thatcher to command a parliamentary majority. Around 60% of the electorate consistently voted against Thatcher and Major until the latter's fall from grace in 1997, and the Conservatives were forced to modify severely their original plans to dismantle the National Health Service.) Despite this, in every western European country the gap between rich and poor grew during the '80s and early '90s.

In the Netherlands, people on the minimum income level fell behind by almost 20% in relation to those on the average income. The average wealth of the poorer 50% of households was less than £400, a figure that includes the 900,000 households that have more debts than savings. In Germany, almost 10% of the population is classed as poor, and the rate of poverty is growing most rapidly amongst large families and older people. In the UK the rate is nearly twice this, with over 10 million people classed as poor, a majority of them children.

Taking the European Union as a whole, the picture is bleak. In a recent speech to the European Anti-Poverty Network, Philip Ryan, a member of the cabinet of Padraig Flynn, European Commissioner for Social Affairs, said:

> Those of us gathered here today would tend to see the European Union as a powerful, rich and advanced society in global terms. One is tempted to say that, in comparison with the developing countries, we do not have a poverty or social exclusion problem. But such complacency would be misplaced. Poverty and social exclusion have increased perceptibility over the last ten years. An ominous trend towards a divided society has begun to gather momentum in many cities and regions of the Union. There is a real danger of social disintegration on the scale that has been seen in certain cities in

> the US, if determined action is not taken (...) about 52 million people of the Union are poor (...) every day in the Union, summer and winter, over one million people are living on the streets and dependent on public and voluntary services for shelter.
> Philip Ryan, speech to EAPN, 17.10.96

The rich have fared very differently. In the Netherlands, the number of guilder millionaires, people with a total wealth of over £350,000, rose from 35,000 in 1986 to 51,000 in 1991. By two years later it had very nearly doubled, to 101,000, and their average wealth totalled around twice the qualifying minimum – around £700,000.

Things, as usual, are worse in Britain. Even in the heady egalitarian days of the 1970s a radical theatre group was able to call itself 7:84, drawing attention to the fact that 7% of the population owned 84% of the country's wealth. Today, after eighteen years of the transfer of wealth from poor to rich under successive Conservative governments, the name would be long out of date. Yet the new Labour Prime Minister, Tony Blair, praises Margaret Thatcher for the "invigorating" effect which she had on the nation.

It is, of course, the United States that leads the way in social inequality. Calculated in 1990 dollars, America's GDP has grown by $2,000 billion in the past twenty years. During the same period poverty also grew. In 1994 more than 39 million Americans, over 15% of the population, lived below the poverty line, the highest number since 1961. Thanks to the American liberal dynamic it was first and foremost the rich who benefited from economic growth. The total income of people who earn more than a million dollars per year grew during the 1980s by a cool 2,148%

In western Europe it is, unsurprisingly, difficult to find supporters of neoliberalism who admit to being in favour of such extremes of wealth and poverty. Yet, whilst they busily deny any such intention, the old, egalitarian consensus is being rapidly eroded. Everywhere, top rates of taxation are being cut. Tax evasion by the rich is increasingly tolerated. Effective corporate taxes stand overall at around half the levels of the early '80s. Astronomical salaries are paid to senior management whilst workers further down the heap are `downsized'. In 1995 salaries of top personnel in Dutch companies rose by twice the rate of that for the overall population, a differential exceeded only by the UK. In the decade up to 1995 it was commonplace for directors' pay to triple, as it did at NMB Postbank, or quadruple, as at DSM Chemicals. The place to be, however, was PolyGram, which has the distinction of paying its directors six times as much in 1995 as they received in 1985, a year in which few of the company's senior personnel were reported as in noticeable need.

Wage restraint does not create jobs

Of course, while the fat cats get the cream, the rest of us are told that we must moderate our wage demands, lose established fringe benefits and even take actual pay cuts, all in the name of `competitiveness'. According to neoliberal economic theory, wage restraint is good for competitiveness and competitiveness is good for employment. Because long-term unemployment is seen as the most important cause of growing poverty and because it is, above all, people at the lower end of the labour market who are threatened by unemployment, there is growing support for reductions in or abolition of minimum wages.

Given that so much rests on it, it is reasonable to ask whether this theory is borne out in practice. In 1996, the Organisation for Economic Cooperation and Development, which comprises twenty-six of the world's most developed economies, published its annual report on employment. Its conclusion was that the theory was at best open to question. It was highly doubtful that the lowering of the minimum wage and welfare benefits had any effect "on the overall work opportunities for less-educated people and those without work experience." Coming from the OECD, generally a bulwark of liberal thinking, this was an extraordinary statement.

Of course, it is undeniable that Reaganomics succeeded in creating many new jobs in the United States, and that this was achieved because, when the power of trade unions was broken, employers could drastically lower wages. Average male hourly earnings in the United States have not risen

since 1971. This is the first generation of Americans since the Revolution of 1776 whose typical members will not be better off than were their mothers and fathers, and, moreover, which surveys show does not expect its own children to have a better life. Because welfare support in America is inadequate, and because such provision as does exist was greatly eroded by that same Reaganomics, people were indeed forced to accept badly paid work. As a consequence, almost a fifth of jobs in the US are now rewarded at rates below the poverty line. Certainly unemployment has fallen, but social divisions have grown steadily and the phenomenon of the `working poor' has made its entrance. Even President Clinton's ex-Secretary of State for Labour, Robert D.Reich, regards this development with an anxious eye, as he explained in an article in the Dutch newspaper NRC Handelsblad:

> It is not much better to work 50 hours per week and just about keep your head above water than it is to work 15 hours and waste away on welfare. Our goal must be to give all our fellow citizens the chance to share in the proceeds of economic change, proceeds that at present benefit only the few.

It is probably this view which led Reich to return to academic life, as there is little sign that the administration he served has any intention of departing from the essential tenets of neoliberal economics. Yet the idea that high wage-costs necessarily stand in the way of a remedy for employment problems is demonstrably a myth. The strong growth of the Dutch and Danish economies, for example, which have been amongst the best performers in recent years, has been achieved primarily through exports, proving that relatively high-wage countries can compete on the international market. The key to this is high productivity, which reduces the unit-cost of labour just as effectively as do wage cuts, and without impoverishing the labour force.

Many countries now face, of course, the problem of persistent high unemployment even in the face of economic growth and the consequent creation of new jobs. The cause of this is not merely that technological advances have enabled production to be increased without a concomitant increase in staffing levels, but that such jobs as have been created have tended to be taken by the large number of newcomers to the labour market. This varies considerably from country to country, but to one degree or another it is a Europe-wide phenomenon. With each recession unemployment becomes higher than it was during the previous slump, and the number of long-term jobless grows. Although temporarily favourable economic conditions may lead to short-term drops in joblessness, the underlying problem of structural unemployment continues to intensify.

Economic growth coupled with concentration of more and more wealth in fewer and fewer hands has also had its effects on demand. Continuing growth has depended on exports, with the domestic market and consumer spending lagging behind. This is the clear consequence of years of wage restraint and deep cuts in public spending. The result is that small and medium-sized companies, which on average are much less likely to be export-oriented than major corporations, have suffered, with damaging implications for the labour market.

The immediate solution would be to give significant increases in income to the poorest members of society, through boosting both the minimum wage and state benefits. This would bring two advantages: firstly, growing poverty would be confronted at the structural level, and stimulating domestic spending would encourage employment. The people who would benefit from this increase are those who spend a disproportionate share of their income on essentials, fewer of which are imported. They would not, in any case, be putting their extra money into a Swiss bank account. The increase could be paid for by a raising of corporate taxes, which continue to fall at a time when profits are at record levels.

Chapter 5

The assault of the market

> In a society in which, little by little, everything is being put up for sale, even health care is being given over to the marketing men and soon suffering itself will be sold as if it were "just another bit of fun". – John Jansen van Galen
> Alles is te Koop (Everything Must Go)

No-one knows who first dreamed it up, but some time in the late 1980s a number of politicians began to speak in terms of *BV Nederland, UK plc, USA inc*, and so on. To talk about a country as if it is a firm of course suits neoliberal ideology perfectly. If every political decision eventually comes down to a discussion about money, and if the struggle to maximise profits is raised to a point where it is seen as the single, almost holy goal of all human activity, then it makes perfect sense to talk about a nation as if it were an enterprise. The founding fathers of both liberalism and social democracy would surely turn in their graves if they could hear such talk, but it is one of the distinguishing features of neoliberalism that it pays no attention to its ancestry. History has come to an end, the world is one big market with neither past nor future. The only thing that counts is the present.

Of course, every right-thinking person understands that a country, with its history, its culture, the great diversity of the people who live, work and play within its borders, is infinitely more than a profit-making corporation. If the Netherlands were a company, for example, then its current senior managers, the Purple Coalition, would long ago have been shown the door by its shareholders for their energetic pursuit of the process set in motion by their predecessors, the sale of communal property to the private sector. The post, railway, local public transport, all must be privatised in the name (as it is called in the supposedly neutral jargon prevailing in The Hague) of a "slimming down of the state".

In reality, privatisation, which has become an unchallengeable creed throughout much of the world, is an ideologically inspired shift of property to the private market. Nothing is spared, with even basic services such as social security made into objects of profit. Privatisation is a process through which the state becomes increasingly powerless, able to exert ever less influence on the quantity and quality of essential services, abandoning its role as social driving force. This is not only bad government, in the long term it isn't even good business.

The negative attitude of neoliberal politicians to the state's capabilities and their pleading for the introduction of the market system to ever more areas of policy – even those which have traditionally been the province of the state – is first and foremost short sighted. These politicians fail to appreciate that the state expanded in the first place precisely because people believed that there were many things which could be done better, more quickly and more cheaply if they were done together, rather than everyone fighting for their own interests. In addition, the state is able to take account of the long term and can, in the general interest, act out of an awareness of the broader context. To take a simple example, a person whose interest in the disposal of chemical waste is motivated by profit is more likely to be tempted to cut corners than one whose prime duty is to dispose of it in a socially responsible fashion. The question which all of the currently fashionable anti-state rhetoric raises is this: if a democratic state is legitimised through elections, what precisely is wrong with its performing the function of guardian of the general interest (both past and future) as well as of individual rights?

Once again, health care provides the best illustration of the folly and irresponsibility of believing that the market is invariably the best basis for the organisation of any system, whatever its purpose. In country after country, to one extent or another, under the guise of encouraging `personal responsibility', more and more aspects of our social organisation, which were until recently addressed collectively, are now given over to the individual. While many Americans come to Europe to see for themselves the socialised systems of health care which were constructed after the

war, European governments are looking increasingly to the United States to see how these same systems might be dismantled.

The problem to which neoliberal critics of collective health care provision invariably point is that, as a result of both the ageing of the population and the introduction of new techniques, costs are rising. Yet is this necessarily a bad thing? Surely it would be bad only if the additional money were being thrown away or used inefficiently. If that is happening, then of course it must be dealt with; but that is not, in fact, what the neoliberals are trying to do. Their goal is simply to reduce costs, whatever damage may be done to the system; and spending targets are increasingly fixed with no regard for either structural or temporary increases in needs. The British Labour Party even pledged to stay within Conservative spending targets for the National Health Service, before it had had the chance to study the relationship between needs and available resources. And despite the fact that the Tories themselves had declared that their figures were guidelines rather than unbreachable limits.

The results of such attitudes, which are reproduced internationally, are clear. In the socialised or predominantly socialised health care systems of Scandinavia, the Netherlands, Germany, France, Italy, Belgium, the UK, Canada, Australia and many other countries the same complaints are heard. Lengthening queues for vital operations, introduction of or increase in point-of-service charges; specialists forced to substitute inferior materials for those which their professional judgement tells them are more suitable; doctors, nurses and ancillary staff working dangerously long hours. Such `savings' have almost invariably to be paid for later: cheap artificial hips are in use which have to be replaced after five years instead of ten, expensive equipment is left idle in empty operating theatres while waiting lists grow and people suffer unnecessary pain and even death. In 1995 ninety people in the Netherlands died from cardiovascular diseases because they were not treated quickly enough. A dramatic figure but one which is merely the tip of an iceberg made up of hundreds of thousands of people in many different countries who suffer deteriorating eyesight, persistent toothache, backache and a host of complaints ranging from the merely irritating to the potentially deadly. And all because the health care system into which they pay each month is increasingly under-equipped. The neoliberal answer, even in the face of this, is `less state, more market' – in other words: no more money for care, and the introduction of the market system.

Yet is there any evidence that such a move would make health care any cheaper? On the contrary, the evidence points so clearly to the opposite conclusion that the argument can be dismissed. The Americans spend 14% of their Gross Domestic Product on health care, the Netherlands 9%. Despite this, one in every four Americans is underinsured or even completely uninsured and thus cut off from the most basic provision. Many health insurance schemes are linked to people's jobs: become unemployed and you lose your rights.

So how do Americans manage to spend so much money on such a wretched system? Firstly, because healthcare is not inadequate for everyone. The rich can afford enormous luxuries, a fact which is as true when they are ill as it is when they are well. Their hospitals are veritable five-star hotels in which patients are looked after in minute detail, their every whim pandered to. From face lifts to breast enlargement, to a range of treatments for which no medical need exists, nothing in the land of unlimited opportunities is too crazy, provided you can pay.

Another factor is the enormous bureaucracy the system of private health care brings in its wake. Following an operation you can expect a bill from the surgeon, another for the hire of the operating theatre, another from the test laboratory, still more for food and nursing care, all of which you have to pay yourself before lodging a claim with your insurers. The insurance company will then query and negotiate each bill separately before it is persuaded that nothing is overpriced. The bureaucracy that all of this requires costs enormous amounts of money, money which is therefore unavailable to be spent on care. Disputes between insured and insurer are common, sometimes involving lengthy hearings, hearings that must also of course be paid for. Nor does it stop there. Because patients have to pay so much for medical services, they want quality. If it hasn't quite reached the point where people expect to demand eternal life, it requires only the slightest problem to send the patient scuttling towards the judge to demand compensation. The number of actions against hospitals and doctors has grown by a factor of 300 over the last twenty years. The exorbitant sums which are

sometimes paid out as compensation and damages to plaintiffs have led to a situation where all doctors are obliged to insure themselves against this risk. Premiums can amount to as much as $50,000 a year, a sum which is obviously passed on to the patient.
All of this results directly from the shunning of a general, collective system of health care in favour of one that is owned and controlled by commercial interests. We must ask ourselves whether this is what we really want in Europe. Of course, there are no important western European politicians who openly propose the replacement of socialised provision with an American-style system. Yet the introduction of market principles into ever more areas is leading inexorably to precisely such a development. As public services deteriorate through under-funding, people begin to lose confidence in the system. Those who can afford it look to private insurance, private clinics, and treatments which can only be bought, or which can be had more speedily, because they are no longer available or are in short supply within the public system.
A good, properly-financed and efficient system of socialised health care in which everyone, rich or poor, can have confidence, engenders a sense of social solidarity and underwrites a healthy society. One which is incomplete, insufficient and unreliable leads to cynicism, a loss of confidence, resignation on the part of the poor and a search for alternatives by the rich. In the UK, private health care has had limited impact because middle-class people with a high standard of education have generally compared what it offers in terms of value-for-money with the publicly funded NHS. As the problems of the NHS grow, however, more and more are likely to change their minds. It is now commonplace for hospitals to hold fund-raising events not, as they have always done, to provide extra comforts for long-stay patients or toys for the children's wards, but merely to cover the cost of basic necessities. Sponsorship is also spreading, so that a new facility is less likely to be named after the royal personage who officially opened it than the supermarket billionaire who part-financed its building. In the Netherlands sponsorship is also becoming the norm, and private clinics are springing up. The pattern is repeated to varying degrees elsewhere, and it is one that threatens the continued existence of socialised medicine.
Collective provision can only continue at a high standard if the whole society can be seen to benefit from it: take better-off people out of the equation and you will be left with an under-funded, unloved, stigmatised ghetto for those who can't afford to go anywhere else. This can be clearly seen in America, with its Medicare for the old and Medicaid for the poor (both of which are hopelessly inadequate forms of assistance) and its religious and charitable `public' hospitals.
The most tragic aspect of this situation is its sheer irrationality. The American approach is both more expensive and socially divisive. Following logically from the idea that every individual is of equal worth, and given the fact that we are all vulnerable to illness and therefore that it clearly makes sense to share the risk, the inevitable conclusion is that what is needed is a collective arrangement. One in which (a) everyone can claim a right to necessary care which (b) is paid for by the state and for which (c) the state can demand a contribution from the citizen, in the form of taxation or social insurance premiums, concomitant with his or her ability to pay.
A common objection to such a system is that it fails to regulate costs. There are two possible answers to this: if the cost-increase is the consequence of demographic change and of new techniques in medical science, there is no reason to regard it as a problem, as all research indicates that people are happy to pay more for better care. If the rise can be blamed on wastefulness, then we must do something about it. One immediately effective measure would be to stop payments to surgeons based on the number of operations they perform. Separate the remuneration of all doctors and other health care workers entirely from the type and number of cases with which they deal or the treatments they offer, and make all of them salaried – a normal salary for a normal working week.

The irresistible rise of quangos

What goes for healthcare is also true for all the areas in which the state has traditionally played a leading role: from housing to social security, from consumer protection to public transport, everything is being given over to the market. In the Netherlands, former state-owned enterprises and

services, such as the railway and post office, have become fully independent, with the former already listed on the stock exchange and making big profits while the latter waits in line for its turn. In the UK, every significant state-owned enterprise, with the sole exception of the post office, has been sold off, with disastrous consequences. Internationally, telecommunications systems are being farmed out to the private sector by governments who refuse to examine alternative means of raising the finance needed to keep up with the rapid pace of technological change.

It was in Britain that the term quango – 'Quasi-Autonomous Non-Governmental Organisation' – was born. Ironically, it was first used by Conservatives in their attacks on the `socialist bureaucracies' which had supposedly flourished under the Labour government of the 1970s, but it soon came to be seen as the perfect description of the type of organisation favoured by Thatcherism. Characteristic of such bodies is that they are controlled by government appointees either from the political sphere, major corporations, or international publicity and consultancy firms such as Coopers and Lybrand or the Boer and Croon Group. They often take decisions that were until recently the responsibility of democratically-elected authorities or at least bodies which were answerable to such. Rarely is even a semblance of an effort made to render them in any sense representative. Thatcherism and its sisters in other countries have made the token trade unionist, the token woman and even the well-meaning clergyman a thing of the past. QUANGOS are an important part of the market economy, and must be controlled by those who both understand and approve of its workings. The very top positions are generally taken by those who have used the knowledge gained in public life to pursue a second career in private consultancy and whose connections and inside knowledge guarantee them dazzling sums in payment for their labours.

That is the `beauty' of the market economy: for everyone who does not belong to the élite, the iron rule of the market dictates that wages must not get too high or working hours too short, because the competition is murderous. Yet for the élite the rules are precisely the opposite. Salaries must be high, because elsewhere they can earn more. If you want quality at the top you must dig deep in your pocket. The fact that your pockets almost without exception have been filled from the public purse, with money that comes from the taxpayer, is no hindrance.

This, of course, further contributes to the citizen's mistrust and helps to bring politics into disrepute. Yet the market knows no morality, and because of this, the neoliberals say, it is completely childish to attack it. Publicly question the honoraria paid to all these consultants and you will be viewed with contempt. As the headhunters who operate on this circuit say, "There's no use whining about that, it's just the price you have to pay these days for quality."

It is reasonable to ask if this is true. What in fact happens, time and again, is that ex-ministers and senior civil servants peddle information that they came by in the public service and which any reasonable code of ethics would indicate should not be used for private gain. Yet ignorance or deliberate flouting of such elementary morality is the logical conclusion of the invasion of every area of life by market forces. If the ex-mayors of Amsterdam and Groningen can be hired as advisers at almost £2,000 a day. If the ex-chairman of the Dutch Liberal Party (VVD) can be paid £5,000 a day for attending five or six meetings a year. If a D66 minister can hire a former PvdA campaign director for several thousand pounds a day in order to improve her image. If British MPs can charge £1,000 to ask parliamentary questions and not be expelled from Parliament. And if Euro-MPs can refuse to accept a rule which would have forced them to declare gifts worth above £800 on the grounds that such a figure is so low that it would include things of no significance. Then why pretend that there is still any division between government and the market? As former Dutch Labour leader Thijs Wöltgens put it in his book *De Nee Zeggers* (The Nay Sayers):

> If market-thinking rules the state, then there is no longer any reason for the state to be set aside from the market. So the state is for sale, and the result is that what was once called corruption is now ordinary commerce.

The great public transport sale

In the last few years thousands of litres of printers' ink have been expended in describing the

harmful consequences of the privatisation of public transport in the Netherlands. Since our railway system blazed the trail, ever more ticket-sellers have seen their jobs threatened by automation and more and more small communities have lost their rail services. Only if the state is prepared to compensate NS (the railroad company) for its losses is NS prepared to allow trains to continue to run. The more recent privatisation of British Rail is having similar consequences: such rural services as survived the already savage rationalisations of the '60s and '80s are once again under threat. In Britain, furthermore, matters have been made worse by the selling off of rights to run services to inexperienced and in some cases cowboy operators. Chaos has become the order of the day, as it did amongst local bus services when these were deregulated in the mid-eighties. Even the arch-advocate of privatisation, the Financial Times, admitted that there were "signs that the new entrants to the industry (...) do not know how to run a railway."

Despite the problems encountered by NS and BR, rail privatisation continues to attract new countries to its banner. This is because, as German MP and transport expert Winfried Wolf has argued, "it is not a matter of substantive arguments but of ideological demands – behind which are the very real interests of the motor industry." In Germany, because of the need for a constitutional change that would have required more than a simple parliamentary majority, the main social democratic opposition, the SPD, could have stopped privatisation, but the party dropped its opposition to it in 1992. Italy, despite its centre-left government, seems likely to be next in line, followed, possibly, by France. In Austria and Switzerland, changes in the relationship between the nationalised railway networks and the state, as well as reforms to the internal structures of the railways, are clearly designed to pave the way for full privatisation. In the Czech Republic, the rail system was split up in 1995 and franchises sold to private companies. In Sweden, infrastructure and services were divided in 1988, and some services sold off to the private sector; in Canada the railway system has been broken up into a mainline network and a system of feeder lines: the plan is to sell off most railway property and close unprofitable lines. In New Zealand the rail network was sold off, lock, stock and barrel to an American consortium.

The closure of unprofitable lines and reduction of services on others stands in stark contrast to the enormous investment planned by European governments in high-speed train (HST) lines. Encouraged by European Union policies which are in turn controlled by big corporations, car manufacturers and road haulage companies, state authorities from Spain to Sweden are besotted by huge infrastructure projects such as our own Betuwelijn and the Amsterdam-Paris HST line. The latter, only cutting 45 minutes off the journey, costs a total of over £2.5 billion to build.

The EU's objective is an HST network of around 70,000 kilometres by 2035. A number of priority links, all of them, with the exception of two lines in Spain, concentrated in the already infrastructure-rich region of Northern Italy-Germany-France-Benelux, are supposed to be completed by 2010. These will be built despite the existence of an alternative HST technology, based on tilting trains, which can employ existing lines. As Winfried Wolf put it, "The high speed trains need new lines that integrate either poorly or not at all into existing networks...The introduction of HSTs leads to the closure of local and regional lines."

The development of HSTs, coupled with the run-down of regional services, will accelerate urban concentration by favouring some, larger, cities over other cities, smaller towns and rural areas, with far-reaching, unpredictable and almost certainly malign social consequences. The huge cost of the HSTs and their inherent unprofitability will, to quote Winfried Wolf again, "divert necessary investment away from where it is needed more":

> In 1995 the cost of Trans-European Network projects listed above, due for completion by 2010, was estimated at 72 billion ECU (about £50 billion). Between 1995 and 1999, 26 billion ECU (...) will be invested in these projects. According to estimates (...) up to 600 billion ECU will be invested in the 70,000 kilometres new high-speed lines (...) If a similar amount were to be invested in the existing networks and in the traditional technology (including the tilting technology), then the effect on rail transport, distances travelled and passengers carried, would be ten times greater.

Everywhere, passenger numbers are in decline, largely through the effects of privatisation or the structural changes that invariably precede it. At the time of the launch of the Netherlands' ambitious plan "Rail 21", NS calculated that the number of kilometres travelled by rail users would double between 1990 and 2010. This figure was used to justify a demand for a total investment of £4bn in new infrastructure and equipment. Since then the number of kilometres travelled has actually fallen, and the director of NS has let it be known that, as a result of privatisation, it would fall even further, so that far from having doubled by 2010 it will merely have returned to the 1990 level. The message is clear: if you want to run a railway as a thriving, market-oriented enterprise then its function as a public utility must suffer; but then this was always clear: it is why railways were almost universally taken into public ownership in the first place.

The same story can be told in the case of local public transport, though here the case against privatisation or deregulation is even stronger. In Britain the number of passengers declined in the nine years following deregulation of local bus services outside London by over 27%, while fares rose by 25%. If, compared to the UK, the system in the Netherlands has retained a degree of integration, plans are afoot which would bring this to an end. Piecemeal sell-offs, and the introduction of a "competitor" for NS in the Amsterdam region are the next steps. Of course, the alternative as far as the railway system is concerned is to allow NS to continue as a private monopoly, giving it dictatorial powers to increase fares. Because there is `no alternative' to privatisation, just as there is `no alternative' to the market system, passengers will soon be obliged to find their way through a labyrinth of small lines and timetables.

In addition to deteriorating service provision, working conditions are also worsening rapidly. The pressure of work on drivers, ticket collectors and maintenance workers has grown enormously over the last few years. Bus drivers are forced to drive for longer hours on irregular services, with damaging effects on their health. Train drivers have to cover the same routes more frequently and for longer periods, making their work dull and monotonous; and the number of accidents amongst line maintenance workers is rising due to poor coördination between independent NS subsidiaries.

The results of privatisation internationally are always the same: falling passenger numbers, lost jobs, greater dependence on cars. Over 3,000 kilometres of rail line were lost in Japan as a direct consequence of privatisation, while the car's share of motorised travel rose between 1975 and 1991 from just over a third to well over half. In roughly the same period the motorway network in Western Europe grew from 14,560 kilometres to 36,000 kilometres while the rail network declined by a total of 10,000 kilometres.

It is clear that a belief in the market, and the privatisation of public transports that is its consequence, do not bring us any closer to a solution to the problem of mobility. On the contrary, they stand in the way of progress towards such a solution. As a result of its demands, employment will suffer and more people will become sick and unfit for work. It is hard to find anyone who contradicts this analysis, but neoliberal dogmas forbid privatisation to be made conditional on its consequences. And of course, when they have finished with transport, the high priests of privatisation have no choice but to turn their attention to other basic services.

The market in gas, water and light

The consequences of privatisation and the introduction of the market economy into the energy sector can be seen, once again, in the United States and Britain. During the dry summer of 1995 the supply of drinking water to a large part of England was under threat. Hose bans and regulations limiting car washing were the order of the day.

The most important cause of the water shortage was of course the weather, but the problems were exacerbated by the fact that the privatised water companies proved inadequate to the task. As an inhabitant of Wrose in Yorkshire put it, "After privatisation the bosses gave themselves a handsome pay rise and then laid off loads of workers, so now they've got no-one to repair the leaks." Yorkshire Water was forced to admit that 26% of its water was being lost somewhere in the pipeline. Another private supplier, Northwest Water, estimated the loss at 33%. The regulatory authority OFWAT established that the problems surrounding the dry summer were to an important

degree the firms' own fault. As a spokeswoman explained, "They found themselves in a situation where they didn't really have to be, if they had begun by managing their stocks better."
In America private individuals in many parts of the country have long had the chance to choose between competing electricity suppliers. In nearly all towns the energy supply is in the hands of one or more private firms. In contrast to what the prophets of the market would have us believe, this does not mean that energy is any cheaper. Tariffs for small users are generally higher where supply is in private hands than they are where electricity is a public-owned utility, as it is in Los Angeles. In addition, private firms have a reputation for cutting people off without regard to their circumstances: even in the harshest winter the gas and electricity will be cut off whenever the bill is not paid up, in full and on time, and people have been known to freeze to death as a result.
In conclusion, what I said earlier about public transport also goes for energy. Controlling the supply of energy helps the state to plan for the future. At a time when the waste of energy should be near the top of the political agenda, the privatisation of suppliers and the consequent introduction of the profit motive seem particularly ill-advised. Profit is always dependent on growth, and reduction of energy use is therefore hardly in the interest of a private undertaking. The recent European directive which obliges the member states to open, by 1999, a minimum of 22% of their markets to foreign bidders is aimed at giving big users access to (even) cheaper supplies. Because of this, any attempt by national authorities to establish an effective energy-saving policy is doomed to fail.

The nation, plc, does not exist

Privatisation, as is often said, deprives the state of the freedom to make coördinated and balanced decisions and therefore to influence the development of society in a desirable direction. For neoliberals, of course, this is precisely the point: should politics be about giving direction, or is it better to leave everything to the balance of market forces, shunning intervention by the state?
I believe that only one conclusion can be drawn from the facts that I have presented above: the state is not a firm, and whoever tries to run it as one will end up frittering away the public interest. Greed, for liberals, is the dominant driving force of humanity. Yet greed – if not kept in check by morals and values and an active state – does not lead to civilisation: it destroys it. If the state is not functioning as it should, then it must be changed, not abolished. There are more than enough people in every country who feel a sense of involvement and solidarity with their fellow beings. They have turned away from the cynical state and its political leaders and are active instead in organisations such as Greenpeace, Amnesty International, or even their local football association or residents' group. These people are not motivated by greed. They are not paid £2000 a day to write a few notes. They have nothing to learn from leaders who speak with disgust about the calculating citizen, but who endow themselves with commissionerships and consultancies.
The political and administrative world must extricate itself from the job-hunters and careerists to become a reflection of the whole society, instead of an élite dazzled by the chimera of the market. Only then will it be able to perform the tasks that should be the responsibility of the state. Providing those things that are necessary for the general good, the control and development of the non-material wealth that every nation possesses in the form of intellectual abilities and cultural riches, the guaranteeing of an honest division of wealth, and the offering of protection to those who need it.

Chapter 6

The unbearable lightness of commerce

> Dear Archie, In what year were the floodlights erected at Ayresome Park?
> Marc Wilkinson, Age 14, Stokesley

Archie replies:
Well, I rang the P.R. department at the club to see if they could help with your query. Unfortunately, the girl who answered didn't know exactly what Ayresome Park was, although she was very keen to "offer me a corporate sponsorship package, tailor made to meet my hospitality needs."
– from Fly Me to the Moon, Middlesbrough supporters' Fanzine.

"Give us back our Ajax!"
– reader's letter in De Volkskrant

In the Spring of 1966, in the Mauritshuis, an art gallery not a stone's throw from the Parliament in The Hague, a major exhibition of Vermeer's paintings attracted visitors from all over the world. the interest in this unique event was so overwhelming that a special system had to be devised to keep people moving, and all in the same direction, so that nobody stood so long in adoration before the canvasses that others would be denied the opportunity to get into the gallery before closing time. As you might guess, a great deal of the money for the exhibition was provided by sponsors, and naturally enough a special opening party was held with a VIP tent and reception, graced by a visit from Her Majesty. The VIPs could therefore look at the pictures at their leisure, before the great unwashed would gain admission.
For some, this wasn't enough. Harry Mens, the multi-millionaire and Liberal Party supporter had, despite his money, recently failed to be elected to Parliament. The next best thing was to hog the show across the road. For the trifling sum of £10,000, Mens hired the whole of the exhibition, VIP tent included, for an entire evening, sending out invitations to his friends and business connections in the Netherlands and abroad. In the shadow of the Parliament he would show its members just what money could buy.
Whether Harry Mens knows the first thing about paintings is not recorded. In the age of neoliberalism it is no longer of any importance whether the guests of honour at an exhibition have any knowledge of art, or even any interest in it: the only thing that counts is the money that they bring in. And as the sponsors and everyone involved in this world knows, modern business won't work without goodwill and the very finest goodwill is that which you can buy. So everybody ends up happy. Well, perhaps not quite everybody.

Hip, hip, hooray for the sponsors

Throughout recorded history art has always, of course, been `sponsored' by the powerful. Roman emperors had themselves immortalised in marble. Italian composer Claudio Monteverdi wrote many of his most important works for the Venetian Doge, while the leaders of the German Reformed Church of his day likewise made J.S.Bach's prodigious output possible. Both the bourgeois revolution of the 17th and 18th Centuries and the industrial revolution which was its consequence created powerful new forces and individuals who in their turn hired artists to underscore their own greatness.
Our own century is no exception to this pattern. Hitler commissioned the architect Albert Speer to design monumental works to embody Nazi supremacy; and no French president has left office without first enriching Paris with some remarkable buildings. In the Netherlands `old rich' families such as the Kröller-Müllers have given handouts to many a poor artist, but the newly powerful have also not been slow to rise to the occasion. Amsterdam's social-democratic administration between the wars had the town beautified by sculptors and architects of the Amsterdam school, while the commune of Hilversum raised urban architect Dudok to international renown. In the '70s, thousands of artists produced hundreds of thousands of paintings and sculptures thanks to the BKR, the artists' section of the welfare state. Across the Atlantic, the visual arts flourished initially, during the Depression, under the sponsorship of the New Deal Works Progress Administration, and later, in the fat years of the 1950s, with the support of big business.

It is therefore only to be expected that the arts in our own time have become dependent on the generous gifts of firms like Robeco or DeltaLloyd in the Netherlands, BBL and Generale de Banque in Belgium, Carlsberg in Denmark or Sainsbury's supermarkets in England. The public contribution to theatre is increasingly, in many countries, of less significance than that of private corporations. In the popular arts, festivals can afford to hire bigger, more expensive bands if, above the site, flags, balloons and giant video screens promote a bank, a soft drink or a brand of trainers. If some ageing hippies are upset when they see David Bowie advertising Pepsi Light, too bad: it's just a typical case of `not keeping up with the times'. The new generation of rock and rollers is happy to drive round in a Volkswagen Golf *Rolling Stone*. And so one well-known brand name helps another well-known brand name to increase its market.
Is all of this quite as innocent as it might appear? Why is it that so many people find all of these brand names which are continually pushed down their throats so annoying? What can be the cause of that thinly veiled popular anger that ignites at the sight of the sponsor's blazered VIP guests making their way to the hospitality tent? Is it all mere misplaced nostalgia for a mythical sponsorless golden age? Or is it perhaps something more reasonable, more important, less easily dismissed?
We are entitled to expect, nay demand from the state that it takes care of our cultural heritage, takes part in the promotion of culture whilst doing nothing to hinder its development, and that it helps to open people to new, unfamiliar things. The extent to which this is dependent on the profits of corporations, on a willingness to invest in art that depends entirely on opportunism, threatens in the short term the intellectual health of the people. Due to these means of finance art and culture are becoming ever more dependent on commerce, offering the government an excuse to withdraw still further from yet another vital area of our social lives. Under these circumstances it has become impossible to devise an integral vision of any long-term development.

The insatiable hunger for more, different, better

When, a few years ago, the Royal Dutch Football Association, decided that henceforward the first division would be called the PTT Telecompetition, surveys showed that around 60% of the population were squarely opposed to any such change. Of course, the name was changed despite this opposition, because what the people want counts for little against the power of money. And so the Netherlands followed the path carved out, predictably enough, by the English Football Association, with its Coca Cola Cup (previously known as the Littlewoods' Cup, previously known as, bizarrely, the Milk Cup) its Freight Rover Trophy, its FA Cup "sponsored by Littlewoods" (the world's oldest football competition being too holy to have to undergo the humiliation of an actual name change) and its Nation-wide League.
People tend to balk at such things when they are first introduced, but they eventually get used to them. Once, however often it changed its name, the (English) Football League Cup was known to all supporters as the "League Cup" pure and simple. Now everyone except a diminishing number of die-hards calls it the Coca Cola Cup, and no-one laughs. In the Netherlands, a few years on from that hostile survey result, it seems that people have become accustomed to their football competition's new name: a clear majority no longer have any objection to the PTT Telecompetition. Time therefore for another step further; bring on the Amstel Cup.
The fact that people come to accept these changes is both an advantage and a disadvantage from the point of view of the sponsors. The point of advertising is to attract attention, and because of this the marketing expert 'creatives' are continually on the lookout for new ways of drawing the consumer's eye to the brand names of their clients' products. If advertisements on players' shirts are scarcely noticed, then bring in moving advertising hoardings that run the length of the field. If these prove annoyingly distracting to spectators, then perhaps the centre circle is an attractive option. In Italy the groundsman mows the sponsor's name into the grass; in England they imprint it on the nets. From seats specially reserved for sponsors in the grandstand, to luxurious executive boxes, there is no limit to the commercialisation of football. In Belgium there is now a special VIP-programme that typifies what is becoming a universal phenomenon. Anderlecht's richer supporters can arrive at

the stadium two hours before the match; they are served lunch, can then watch the game, and afterwards stay on for another hour or so to enjoy a drink accompanied by live music. They arrive before and leave after the ordinary fans.
That sponsors now bring whole plane-loads of personnel to European cup finals; that they can fill entire sections of the stand at important internationals with their clients and suppliers; that they leave whole rows empty at big tennis tournaments because the corporate hospitality tent is more interesting than the first four sets of the five-set final, nobody thinks anything of. If you find the empty seats a sorrowful sight, then you're a romantic and hopelessly out of date.
Then of course there are the media. No happier triangular relationship exists than that between sport, business and television. The sums that this holy trinity is able to generate and to pump around border on the unimaginable. For the rights to the Olympic Games in Atlanta (where the British 100-metre runner Lynford Christie wore contact lenses with the sponsor's logo imprinted on them, which may have been why he was later called out for two false starts) the American station NBC paid $0.5 billion. All that money had to be earned back by the sale of pictures of the games, but more importantly by the sale of advertising time. Calculations assumed an income of twice the outlay.
Of course, all of this money must come, in the end, from the consumer's pocket. Advertising costs are paid for when we buy the product, but things do not stop there. Gradually, major sporting events are being taken off the universally available terrestrial channels and put on to the far more expensive and exclusive cable and satellite services. Moreover, these channels are now beginning to introduce pay-as-you-view, with hefty charges for single sporting events.
Sport is the distorted, funhouse mirror of society. Developments scarcely noticeable in the broader society are blown up to absurd proportions in the world of sport. That's true for things like vandalism and drug use, but it applies above all to sports' finances. The income differences between rich and poor are nowhere so extreme as in sport. Whilst the ordinary player in the lower divisions of top football playing countries will often earn as little as or less than the average industrial wage, internationals at clubs like Arsenal, Milan or Real Madrid earn hundreds of thousands of pounds. Ajax's budget in 1980 was around £2 million. By 1996-97 it was ten times that amount.
The more money dominates, the less willingness there seems to be to allow a portion of it to find its way into the community as a whole. This is true for the top football clubs, who do not like to see too much of the profit from the absurd amounts now paid for TV rights go to their smaller rivals. It is also true of individual sportsmen and women such as tennis player Richard Krajicek, who fled to Monaco just before his taxes fell due. The case that perhaps best illustrates this lack of solidarity, however, is that of the former international star Marco van Basten. In an interview in Italy Van Basten saw fit to make a number of negative remarks about unemployed people in the Netherlands. Dutch people, to summarise the views of the young multi-millionaire, are lazy and lackadaisical. That Van Basten, if he had been a building worker with a bad back rather than a footballer with a dodgy ankle, would have had to live on a basic level of benefit was apparently beyond the power of his imagination.
There's nothing so very strange about this. It is easy to lose sight of reality if, as is so often the case with our top sportsmen and women, you have already by the time you are twenty entered a world where millions are spoken of as if they were hundreds. The world of sport and business allows us to see where the free market leads to whenever it is carried to an extreme. A crazy race for `more, better, different', a race with very few winners and many, many losers, a world of vulgars who must call themselves VIPs, and of fathers of tennis players who hide their beloved daughters' millions from the tax-man.

The commercialisation of school and playground

The commercialisation of sport is nevertheless a relatively innocent phenomenon. Much more serious is the irresistible invasion by business of the world of young children. Children are even more susceptible than are adults to the hidden persuaders of advertising. While most older people are able to resist the ridiculous dictatorship of fashion, children often lack the ability to do so, going

through a period of their lives in which they are inclined to copy the behaviour of others. Most of all they want one thing: to belong. They are often insecure and shy, still seeking their place in the world, their opinions and their future.
It is this uncertainty into which the manufacturers of shoes, clothes, diaries, watches and bags sink their claws. "If you want to fit in at school, if you're going out with friends, then you must buy product X" is the advertisers' hidden message. What is important is not that the children buy the stuff, but the fact that children use branded products as a standard through which they will judge and sometimes condemn each other. Children who haven't got the right trainers, the ones that cost perhaps £100 a pair, don't count. A few years ago in some schools in the Netherlands the term *Zebra-kind* (Zebra-child) was all the rage. The word was made up of the names of the cheap clothes shops, Zeeman and Wibra. *Zebra-kind* was a term of abuse for children whose parents were not prepared to shell out huge sums of money for a shirt with a crocodile on it.
It is this sort of madness that drives many parents to despair. Who wants their children to be teased or bullied at school just because of their clothes? And of course, it isn't just a matter of clothes, or footwear; there are also `game boys', mountain bikes, roller blades and all the rest, toys which are often very expensive and which children can no longer appear in public without – at least if you believe the advertisers.
neoliberal ideology offers no solution to this problem. Indeed, it would like it not to be seen as a problem at all. The market for trainers and toys must be like all other markets, never contracting, always expanding. So ever more areas of life become commercialised, from the cradle to the teenagers' bedroom, from the toddlers' birthday treat to the school party.
The newest business opportunity of all is right there, in the commercialisation of school activities. Isn't it kind of Mars, in exchange for a few flags and posters, to put money into sports days? Could we not give the canteen a nice face-lift if we could only find a sponsor? And why shouldn't we change the name of the school to, for example, Esprit College, if an injection of finance from the eponymous clothes shop is received in exchange?
The possibilities are gigantic and still nowhere near exhausted. Where the state forces schools to survive on smaller and smaller budgets, business stands ready to fill the gaps with every conceivable form of sponsorship. Need computers for your classrooms? We can help. The gym could do with sprucing up? Leave it to us. So, in the Netherlands, we have seen the supermarket chain Albert Heyn sponsoring numerous new canteens, McDonalds paying for badly needed new classrooms, Postbank financing television schools programmes and educational materials distributed by Shell, Lego and Coca-Cola. In 1995 alone, total sponsorship money amounted to £10 million.
Of course, things could be worse. In the United States, that sponsors' Valhalla, a manufacturer of audio-visual materials offered free of charge a large quantity of apparatus for a schools' TV network, provided the school signed a binding contract committing it to accepting two minutes' advertising on the network each day. Around 10,000 schools signed up. The Netherlands is not America; but who would have guessed ten years ago that we would allow sponsorship in our schools at all? If we are unable ourselves to control such things, then we can hardly shake our heads at the example of the United States. What happens there, happens in Europe five years later.
The growing influence of sponsorship in education is a typical example of where the dichotomy between private wealth and public squalor leads. Firms are currently so overflowing with money that they do not know what to do with it, so they invest it in the creation of corporate identity. If schools offer them a chance to reach the (future) target group in an environment which is above suspicion then they are quick to grasp the opportunity. That this contributes to the gap between schools in rich and those in poorer areas, no one seems to mind. In its acceptance of the results of the enormous differences between parental contributions – varying from next to nothing to hundreds of pounds a year – the state has long tolerated such inequality.
University education has also not escaped the malign touch of the long arm of commerce. Increasing amounts of private finance have found their way into the system. `The entrepreneurial university' has taken the place of the university as a free space for thought and study, and academic

freedom is ever more subordinated to the demands of business and industry. Instead of the university producing graduates who can marshal an argument, analyse, and think independently and coherently, what is now on offer is an education for people who want to make a career as quickly as possible and earn a lot of money. Where is the will to elevate people? Where are the intellectuals who are still not afraid to stick their necks out, for whom the search for truth still has some meaning? A nation which no longer has the will to invest in its own intellectual élite is sounding its own death-knell, as it is if it produces an élite which has not the slightest sense of responsibility towards the rest of society.

In 1996 the University of Amsterdam produced a report which concluded that there was "already evident a gradual privatisation of scientific education and research." Far from concluding that it was high time that this process was resisted, the report proposed that academics ought to fill the gaps appeared in university finances by accepting assignments from private corporations. When the University of Nijenrode decided in 1993 to bestow an honorary doctorate on Albert Heyn, the Netherlands' biggest grocer, André Klukhuhn of the State University of Utrecht had this to say:

> The university is becoming ever more a business-minded and rationalised institution in which potentially profitable knowledge is on offer. The time needed for reflection, to read about things that are not directly work-related, to discuss with other students and lecturers, this time is wholly absent, and it is this pure grocer's mentality that threatens wisdom.

Why did Klukhuhn, and a very few others, remain so many voices in the wilderness? Is there really remaining so little feeling of attachment to the independence of science? Who are the universities actually educating? And where is all that engagement and commitment that characterised earlier generations of students throughout the world? Talk of the reduction of study time, higher fees and replacing student grants with loans. All or some of which are currently taking place in most countries of the developed world – have clearly obscured students' vision of what is really essential: reason for the governments which instigated these attacks to be doubly happy.

The twilight of public broadcasting

In 1992 a hitherto important frontier was at last transgressed: for the first time in the Netherlands more than 10 billion guilders – around £3.4 billion was spent on advertising. By 1995 this had risen to almost 12 billion guilders, almost a fifth of which went on TV ads. Spending on this form of `consumer information' continues to climb ever higher. In 1989 144 commercials a day were broadcast. By 1994 the number had reached 726, and the average viewer was seeing 26 advertisements daily.

Of course, compared to many other countries these figures are paltry. The average British viewer of commercial television will see more than 26 ads during the three slots that begin, interrupt and end the average soap or sitcom. US programmes are interrupted so frequently that they come close to revealing the terrible truth. For the broadcasters it is the programmes provide an unwelcome break in the flow of commercials, not vice versa.

Apart from the sheer quantity, the quality is worthy of one or two remarks. Few TV ads in any country exhibit an excess of good taste. Every year they become more crude and brutal, showing less and less respect for the viewer. Meanwhile, the clients and producers themselves have discovered that viewers are growing increasingly irritated by their efforts. Their response has been to advertise advertising, trying to promote the idea that commercials are necessary and beneficial: "How do you think these fine programmes are paid for?"

True enough, programmes are increasingly paid for out of the revenue from advertising. But what else does this mean but that the viewer pays for them? And if it is the viewers that pay, why should they not opt for a truly public broadcasting service? In the UK the venerable BBC feels so threatened by the advance of neoliberalism that it now makes its own ads, promoting the way in which its programmes are produced and financed. A number of clips from leading programmes are

shown with a caption that says that these `unique programmes' are linked to a `unique' system of financing, public funding.
It might be reasonable to ask whether anyone ever asked for all these commercials, whether anyone really enjoys the fact that their children are bombarded with ads specially directed at them. Who in Belgium, for instance, demanded that the state broadcasting system began to carry ads?
The problem is that commercials accept no limits, no other criteria than the answer to the question: will it bring in money? Once again, laissez-faire, laissez-passer is the golden rule. No one dares to turn round and say: enough! This is as far as it will go! Meanwhile, the broadcasting companies increasingly feel the need to adapt their own programmes to the standards set by the commercials. What do you mean, television also has a duty to inform and educate? Viewing figures, that's the criterion, for both broadcasting bosses and the advertisers.
Is this then a plea for élitist television, for programmes in which no one is interested? Not in the least. It is a plea for quality and against the overkill of sentimentalism, the casual vulgarity, the superficiality, hurry and carelessness that characterises so much of the current output.
The American social critic Neil Postman wrote, in 1985, a book about what he termed the 'mind numbing influence of television'. The book, which has since become a standard work, appeared in Dutch under the title *Wij amuseren ons kapot* ('Entertaining Ourselves to Death'). Postman had this to say about American television:

> The average length of a shot on network television is only 3,5 seconds, so that the eye never rests, always has something new to see. Moreover, television offers viewers a variety of subject matters, requires minimal skills to comprehend it, and is largely aimed at emotional gratification (…) American television, in other words is devoted entirely to supplying its audience with entertainment.

Not that Postman has anything against entertainment. On the contrary, he wrote,

> Show business is not entirely without an idea of excellence, but its main business is to please the crowd, and its principal instrument is artifice. If politics is like show business, then the idea is not to pursue excellence, clarity or honesty, but to *appear* as if you are, which is another matter altogether

This also goes for news programmes. He gives the example of the *McNeil-Lehrer Newshour*, describing its approach as follows:

> The consequence is that Americans are "better entertained and less well-informed."

From a survey that was conducted immediately after the so-called Iranian hostage drama – when a large number of US embassy staffers in Tehran were held hostage for several months by supporters of Khomeiny – it appeared that despite the obsessive media attention, less than 1% of the American people knew what language was spoken in Iran, what the word "ayatollah" meant or what religion the Iranians followed. Postman's opinion was that there are three things expected from TV programme-makers: your programmes shall demand no previous knowledge; you shall not make it difficult for the viewer; and you shall avoid thorough explanation like the plague.
Of course, this has far-reaching social consequences. As Postman writes:

> In America the fundamental metaphor for political discourse is the television commercial. The television commercial is the most peculiar and pervasive form of communication to issue forth from the electric plug. An American who has reached the age of forty will have seen well over one million television commercials in his or her lifetime and has close to another million to go before the first Social Security check arrives. We may safely assume therefore that the television commercial has profoundly influenced American habits of thought.

The way in which US presidential elections are conducted confirms what Postman says. Superficiality increasingly wins out over depth, sensationalism over analysis and emotion over sober re-election.
Postman draws an unusually sombre picture, but that is not to say that his message should not be taken as a warning worthy of being heeded. A warning not to give in to the forces whose only use for modern means of communication and information is the pursuit of their own short-sighted financial interests and who take no interest in the human or social consequences of their actions. Charles Groenhuisen and Ad van Liempt warn in their book *Live!* about the "power, the blunders and the opinions of TV news programme makers" which are creating a new division between "an `upper' layer which is informed and an `under' layer which zaps away from information." The latter group gains its information increasingly from `real-life' TV programmes and sensationalist `documentaries'. "But these programmes," Groenhuijsen and Van Liempt write, "do not have informing people as their primary aim. Entertainment and sensation are of prime importance. In itself, there's nothing wrong with that. The danger lies in the mixing of fact and fiction." Journalists become entertainers and news entertainment. Groenhuijsen and Van Liempt, themselves journalists, caution that in the near future this could have major implications for the way people see the world. They write:

> The generation growing up now sees the past and present ever more through the spectacles of television. It is their principal if not their only source of information about the outside world. Reading about politics, culture or history is becoming, amongst ever larger groups of people, a rare activity.

As is so often the case, as far as the media goes we in Europe are adopting American practices. It would be naive to think that this will simply change, certainly given the liberal zeitgeist. We are already offered programmes that allow us to see live coverage of terrible accidents. Too bad, their makers believe, if they get in the way of ambulance personnel and ignore the right to privacy of those involved. Such behaviour is also, of course, likely to have its effects on standards of conduct in the broader society.
The speed at which the commercialisation of the media is proceeding is matched only by the snail-like response of those guardians of the public order, political leaders. No one seems to be exactly burning to find a real solution to the problem. But how could it be otherwise? Anyone wanting to answer the questions the problem raises would at least have to have a clear idea of the state's responsibilities, and it is just such a vision that is missing from government across Europe.
It would, of course, take courage to reform broadcasting. If we were to have, say, two or three public channels, in each country, without advertising, it would not solve all our problems overnight. But such an innovation would place broadcasters in a good position to choose whether to stop adjusting to the standards set by their commercial rivals and return to their roots, or adapt themselves more fully to the commercial milieu and leave the serving of the public interest to others. Such a model would make the true situation transparent and draw a line under what has so far been lost. It offers the last possibility of constructing a dam to hold back the deterioration of the television medium into a kind of intellectual deficiency.

Enslaved by business

Whenever you question the growth of sponsorship and advertising you are likely to hear the same argument, that the many pleasures of modern life would simply be unaffordable without them. This is of course senseless. Only a few years ago every cage in the zoo had its own notice that told you about the way of life and area of distribution of the animals on display. In this way children learned how the Siberian tiger was threatened by extinction, how old a gorilla can grow, and so on. Now other notices have appeared: "These young monkeys were adopted by Kampen Family Butchers"; "This Indian Elephant is sponsored by Kodak." But has entrance to the zoo become cheaper? On the contrary, the price has rocketed.

Similar developments have affected museums, art galleries and theatres. The rooms might now be named after computer-makers, life assurance companies or supermarkets, but despite this the entrance price keeps increasing. Sponsorship has not stopped the Museum of Fine Arts in Brussels or the Victoria and Albert in London from ending their policies of free admission.
Is there perhaps then a noticeable improvement in what's on offer? This is, to say the least, doubtful. Of course there are more mega-exhibitions such as the Vermeer discussed above. Witness the queues outside such events, whether in Paris, Brussels, Amsterdam or London and you will realise that not to have visited the latest of these `vitally important' exhibitions has become social death in certain circles. The recent Paul Delvaux retrospective in Brussels was booked up for several weeks in advance, despite an exorbitant admission price. The excellent and extensive collection of his works which hangs permanently in the same museum and which can be seen for £2 can almost always be viewed in a leisurely fashion in a sparsely-populated gallery. And if more international stars come to the concert hall of your capital or regional centre, then you can be sure that not only will the prices of tickets be prohibitive, but that half of the seats will be taken by the sponsors' guests.
The real reason for commercialisation is clearly then one of ideological choice, a choice against the state and in favour of the market. As a result the whole of our culture, from pop music and sport to paintings and opera, is given over to the laws of the market and thus to a one-dimensional, conformist, commercial banality that we simply, of course, have to tolerate.

Chapter 7

A question of civilisation

> We have lost touch with the village square, as much physically as psychologically. It has been demolished, and pitifully. The state is continually seeking to solve problems, rather than preventing them from arising. They demolish the village square and then complain about the degeneration of society. – M. Huibregtsen

The strongly idealistic line taken by political parties, and especially those of the left, during the 1970s, and the claims that were made as to what kind of society it was possible to build, were bound to provoke a reaction. That reaction came in the 1980s, when the pendulum swung to the other extreme. Instead of the widely accepted values that western European society had to a large extent maintained through the '70s, what became dominant was a sort of idea of `nihilism as the highest good'. Nothing is compulsory, everything is permitted. The process of the individualisation of society, which often led to an egotistic individualism, blew away many long-standing social institutions without providing anything to fill the resultant vacuum.
The `me' decade dawned. `Away with all the old ways and thoughts – I will decide for myself how I will live' was the widespread attitude. Commitment was attractive only if it could add something to your own wallet or your own status. An ordered society became an idea exclusively associated with the right, with conservatism. `Tolerance', preached wherever you went, would give everyone, or nearly everyone, maximum freedom. This was also the time of the rise of hedonism, of `living for today', and, in its wake, of consumerism, a sort of narrowing of the consciousness that leads people to believe that happiness is in direct proportion to one's level of consumption.
The Dutch liberals, the VVD, showed an exceptional nose for the zeitgeist with their early '80s slogan; "Simply be yourself". At the same time, however, they did not realise the full implications of calling for a society in which everyone strove merely for him- or herself, or just where such an attitude might lead.

The enormous popularity of these individualistic attitudes encouraged a widespread aversion to any idea of common standards or values. Society became both harder and more atomised. Most countries experienced a similar range of problems: an explosive growth of vandalism amongst the young, a rapid rise in the number of people in need of psychiatric help, an increase in the number of children with educational problems, and last but not least an epidemic of crime, with the rate of burglary, violent assault and car-theft rocketing throughout Europe.
As a reaction to all of this we now hear with increasing frequency and at ever-shriller volume calls for stiffer penalties, more police and more prison-cells. Yet it is a complete misapprehension to believe that antisocial and criminal behaviour can be fought only through legislation and repression. Much more than that is needed. Commenting on one aspect of this, the sociologist Cees Schuyt wrote:

> If you are aware that from the crude estimate of five million `victim situations' per year a million crimes are reported to the police, from which one can estimate that 200,000 are solved, from which in turn half are dismissed or the charges dropped and at most 20% end in a prison sentence, then you have a good outline of the difficulties of the penal system.

The demand for more police on the street, as has long been raised by various parties, is all very well, but without the coöperation of the citizens and the political establishment anti-social and criminal behaviour will never be successfully addressed.
In his book *Lof der Dwang (In Praise of Coercion)*, the sociologist Herman Vuijsje gave a lengthy description of the decay of his own neighbourhood, the Amsterdam Nieuwmarktbuurt. As a consequence of the presence of a number of extremely troublesome drug-users, an increasing number of alleyways were fenced off. The ticket sales point at the metro station disappeared, telephone boxes were removed and snack bars forced to close earlier in the evening: "And so the public domain was damaged, and far from being defended it was further abandoned. The state does not accept its responsibility, but shifts the blame on to others."
This problem is aggravated by the fact that many people regard public space as belonging not to them but to the state. They have withdrawn to the safe shelter of their own little kingdom, with the TV forming their window to the outside world. Yet public space is, as the term indicates, for us, for everyone. We must take it back, even if we should be entitled to count on the support of the state and its agencies, including the police.

Criminality as a social problem

The police are there to catch crooks, and it is one of the tasks of government to prevent crime. To do this latter it is important to understand that antisocial and criminal behaviour often have social causes. People derive a great deal of their identity from their social status. If that status is exceedingly lowly and if there excists no prospect of improvement, then it sometimes can take only the smallest push to set someone off on the road to criminality. Having nothing to lose severs people from any idea of social responsibility or duty, and crime can offer the (financial) perspective missing from a drab everyday life.
Everywhere in the world the rise of neoliberalism is coupled with a hardening of social attitudes and of the criminal law. The number of prisons is rising, as is the number of prisoners. A major similarity between liberal office-holders and dictators, is their liking for locking up their fellow human beings. Asked how he thought the difference in success between the Japanese and American economies could be explained, Jesse Jackson replied, "In Japan they send their young people to school; in America we send them to prison." In recent years in the US there have been more young black men in prison than in college. For many young Americans prison has become a place to get together with their friends.
Of course, the US has always had a much harsher approach to the criminal law than have other western countries; but under the Republican presidents Reagan and Bush this law-and-order

mentality reached new heights. Now country in the world has so many prisoners per head of the population as the land of the free. Between 1965 and 1990, the number of prisoners quadrupled. Yet this failed in any way to make America a safer place to live. While sentences grew longer and the death penalty returned, criminality increased, especially amongst the young. Between 1987 and 1991 the number of young people arrested for murder rose by 85%. Young people are responsible in total for 17% of all violent crime. They are, moreover, even more likely to be its victims. According to FBI figures, in 1991 2,200 minors were murdered, an average of six every day.
The explosion of violence can neither be blamed on a change in the genetic make-up of the average American, nor on a sudden growth in the number of mental defects. The rise in criminality can, on the contrary, be explained to a large extent by the hardening of the socio-economic climate in the 1980s and the consequent spread of hopelessness. Experts are agreed that widening social inequality, the destruction of any prospects for a better future, the decay of social order and the easy availability of weapons together form the ideal breeding-ground for criminality.
Many ghetto children fail to complete their high school education; for those that do complete it, there are often no jobs. These are children without a future. With the best will in the world they are unable to persuade themselves that it is worth the effort to struggle for a better future for themselves and, in turn, their own children. In the districts in which they live a violent atmosphere prevails, in which normal rules of social conduct have no relevance and there is hardly any room for what is elsewhere seen as normal behaviour. The traditional bonds – family, school and community – play an ever-diminishing role, so that children see themselves only through the mirror of their own peer group. Because of this they can fall easy prey to gangs and drug dealers and are thereby lured into criminal activities. Katie Buckland, a volunteer in a Los Angeles school, says of this, "These children no longer believe in the normal means of achieving success in life. Judged by their own standards, a child selling crack is more smart than stupid. These are the children who still have ambition. They use the only available ladder to climb higher, the ladder of gangs and drugs. It is the easiest and quickest way to more money."

The failure of the criminal law

A second important cause of rising violence in the United States is to be found in the penal system itself. Prisoners who consider their sentences much too severe in relation to the crime they have committed are much more likely to re-offend than those who see their punishment as more or less just. The bigger the grudge, the more violent the revenge, and if there is anything that American prisoners are capable of developing in the often inhumanly severe prison regime, then it is just this desire for revenge.
A growing number of people believe that we in Europe should emulate these methods. In most countries the number of prisoners is rising, sentences growing longer, new prisons being built. Yet hardly anyone believes that prisons achieve any kind of rehabilitation. Criminals generally come out more antisocial than they were when they went in, as well as better-educated in law-breaking. Prisons also cut people off from their normal social milieu and from society in general, which is one of the major reasons for the very high rates of recidivism.
Out of the total American prison population of almost a million, around 45,000 are in the hands of private firms. These companies offer their employees, the guards, minimal job security, lower salaries and almost no social provisions such as pensions. In some prisons inmates sleep in tents. In others `luxuries' such as coffee, a library, or sports facilities have been scrapped. Even the `good old' chain gang is back.
Locking an increasing number of prisoners in a cell has become the rule rather than the exception. In California in 1993 there were 113,000 prisoners, 88% more than there was actually space for. But where the need is pressing, the imagination can be creative. The state requisitioned a number of local gymnasiums. In these the prisoners could be `stored' in bunk beds, 250 to a room. No wonder that violent abuse, rape and murder has become commonplace. Yet despite the fact that there are 250 inmates to a cell, the shortage of space continues.
In both Europe and America a high proportion of prisoners is mentally disturbed. Their being in

prison serves no purpose. In the interest of their fellow prisoners, guards and society as a whole they should of course be in psychiatric institutions. But these cost money, and cuts in provision internationally have created a serious shortage. Drug addicts are often imprisoned without any attempt being made to break their addiction. Indeed, a recent clampdown on the use of cannabis in English jails under the ex-Home Secretary, the hang 'em and flog 'em Tory Michael Howerd, merely served to create a huge new market for heroine, which is easier to smuggle and whose use is harder to detect. Of course, as long as someone is addicted to an illegal drug he will continue to shuffle back and forth between prison and the outside world.

The consequences of amoral education

An official government report of 1996 showed that the rate of criminality amongst Dutch children aged between seven and twelve is rising rapidly. As fire fighters always say, you can put out any fire with a cup of water if you get to it quickly enough. So it is with antisocial and criminal behaviour. Education is therefore of immense importance.
In his recent book "The End of Education", American sociologist Neil Postman calls for a reconsideration of the role of education in society. According to Postman, educators ask themselves far too rarely what purposes education should actually serve. Insofar as the question is posed at all, the answer is increasingly as follows: `to deliver useable labour power to the national economy.' Writing about this, Postman comments:

> If we knew for example that all our students wished to be corporate executives, would we train them to be good readers of memos quarterly reports, and stock quotations, and not bother their heads with poetry, science and history? I think not. Everyone who thinks, thinks not. Specialised competence can only come through a more generalised competence, which is to say that economic utility is a by-product of a good education. Any education that is mainly about economic utility is far too limited to be useful, and in any case diminishes the world that it mocks one's humanity. At the very least, it diminishes the idea of what a good learner is.

The whole idea that the main purpose of education is to produce what the market requires, stands in contradiction to the tradition which began with Plato, and later through the humanistic education of the Enlightenment and then passed into public education via the ideas of classical liberalism and social democracy. In this tradition education for employment was always overshadowed in importance by education to become `a better person'. Knowledge of the Greek Tragedies and the philosophies of the Enlightenment may be of little use in the development of public telephones or faster computers, but it gives its recipient insights into the development of our culture. It familiarises him or her with the different ways in which, in other times and places, social, moral and other dilemmas were regarded.
It is to be welcomed that at present, in contrast to the 1980s, consideration is once again being given to the idea of schools as conveyers of moral education. After parents, teachers are generally the first pointers young people encounter in trying to find their way in society. That role is all about values, whether the neoliberal market gurus like it or not. How, for example, can the modern, economic idea of `intellectual property' have any meaning for someone who has never learnt the difference between `mine and thine'? Why should an environmental activist renounce the direct action of destroying polluting cars if he or she has never learned that reasoned arguments can be more powerful than the brute power of physical violence? And where, except in the home, is there more opportunity to teach children how to make such distinctions other than at school?
For the neoliberals this is a truly difficult problem. One of the dogmas of liberalism is that moral decisions belong to the private domain and that, in relation to morality the state has no legitimate role. This opinion springs directly from the idea that the free market knows no moral values, but only those of economics and finance. The decision by a clothing multinational to have its products made in Bangladesh rather than India because in Bangladesh wages are even lower, has a

substantial moral dimension. The company's choice contains an implicit condemnation of decent pay for workers and an implicit approval of exploitation. It therefore carries with it a moral element, not so much in relation to the individual employer as to the economic system that forces him, out of the desire for self-preservation, to make such choices. In the struggle for survival that is the free market there is no place for moralising.
Little wonder that in the neoliberal view of education little value is accorded subjects such as civics and history. The neoliberal dogma of efficiency, moreover, has little time for the view that we should have smaller schools with smaller classes, instead of the present mega schools with too many pupils and not enough teachers, despite the fact that the former have been proved to produce better results. Pupils from small schools and small classes not only score higher academically, they are less often guilty of vandalism and criminality and are more likely to complete their school education. None of this counts for anything, however, when it comes up against the neoliberal dictate of economy.

The necessary return of public morality

When a number of prominent members of VVD, the Dutch Liberal Party, recently tried to provoke a discussion about the place of morality or values in their party's principles, they were shouted down. Standards and values, the prevailing wisdom had it, are different for every individual. Because individual freedom is, in liberal eyes, the highest good, it is undesirable for a liberal party to speak out on moral questions – and *mutatis mutandis* that must also go for the state. Moralism is anathema.
Yet parties in the centre-right tradition of European liberalism are often the first to call for stiffer penalties for crimes such as vandalism, and the VVD is no exception. This is, of course, a purely *moralistic* position. Not that there is anything wrong with that, in itself. A state or government without morality has no right to exist. Anyone who thinks that moral values are private matters, and not for society as a whole, is advocating leaving the social order to the jungle law of the survival of the strongest. Nature is amoral, as the Darwinians correctly argue. There is no `evil' in the wolf who devours the caribou calf, nor good in the mother seal's caring for her cubs. Both are directed towards the perpetuation of their own species and in this sense are value-free.
In the same manner, as the neoliberals always say, the market is amoral. In the current political-economic set-up this is indeed the case. The supermarket-entrepreneur forces the corner grocer out of business not out of malice, just as the firm's senior managers are not paid generous salaries out of love. Both are directed at the survival and prosperity of the enterprise. Yet humanity is distinguished from the natural world which surrounds us by our capacity to make moral choices. No one regards ethnic cleansing in former Yugoslavia as simply a successful attempt by the Serbs to safeguard their own kind at the expense of the Muslims. And there is surely nobody who regards the fact that 358 billionaires command more wealth than the poorest 45% of the world's population as the logical outcome of the struggle for existence – although it is to be feared that this is quite approved of in neoliberal circles.
The market mechanism is indeed amoral, just as are the laws of atomic physics. Yet whoever refuses to assess the consequences of such an economy is immoral, just as is the atomic physicist who takes no interest in the moral implications of the atomic bomb. That the preachers of the neoliberal gospel nevertheless close their eyes to the amorality of the free market can only be explained by the fact that they themselves belong to the winners. An army that wins the war never feels the need to comment on its immoral actions. Yet even the most successful of neoliberals must surely, under the pressure of hard reality, recognise that a society without the cement of common standards and values, without a social frame of reference in the form of a collective conscience, will end in savagery, criminality and chaos. This dark side of individualism reveals itself to liberals as much as to the rest of us: criminality makes no distinction between the political preferences of its victims.
Here we have arrived at the ultimate liberal dilemma: what moral demands can a state place on its citizens, if morality is no business of the state? And how can a political philosophy which rejects

every form of solidarity, which says, with Mrs Thatcher, that there "is no such thing as society" demand anything from citizens other than they follow at all times their own selfish interests? How can the promoters of a set of ideas that has led to the relentless cutting back of collective provision demand any sort of collective spirit from these same citizens?
Liberals set the state against the citizen, instead of at his or her side. They see the state only as the creator of the conditions for an optimum functioning of their liberal system, including their liberal economy with its tradition of `the survival of the fittest'. Liberals cannot present themselves as believing that the state should act as the guardian of the people's interests. Such a role does not sit happily with the liberal idea that the prime source of social order lies in `self-regulating, spontaneous processes'.
Values and moral standards are not given to us by a higher power. They are abstracted from real answers to existing problems. Their origin lies in the permanent struggle between humanity and nature and the ongoing quest for ways in which people can best live together. So regarded they form an unwritten code, or a path along which we can proceed towards making a humane society a reality.

Towards a new morality for the state

The state at all times, through its laws and practices, concerns itself with morality. The state is also capable of acting as a guiding light, and if the light moves to left or right, then this has enormous consequences for society and for the meaning that
moral standards and values have in people's lives.
Yet this influence of the state on people's thought, this link between public morality and the way in which individuals give content to their own values, is denied by liberals. In their view the state's place is, and should be, to follow. This impotent, fatalistic approach traps us in a vicious circle; because if the state must confine its authority to formal democracy and politics does not seek to give that authority a moral basis, then every attempt to steer society in the direction of good is doomed to fail. Liberal society makes the expression *homo homini lupus* – man as wolf – true. A state that offers no opposition to this but instead works with it will be in no position to complain later about a shortage of good citizenship, deteriorating standards of behaviour or increasing criminality. If you trot a horse, don't be amazed if he breaks into a gallop.
So where can we look for our values? In my view there are three more important than others: firstly, human dignity, the right of each individual to a decent existence in which this dignity can be achieved. Secondly, the idea of the fundamental equality of all people; and thirdly, solidarity, because although we are of equal value we are not all endowed with equal capacities or equal luck. These three values, which have crystallised through more than 2,000 years of European history, have proved their usefulness for both the individual and society. They will continue to do so in the future, provided the neoliberal, value-free trend is stopped and the relationship between the state and public morality is understood. In the meantime, we find people in power who no longer feel the need to trouble themselves about the antisocial consequences of their policies.

Chapter 8

The United States of Europe

> "All the peoples are appearing in the streets of Europe, Each with a little torch in hand – and now we see the fire." – Jean Jaurès

In the summer of 1776 five men came together in a stuffy room above a livery stable in the American city of Philadelphia. Continually irritated by flies, they worked on the text which history would remember as the birth certificate of the United States of America – The Declaration of Independence. Amongst the 75 prominent American citizens who would eventually sign the Declaration could be found such diverse men as future president Thomas Jefferson, the plantation- and slave-owner Thomas Nelson, and the Irish-American businessman Charles Carroll.
The document which was drawn up in Philadelphia begins with the following, famous words:

> We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights, that among these are life, liberty and the pursuit of happiness. That to ensure their rights, governments are instituted among men, deriving their just powers form are the consent of the governed. That whenever any form of government becomes destructive to these ends, it is the right of the people to alter or abolish it. And to institute government, laying its foundation on such principles and organising its powers in such form, as to them shall seem most likely to effect their safety and happiness

It is the wisdom contained in these words which Alistair Cooke, whose renowned series *Letter from America* has appeared weekly on BBC radio since the war, described in his book Founding Fathers as 'Possibly the most enlightened, certainly the most civilised revolutionaries the world has seen in the past two hunderd years.'

As so much effort has been put into the creation of a United States of Europe, the question arises as to whether history will be so fulsome in its praise of the men (and the most prominent of them are all men) who have given new drive to the European unification project. There are a number of reasons to doubt whether this is so, possibly the most important of which concerns the huge difference in motivation and goals between the Americans and this second generation of European 'Founding Fathers'.
People who were determined took the first step towards European unification in the '40s and '50s that they would never again have to witness the horrors of war. The French pioneers Monet and Schuman hoped that they could lay the ghost of nationalism once and for all, through the establishment of a thoroughgoing system of co-operation between European nations. Their eventual aim was a supranational, federal Europe. Yet however noble their cause, by the 1960s the Cold War and differences in aspiration and interests between western European nations had seen it run aground, with General De Gaulle speaking of a "Europe of the fatherlands".
That European unification has, since the '80s, returned to the agenda can be accredited not only to the fall of the Wall but also to the efforts of that second group of Founding Fathers, the major western European industrialists. Under the presidency of former senior Philips executive Wisse Dekker they gather in conferences of the so-called European Round Table. Amongst them can be found prominent personnel of such multinationals as Siemens, Fiat, Nestlé, Daimler-Benz, Olivetti and Hoffman-la Roche. Together they formulate demands which, in their view, the new Europe must satisfy. If we ever do see a European equivalent of Jefferson's Declaration, then perhaps its opening sentence should read, "We, the major corporations of Europe, hold these truths to be self-evident. That all the good in the world can be attributed to the blessings of the free market, and that all that hinders us in our trade must yield, so that nothing shall stand in the way of the maximum profitability of our enterprises."
Under the influence of these major corporations European integration has taken on new life. If it is the politicians who actually carry out the plans, the influence of multinationals on the headlong harmonisation of Europe's nations has become unmistakable. No more fine ideals, such as those of the American revolutionaries and of the first generation of European 'Founding Fathers', but simply the creation of a 'home market' of 370 million consumers is what provides the motivation for the new 'Europe'.
That economies of scale have their advantages is certain. The questions this chapter will address,

however, are these: who profits from this integration? Every one, or merely a small group? Is the integration process about social progress or is it a crowbar for the smashing up of social achievements? Is the nation state at its end or is this merely a convenient conceit that serves certain geo-political and economic interests? Is the desired convergence something that can be imposed, or ought it to grow from below? And isn't there a risk that it will provoke exactly what its original champions feared, a revival of nationalism?

"We will have a liberal Europe, or we won't have Europe at all"

Numerous surveys have demonstrated that, whilst most people in the existing member states accept their countries' membership of the European Union, there is little enthusiasm for further integration. In addition, there is widespread scepticism about and growing opposition to monetary union. Resentment towards the expense and wastefulness of the Common Agricultural Policy; opposition to any further increase of the powers of the European Parliament and other central institutions at the expense of the national authorities; and revulsion at the proposal to establish a European army. What's more, we have yet to see a single demonstration, of more than perhaps a handful of starry-eyed young 'European Federalists', in favour of 'union'. The most widespread feeling, in those countries of northern Europe where the welfare state and social democracy are most highly developed, is anger and frustration at the perceived threat the process of unification poses to national achievements in the area of social policy.
The Euro-federalists have no appreciation of the specific social achievements of countries such as the Netherlands, Sweden or Denmark. For them only one thing counts: the unification of the European market. For decades the slogan of the PvdA, echoed by social-democratic parties in other member states, was "we will have a socialist Europe, or we won't have Europe at all." That was the ideal: international co-operation to mutual advantage, in the interests of peace and progress. Unfortunately, things have turned out rather differently. As VVD leader Fritz Bolkestein said in the summer of 1996, "We will have a liberal Europe, or we won't have Europe at all." And that is the most concise and accurate summary possible of the current European reality.
Immerse yourself in the details of the European unity that is actually being forged (but be warned, this is scarcely an alluring task). You will perceive the vague contours of something bearing a striking resemblance to the spectre that has haunted Europe since the mid-'80s, and which provides the central topic of this book: the spectre of neoliberalism.

The three pillars of 'Europe'

The unification process can be split roughly into three sections. Firstly, economic unification, the so-called Internal Market, and the related goal of Economic and Monetary Union (EMU). Secondly, a common foreign and security policy, supporters of which would like to see the role of the European Commission, the EU's day-to-day management. Strengthened in these areas and the right of veto for individual member states abolished and replaced by Qualified Majority Voting (QMV), the weighted majority system which is already used in certain policy areas and which relates a country's voting strength to the size of its population. One way of achieving a common security policy would be that suggested by a joint Benelux proposal of 1996, under which the already-existing defence co-operation body, the Western European Union, would become the military arm of the EU. All EU countries would be members and would help finance the system, but they would retain the freedom not to take part in military actions. However, "Countries which do not want to participate (in such actions), may not prevent other countries from doing so, nor hinder the financial solidarity of those who demand common action."
The third pillar concerns policy regarding justice and internal security. Again, supporters wish to increase the power of the European Commission at the expense of that of national governments and parliaments and of the Council of Ministers, the body that directly represents the member states. The idea is that a majority, under QMV, of 70% would henceforward take decisions about how the EU as a whole should operate in this area, which covers such matters as crime, state security, civil

rights and immigration.

A-social Europe

The revival of the European idea in the 1980s was, as I have said, due to the desire on the part of international business to create a single European market. It is therefore hardly surprising that economic integration has been the first to make progress, which has been especially the case since the ratification of the Maastricht Treaty, when borders were removed and a process of liberalisation of people, capital, goods and services set in motion.
In 1989 a Social Charter was drawn up in which the minimum social rights of European citizens were enumerated. However, because this Charter went too far for many member states, all that was agreed at Maastricht was a Social Protocol, under which eleven of the then-twelve member states (the exception being the UK), committed themselves to a limited common social policy.
In the years since, we have been, in the Parliament in The Hague, brought regularly up-to-date with the progress of this policy. The report is invariably a list, delivered in a gloomy tone, of deferred discussions, failures to reach agreement, and proposals mired in the mud.
A typical example is provided by a 1989 (!) proposal concerning the free movement of workers in the EU, which, according to Parliament's official record, "has ended each year in total impasse." One of the few proposals which has been succesful was the call to make 1997 the 'European Year Against Racism', but lack of funding and delays to approval have made this a very low-profile event. Other successful measures under the old social charter were the laying-down of minimum conditions for pregnant workers and the establishment of common rules governing working time, including a maximum working week and minimum paid holidays. In both cases, the measures were so weak and loopholes and exclusions so extensive, that only workers in the UK, who have the least rights of any in the EU, benefited. Worse still, the Working Time Directive was used as an excuse by the Dutch government to harmonise the Netherlands' labour law downwards.
Only two measures have so far been successfully negotiated under the Social Protocol. Workers in major multinational corporations now have the right to be consulted and informed, through European Works Councils, about vital company decisions affecting their future. Employees at Renault, Vilvoorde in Belgium, which was closed without any such consultation, will tell you how valuable and well respected is this right. In addition, under the Protocol procedure which allows the so-called 'social partners' to negotiate EU-wide agreements which can then be made binding by the Council of Ministers, minimum conditions for parental leave will soon be written into EU law.

The scourge of EMU

As the crowning achievement of economic integration EMU must, of course, be established at the turn of the century. In 1998 a decision is scheduled to be taken as to which countries may join when EMU is instituted the following year. The common currency, the euro will replace the old national currencies of participating countries by 2002. It is this part of the process of European unification that currently casts a long shadow over the national politics of almost every EU country.
In order to make EMU strong and the euro a hard currency, European leaders have imposed very harsh conditions on the financial policies of the countries seeking to join. Most importantly, no national debt may amount to more than 60% of GDP, unless it is moving at an acceptable pace towards that level; and the annual budgetary deficit must not exceed 3% of GDP. As early as 1992, Dutch economics professor Arjo Klamer predicted what the consequences would be for his country:

> In the first place social security spending will have to be reduced. As things stand we can allow ourselves to make a fuss about a percentage point more or less on unemployment benefit. If the Netherlands wants to satisfy the conditions of the European Monetary Union by the target date of 1997, then government spending will have to be drastically reduced; in that case social benefits will be irrevocably lowered by far larger percentages.

The full scale attack on social security that has been evident since the beginning of the '90s, and not only in the Netherlands, has proved him right. By continuing in its present course the Netherlands will probably meet the EMU criteria. At this stage it is impossible to say who else will qualify, as the criteria are being interpreted more or less flexibly in relation to different countries according to how essential their membership in the first round is regarded. And according to who has the upper hand in the struggle between those who favour a strict adherence to and those who want a looser interpretation of the conditions laid down in the Treaty.
Budget shortfalls and national debts can be addressed in two ways: through increasing the revenue of the state by raising additional moneys through taxation, or by reducing spending. Given the neoliberal fever that has the whole western world in its grasp, it is not surprising that the former of these options has found little favour. Everywhere social security and other collective provisions are being attacked. This is, for the neoliberals, turning bad luck into good, of course, because it gives them a fine excuse to undermine the welfare state in favour of 'individual responsibility.'
In France the government's proposals led in December 1995 to the most widespread and bitter social unrest since 1968. Two months later, in Germany similar plans provoked the biggest demonstrations since World War Two; but neither French Premier Juppé nor German Chancellor Kohl were in any mood to give way to pressure from their countries' citizens. They had eyes only for the EMU criteria. The DM 50 billion by which the German government is seeking to reduce its expenses will come from a lowering of sickness and holiday pay, the raising of the age at which people qualify for pension, and a weakening of the rules protecting civil servants from dismissal. The French government's guns were equally turned on social provisions such as pensions, unemployment benefits and health care.
The picture is similar in Italy, whose debt in 1995 stood at 125% of GDP, more than half the permitted level, Belgium (135%) and Greece (115%). Everywhere in Europe governments are obliged to tie themselves in knots in order to meet the EMU criteria, and everywhere it is the most vulnerable who must foot the bill, because the neoliberals refuse to raise money from the most obvious source, from rich individuals and even richer corporations.
The refrain, especially from social democrats – who were in some cases embarrassed to find themselves supporting a process which relied on the dismantling of their parties' most singular achievements – was that all of this was temporarily necessary in order that European economies might achieve 'convergence'. Thereby making possible an economic and monetary union whose benefits would very quickly outweigh the short-term disadvantages imposed by this necessity. This pretence disappeared early in 1997 when the member states agreed the outlines of a post-EMU 'stability pact', the aim of which is to impose a permanent budgetary discipline on member states and whose terms are, if anything, even harsher than the EMU criteria. States whose governments or monetary authorities do not toe the line will become liable to enormous fines. The stability pact, unlike the EMU criteria, is intended to be permanent and irrevocable. It will outlaw the most mildly progressive centre-left reformism for ever and ever amen. We will have not only a liberal but an a-social Europe, or no Europe at all.

Long live the passport and the bureau d'échange!

As I have already noted, the ideal of a united Europe seems to hold little attraction for the average European. Turnouts for elections to the European Parliament are invariably much lower than those for national elections and have actually fallen, not risen, as European integration has proceeded. The most obvious explanation for this is that for many 'Europe' has become associated with inefficiency, bureaucracy, fraud and, above all, with the kind of declining social standards outlined above. But there is more to it than that.
Much of the propaganda coming out of the EU and its supporters amounts to an attempt to impose a 'European' identity on people where, in reality, none exists. This is why it has consistently failed, and will continue to do so. People feel themselves primarily to be Dutch, or Italian, or French, secondly perhaps Friesian or Catalan, but certainly not European – unless perhaps they are in the United States and meet someone who has no idea where the Netherlands, Belgium or Portugal is.

Europe is not a nation people can identify with, a place where they feel themselves to be understood. It is a geographical abstraction. There is no European people, no European language, no European culture. Certainly, there exists a European history, one marked in this century alone by two major wars. In that sense there is a Europe that demands above anything else that we must create the conditions in which we can live together in peace and co-operation. But that is something very different from denying the existence of the nation state as an expression of a real sense of commonality. The nation state is certainly not destined to last forever, just as the city states which preceded it did not, but it would be going much too far to assert that it should be offered up on the chopping block to serve the global economic interests of European business.

To assert that people who are sceptical in the face of the 'European' failure to appreciate the importance of national identity are by definition nationalists is dangerous nonsense. Certainly socialists – internationalists before we are anything else – can feel confident in rejecting such an accusation. What this discussion raises, however, is the paramount need for realism in the face of an 'idealism' that has now been called into the service of market fundamentalism. Practical democracy is organically bound to the nation state, and it is on the level of the nation state that its battles are fought, just as they are in the case of such things as social rights and social security. Very few people feel a lump in the throat at the sight of the blue flag with its golden stars. This is not something to rejoice over, but a simple statement of fact. The advocates of a European federalism are oblivious to this reality and the results of this are fraught with danger.

Does 'Europe' then have nothing whatsoever to offer its citizens? Ask a 'europhiles' and you will almost certainly hear how wonderful it is to be able to travel around Europe with no passport (which is already true, though only for the Schengen countries), and that you will soon have no need to change your money when going on holiday. An over-zealous eurocrat once calculated that if you left home with £100 and visited every member state of the Union, changing your money in every one, when you got home you'd have only £12 left. It must be obvious, however, that only a complete idiot would do such a thing.

The disadvantages of the removal of borders and of the loss of our national currencies are considerable. Firstly, as was widely predicted, the removal of the borders between the Schengen countries has led to an increase in trans-frontier criminal activities. In order to make up for the loss, moreover, customs and immigration authorities now work through 'flying squads' which operate close behind these borders. In the Netherlands, where identity cards are not obligatory, citizens must now carry valid proof of identity on certain occasions, for example at work, when using public transport and when taking part in public demonstrations. In practice this means that Dutch people from ethnic minorities are asked, in all places and at all times, to show their identity cards. Black and Asian people who live in Britain, almost all of whom are citizens of the U.K., have also discovered that the new, frontier-free Europe can be a very unwelcoming place policed by people who believe that all real Englishmen and Englishwomen have mousy hair, bluish eyes and a furled umbrella under one arm. In Germany, immigrant communities have accused the police of using the removal of borders as an excuse to step up surveillance and harassment of workplaces, social clubs and other places where guest-workers gather. Apart from reminding us that a 'European' identity can be exclusive as easily as it can be 'internationalist', is all of this outweighed in importance by the fact that once a year we can go over the border without having to show our passports?

The loss of national currencies is also far from being an unalloyed delight. This goes far beyond any sentimental attachment to one's own banknotes. Rather more important is the loss by nations of sovereignty over monetary matters. Control of the money supply, the fixing of interest rates and inflation targets, the whole range of macro-economic policies will be transferred from democratically-elected governments, or at worst from banks which are answerable to them, to the European Central Bank in Frankfurt. The ECB will be fully independent of the European 'government' in whatever form it eventually takes. Some would have us believe that monetary policy is apolitical, but this is nonsense. Monetary conditions of course affect the economy, and under EMU they will be absolutely controlled by a central bank whose members will in no sense be representative of the peoples of the European Union.

It has always, amongst others, been the French who have insisted on monetary union. German support came only after they had specified the conditions under which they were prepared to give up the D-Mark, symbol of wirtschaftswunder. They want something in return for their 'investment', namely a political union in which a leading role is automatically reserved for them. In the monetary and economic fields Germany already dominates Europe, and a European political union will do nothing to change that.

Prodigal Europe

It is well understood that a true internal market in which all participants enjoy the same rights must take action, so far as is possible, against unfair competition. Yet if French firms can make Edam cheese and Dutch cheese-makers are allowed to make Danish Blue, then someone has to define what Edam actually is and when Danish Blue is Danish enough to be allowed to bear the name. Before you know it, this simple need leads to the creation of a horrifying bureaucracy to supply definitions of goods for producer and consumer, a bureaucracy out of which no-one can find their way.

This is precisely what we can see happening now. Despite difficult words like 'subsidiarity' and 'proportionality', 'Europe' is sucking in competence like a black hole sucks in matter. This leads unavoidably to excesses, such as the hoo-ha about the European standard for condoms; but there are far more serious examples of 'European' meddling ways and waste.

Since the European Commission concerns itself with financial help to what it terms 'less-favoured regions', it can happen that local authorities from different parts of the same country are forced to bid against each other to show who has the worst slums within their borders. The prize for the winner being an appointment with the Brussels honey pot. However, the biggest winners in the game of Euro-subsidies are not local or regional authorities but – and this is neither surprising nor coincidental – the same multinational corporations which have exerted so much pressure for the realisation of European Union. The last few years have seen an army of professional lobbyists descend on Brussels intent on acquiring Euro-subsidies for their clients. The European Union budget for 1996 amounted to well over £60 billion. A major slice of this goes to Spain, Portugal, Greece and Ireland, the poor brothers of the Union. This buys the well-off countries free access to both their markets and their cheaper labour, increasing both the influence and the sales of their major firms. The carmakers Volkswagen and Ford have both built new factories in the Portugese capital of Lisbon. In exchange for 4,600 jobs they received around £600 million in European subsidies, plus the trifling sum of £60 million for training new workers. Meanwhile, in its German base at Wolfsburg VW gets on with sacking workers.

Electronics giants such as Olivetti, Philips and Bull have raked in billions of pounds in European subsidies over the last few years in order to enable them to keep abreast with American and Japanese competitors. In this way the costs of development and research are milked from European taxpayers. Extracting gold from the European lodestone has become so profitable that firms like Siemens employ special prospectors to track it down; and there are private consultants staffed by ex-eurocrats who use their knowledge of the funds to the advantage of their clients.

No wonder that the European Court of Auditors year in year out produces crushing reports about the spending practices of the Union's institutions. The German representative on the Court estimated in 1995 that only 20% of the funds disbursed via the so-called structural funds actually furthered the funds' stated ends. What this means is that a cool £13 billion or so was thrown away. Part of it disappeared through fraud, but most was spent on useless projects. Such as a road in an utterly depopulated area of Sicily, factory units in a part of Ireland where no-one had any interest in using them to make up for cuts in funding from their own national government.

Undemocratic Europe

Friend and foe of 'Europe' agree that the present structure of the Union is hardly democratic, as well as that it is overly bureaucratic and obscure in its workings. The strongest institution, the European

Commission, takes little notice of the only democratically elected body, the European Parliament. There is, in addition, widespread concern about the growing influence on policy of non-elected officials. As a Dutch diplomat in Brussels recently put it, "In practice it is often the officials who take decisions which the politicians rubberstamp, ratifying them as a formality and without any debate."

From this concern has come growing pressure to widen the competence of the European Parliament and improve decision-making procedures. Yet even the most radical reform will not make the European Union as democratic as the present nation-states of which it is formed, in which moreover the problem of legitimacy and credibility is already great enough. It is inconceivable that the democratic deficit, as it is termed, which has grown in the first place through removing competence from national governments and parliaments, can ever be closed by the institution of a European government or by reform of the European Parliament. European integration increases not only the physical distance between administration and citizen, but also the psychological distance and consequently popular control. Democracy is always allied to a positive unity – objectively present and subjectively experienced – of identity.

While in countries such as Norway, Denmark and France citizens can express their feelings about Europe through referenda, in others, including the Netherlands, such a process of popular consultation is unprecedented. Yet at each step of integration – accession itself, the Single European Act, Maastricht and 'Maastricht 2' – the people of the different member states have had foisted upon them constitutional changes as great in their implications as, for example, the unification of Italy, the independence of Ireland, or the establishment of our own constitution in the Netherlands in 1848. In every country, powers vested in parliament or other national bodies are being handed over to the central institutions of the Union, yet in only some of them do the people have the right to give or withhold their consent.

Jacques Delors, former president of the European Commission, predicted several years ago that within the foreseeable future a majority of national laws would be based on EU rules. He was right, but he did not go far enough. The EU, in addition, provides politicians with a good alibi when they want to do something they know will be unpopular. Benefits must be cut in order to satisfy the EMU criteria, wages forced down to keep the economy 'competitive' in the single European market, environmental laws weakened in the name of fair trade... but none of this is our fault, it's EU law. True enough, but the Union's laws have been made with the full and enthusiastic co-operation of those same neoliberal politicians who, whatever party label they may wear, currently rule almost every member state.

Towards another Europe

It is still not clear how far integration, or 'deepening' as it is known in the jargon, will eventually go. It is also difficult to say just how enlargement in central and Eastern Europe will proceed. Will there be a 'multi-speed' Europe? Will the Netherlands, for example, be allowed to keep its unique policy on drugs, or the Danes and Swedes their higher taxes on alcoholic drinks, the British their equally high tobacco duties? What will happen in relation to the human rights situation in Turkey, the aspirant member state which already enjoys (or rather suffers from) a customs union with the EU? Before such questions are answered years of negotiations will be needed. Whatever the eventual answers, however, one thing is certain: the present neo-liberal officeholders of Europe will continue to cling desperately to the idea that big is beautiful. Just as big firms are considered to be better equipped to deal with international competition, so Europe's countries must be merged into one great whole if they are to be able to match the economic might of the US and the Asiatic tigers. "Look out for the tigers! Prepare yourselves for globalisation because the world is becoming a village."

In the next chapter I will look at the question of whether these arguments are valid. It is time, whatever the answer, that opponents of European integration organised themselves. The point of no return has almost been achieved. Discussions about Europe must move beyond the meeting rooms and plenary chambers of parliaments and other august bodies and into works canteens, cafés and

schools. A unified Europe may seem a beautiful idea to the federalists as they sing the closing chorus of Beethoven's Ninth, but the reality is ugly and false. Their distortion of the meaning of Schiller's words *Alle Menschen werden Brüder* sits uneasily with a system that has led to employees in the Dutch horticultural sector being undercut by unemployed Irish workers. Or jobs in the German building trade being given to English, Spanish and Portuguese workers because they will accept lower rates of pay.

Of course socialists are not opposed to European co-operation, or even to the creation of institutions to embody and further such co-operation. But the formation of an economic and monetary union should be the culmination of a process of unification-from-below, and not, as now, a strait-jacket imposed from above and with no significant degree of popular support. Anyone who regards the world not as a battlefield on which a small number of economic power-blocks struggle to the death, but rather as a motley collection of countries, peoples and cultures, will seek a very different form of European unity. One in which, for instance, national television services cannot be destroyed by the likes of Berlusconi or Murdoch. Where small-scale public transport networks count for more than megalomaniac projects like the HSTs; where the social and cultural achievements of other peoples are respected, rather than offered up as victims to a competitive struggle which spares nothing and no-one, and a vague ideal of a harmonised 'Europe'.

Why are financial demands made on countries seeking to join EMU, but none that are social or ecological in content? The answer is simple: the latter are outlawed by a neoliberal dogma which will allow nothing to stand in the way of the invisible hand of the free market. Why must national governments and parliaments be denied the right to pursue their own foreign, domestic or judicial policies rather than giving precedence to the interests of the Union as a whole, or, to be more precise, the big member states?

Those who ignore the unease of large sections of our populations at the attacks on their living standards launched in the name of "Europe', or the violence done to people's sense of national identity by the handing over of ever more national powers to a supranational institution, should not be surprised when nationalistic sentiments gain strength in reaction. Nor when the extreme right attempts to exploit these feelings, transforming them into xenophobia. The recent history of the Balkans shows what a dangerous chemical reaction this can produce.

We must, in other words, have a Europe that is more careful in the face of such dangers, or we won't have a Europe at all.

Chapter 9

The spectre of the world market

> "They say in the East
> We're payin' too high
> They say that our ore ain't worth diggin'
> And it's much cheaper down
> The South American towns
> Where the miners work almost for nothin'"
> – Bob Dylan. *North Country Blues*

In the early '70s I worked as a sausage-maker in Oss, my hometown. Every day my co-workers and I stuffed and bound thousands of sausages. Our bosses were rarely if ever happy with our efforts. Always they wanted more, more and still more. We worked at a table with six men: one stuffed, four bound, and one threaded the sausages on to a sort of spindle and hung them in the smoke room.

Because of my height, the last job was always mine.
In total there were five groups. According to the time-honoured method of 'divide and rule', the various tables were set against each other, and every day each table was kept precisely up to date with how much had been produced. If you had made fewer sausages than the other tables, you were called into the office, where it was made clear that this could not continue. Why had another table produced 1600 kilos when we had managed only 1550?
Competition did not stop there. Next to our factory stood that of a rival sausage-maker. Our bosses were always trying to engender a spirit of rivalry between that factory and ours. Time after time they would get on to us about how the other factory produced more than we did. Of course, we checked with the workers over the road as to whether this was really the case. And what did they tell us? That their bosses said that it was in fact we who, thanks to our enormous dedication and discipline produced more than they did.
Since then both firms have been swallowed up by the same foodstuffs giant, UVG. Whether this has brought an end to the playing of one group of workers against another I don't know. There is no doubt that there are still plenty of bosses who keep their workers in hand with the same kind of 'divide and rule' tricks. Only the scale has changed: back then it was their fellow workers who were employed by a competitor in the same town who were held up as an example; now its the employees of competitors at the other end of the world.
The new stick with which workers everywhere are beaten is called globalisation. If you want to count you have to operate worldwide, and that means you have to be able to compete worldwide. No country can expect to remain an island of social wellbeing in a sea of sharks. But is it really the case that workers in countries like the Netherlands are going to have to compete with the underpaid, exploited employees of the numerous profitable enterprises belonging to the family of the Indonesian dictator Suharto? And if so, what will that mean for their social achievements? Or for the possibility that the Indonesian people will ever live in dignity? These are the questions discussed in this chapter.

On dazzling capital and cheap labour

What precisely does 'globalisation' mean? Two examples will serve to suggest a definition. The first is the new, worldwide capital market. Every day billions of virtual dollars flash from one computer screen to another, propelled by the lust for profit of ever new buyers. Geographic distances have become irrelevant. Thanks to the newest telecommunications, New York lies as close to Hong Kong, Tokyo or London as it does to Chicago. The daily sale on the currency markets rose from $75 billion in 1975 to $1200 billion in 1994. Today, barely a tenth of currency transactions relate to trade in goods and services: the rest is pure speculation. Just how speculative was shown for example by the sudden collapse of Barings Bank. Thanks to the unbridled speculations of a single employee, Nick Leeson, in 1995 the bank lost a cool £600 million, an event that signalled the end of one of the oldest and most respectable merchant houses of the British Empire.
The other, much-cited example of globalisation is the multinationals' quest for more favourable climates in which to establish their operations, in other words for cheaper labour. Electronics giants such as Philips and Siemens, sporting goods manufacturers like Adidas and Nike, airlines including Swiss Air and KLM and chemical firms such as Akzo-Nobel conduct an increasing amount of their activities in low-wage countries in Asia and eastern Europe, with the aim of forcing down production costs. Naturally this phenomenon creates, at a time of persistent unemployment, widespread unrest in western Europe and North America. Yet is it really to blame?
Even to ask this question is to experience a certain unease. the development of the Third World and the reconstruction of eastern European economies are for most people, certainly for socialists, sympathetic goals. In every developed country, people give freely to NGOs working in poorer parts of the world. The unease with which many regard the rise of the Asiatic tiger economies does not signify a blanket hostility. But has much more to do with the way in which it is exploited by employers and neoliberal politicians, to justify the demolition of social security, collective provisions and the protection of workers' health and safety. Wage restraint, the lengthening of

working hours, flexibilisation in all of its forms, the lowering or better still abolition of the minimum wage and the lowering of benefits, all of these measures are, we are told, necessitated by the battle for survival with the tiger economies.
Commenting on attacks on the welfare state and supposed high wages of Dutch workers by ex-Philips boss Jan Timmer, the American futurologist Joe Coates said the following during a recent visit to the Netherlands:

> Timmer sets the Dutch labour force against 20 cents an hour 'coolies' from Singapore. The only way to compete with them is to go to 19 cents an hour. That is the only logical outcome of this kind of reasoning. All concessions worked out between trade unions and employers will, according to Timmer, make the Netherlands poorer. His argument is idiotic. What he is in fact doing is remonstrating with the Dutch people to choose poverty.

In reality it turns out that the threat of globalisation is considerably smaller than people like Timmer would have us believe. A recent study by economists Tulder and Ruigtuk, for example, showed that "the most important industrialised countries (...) conducted no more international trade in 1994 than they did in 1913." Although world trade rose from $60 billion in 1950 to $4000 billion in 1994, for countries in the European Union the vast majority of trade is conducted amongst themselves. For the Netherlands, only 1.6% of exports and 2.8% of imports during the first half of the '90s were with the Asiatic tigers. Moreover, a recent British study showed that the lowest wages are found in local service industries, which by their very nature do not suffer from international competition. The highest were in those sectors of the economy whose products continue to find a ready market on the world stage through the productivity of the labour that goes into their making, through quality and through effective marketing.
Between 1960 and 1995 the Netherlands' imports from outside the EU fell from 17.5% to 15.3% of GDP. From EU countries, on the other hand, they rose in value from 20.6% to 26.1% of GDP. The same picture is evident for exports: to EU countries the amount is growing, to countries outside it is falling. This is a normal pattern of development for an EU member state. What we are witnessing, then, is a regionalisation of the global economy and the emergence of three economic power blocs: the EU, NAFTA, and the Asian Pacific Rim.

Globalisation and New Technology

The neoliberal preachers of the world-market gospel may look with pleasure on what they see as the inevitable phenomenon of globalisation, against which it is as futile to resist as it would be to fight against a cold front in January. They point to modern communications technology as its principal source, and of course you resist new technology only at the risk of an eternal sojourn in the middle ages.
Whilst it is no doubt true that globalisation would not have been possible without new technologies, it is nevertheless an oversimplification to assert that they were its cause. The creation of a worldwide market, and the resulting international rat race, is primarily a result of the international capital-led liberalisation of transfrontier trade and capital movements. This liberalisation offers corporations obvious advantages: bigger markets on one hand, and the possibility of playing national authorities off against each other on the other. This is what all the hard work was for. Even before the end of World War Two America and Britain had drawn up an agreement that sought to create a more stable basis for the post-war capitalist economies. Had the inter-war crisis not allowed us to see exactly where economic chaos can lead?
The wartime negotiations led in 1944 in Bretton Woods, New Hampshire, to the establishment of a World Bank and the International Monetary Fund, as well as a system of fixed exchange rates. By the late '60s, however, the system had come under great pressure. More and more currencies ended their fixed value and were floated, and the speculative trade in them consequently increased. In the course of the following decade one country after another lifted controls on capital movements.

Since then seventy nations have fully liberalised capital movements, and the IMF continues to exert enormous pressure to bring about unrestricted worldwide capital movements.
At the same time as the deregulation of the capital market was taking place, international trade in goods was being increasingly liberalised. It had been the intention of the World Bank and IMF to establish, shortly after the war, an international body to oversee trade. The GATT– the General Agreement on Tariffs and Trade – brought around a hundred countries to Uruguay in 1986 to the beginning of a series of negotiations which would lead to the establishment of the World Trade Organisation, the WTO. As these negotiations progressed, it became clear that rich, western countries increasingly dominated them. They were completed when, on 15 April 1994 in Marrakech, 111 countries signed a closing statement. Of these, 104 committed themselves to the new WTO.
Given the prevailing influence of neoliberalism in Europe and the US, the outcome of the negotiations was no surprise: existing trade restrictions will be as far as possible reduced, tariff barriers eliminated, and intellectual property rights established – and defended with a heavy hand. This last was of especial benefit to the richer countries, which own a great majority of patents. The scope for national authorities to determine their economic policies was drastically limited: communication networks, electricity grids and public transport systems must all be opened to overseas contractors and bidders. Support for national industries or agriculture through subsidies was declared taboo.
None of these decisions has anything to do with new technology as such. The latest computers could, for example, easily be used to increase states' control over international capital movements, but this would go against the neoliberal dogma of 'more market, less government'. The ever-diminishing control by national governments and thus by the citizens whom they represent is therefore clearly not the consequence of an autonomous process but of conscious political choices.
Let us assume it is true that almost any country is now too small on its own and too dependent on the international market to escape the consequences of globalisation. Then at least the knowledge that what we are dealing with is a process brought about by human decisions casts the entire thing in a different light. If globalisation results from human choices, then new, different choices can be made which would lead to new, different consequences: we no longer need to feel bound to 'choose' decline and deterioration.

The 'unfreedoms' of the free world market

After the last few chapters it won't come as any surprise to hear that globalisation under the leadership of the neoliberal great powers will bring the same negative consequences on the international level as liberalisation has on the level of the individual country, only writ large. As I have said, globalisation's primary use is as a stick to break national resistance to attacks on living standards, social security and so on. Workers must work harder, longer and more flexibly for frozen or lowered wages, because that is how things are amongst the competitors. This is the modern version of the 'divide and rule' system which was used, back in the early '70s, to try to get us to stuff more sausages. A good example of where this leads is provided by what happened at Hoogovens, a steel firm situated in the Dutch town of IJmuiden.
In 1989 the management decided that profitability must be drastically increased. Under the slogan "If we want to survive international competition, we will have to behave internationally", a 'Masterplan' organised on Japanese lines was developed. The plan foresaw, first of all, the shedding of thousands of workers and the outsourcing of all activities to so-called 'outside firms', where a section of the sacked workers could be re-employed, albeit at much lower pay. In the entrepreneurial jargon this is known as the firm 'returning to its core activities'. A big car firm like Toyota is concerned almost exclusively with the development and assembly of automobiles. Small ancillary suppliers make all subsidiary parts, often by people working in miserable conditions for very low wages. This strategy is one of the most important pillars on which the success of the Asiatic tigers rests.
Naturally enough, at Hoogovens it was the older and less able-bodied workers who were the first to

get the sack. The remaining workers were divided into so-called Product and Service Groups. These production teams are burdened with a large number of responsibilities that were previously allotted to middle management. They are involved in continual mutual competition. As a result tensions arise between the more productive workers and those who, perhaps through age or infirmity, cannot work as quickly. The 'bruises', as the less productive workers are called, soon lose their jobs.
If this corporate strategy works well for the firm, it is a catastrophe for the employees. Japanese workers, who work an average of 3,000 hours per year (as opposed, for example, to 1800 in the Netherlands) not only suffer a drastic reduction in their quality of life, but also in their life expectancy: yearly an estimated 10,000 Japanese workers suffer katoshi, death from overwork. The Hoogovens Masterplan has had a comparable effect: a couple of years after its institution the firm's shares had doubled in value. And what price did the workers pay for this? Many of them are no longer able to work as a result of physical or psychological problems. Of course, examples like that of Hoogovens can be found throughout the developed world. Related processes such as the introduction of short-term contracts damage productivity by reducing a worker's commitment to his or her job, and by preventing workers from developing a thorough familiarity with a particular process and workplace, not only undermines efficiency but, more importantly, increases the rate of industrial accident.
The whole operation of flexibilisation (the elongation of working hours, replacing permanent employees with those on temporary contracts, the introduction of 'just in time' production) is invariably defended with reference to international competition in the new global economic reality.

The costs of deregulation

Apart from this pressure from globalisation for a more flexible labour market, the concept is also used as an argument for increasing deregulation. Not only does this fuel many of the same problems affecting workers by, for example, eroding health and safety legislation, it also undermines the safety and security of the consumer.
Days before the opening of the Olympic Games in Atlanta a TWA Boeing 747 crashed into the sea off Long Island not far from New York. The cause of the disaster, which cost 230 lives, was probably a bomb which had been smuggled aboard. In the weeks following the drama, the American media produced disclosure after disclosure about the inadequate security regulations in US airports. According to ex-official Mary Schiovo a report had existed for years, drawn up after the Lockerbie disaster of December 1988, that showed that the country's airports were amongst the least secure in the world. As a result of the enormous commercial interests involved, the report was hushed up. The cause of the lack of security lay in the minimal standards imposed by the US authorities, with anything beyond that being left, in keeping with the neoliberal credo, to 'the market'. Murderous competition leads to a situation where airports and airlines are unwilling to take any additional safety measures, as that would of course require additional investment and might lead to an increase in delays and inconvenience for passengers. The American firm Thermedics has been for several years producing efficient apparatus for detecting explosives which is used throughout Europe, yet they are unable to sell it in their own country. In addition, surveillance staff at US airports are poorly paid, badly trained, and often overworked to the point where they are neither alert nor well motivated. This provides a good illustration of how the negative effects of deregulation strengthen those of flexibilisation.
From the consumer's point of view, deregulation is also extremely expensive. Since the deregulation of freight transport in the United States 100 major firms have gone out of business and 150,000 workers have lost their jobs. In their place have come thousands of small trucking firms employing poorly paid drivers. Whilst it is true that the cost of freight transport has fallen, the advantages of this have not been passed on to the consumer.
The same pattern can be seen in the case of air transport. In a short space of time following deregulation a dozen American airlines had gone under and 50,000 workers lost their jobs. Cabin personnel saw their average yearly income fall by 6% between 1983 and 1989, while the cost of living rose by 24%. Despite this, airline tickets did not become any cheaper: in 1978, before

deregulation, a return journey from Philadelphia to Pittsburg cost $86. By 1992 this had risen to $460.
Deregulation of shop opening hours also brings few, if any benefits. In Sweden, a country which is often cited as an example of the beneficial effects of the process, longer opening hours have led, according to most shopkeepers, to higher prices. Moreover the number of shops has fallen with small, local stores being the victims. Because of this total employment in the sector has been reduced, as in the big 'hypermarkets' which replaced the small shops the ratio of staff to customer is visibly lower. The only people to benefit from this situation are major firms which, when small competitors are eliminated, find themselves in a position to do whatever they like, including fixing prices and increasing profit margins.

The divisiveness of globalisation

Globalisation leads to an increasing gap in incomes. International competition is used to justify not only a lowering of wages at the bottom, but also a raising of them at the top of the wage-pyramid, on the grounds that otherwise top management would emigrate. In the same way as neoliberalism on the national level limits the room for manoeuvre of governments, so globalisation in combination with that same neoliberalism further erodes the power of the nation state.
Give a dog a bad name and you might as well hang him. In the neoliberal vocabulary and under American influence 'trade restrictions' have been given an exceptionally bad name. As a result, member states of the EU no longer have any power to implement their own policies in relation, for instance, to genetically manipulated products. Although almost all of them are very critical of genetic manipulation, they are no longer able to forbid the import of products such as genetically modified soya because this would mean an unacceptable restriction of free trade. The same will soon go for meat from growth hormone treated cows and pigs. As in the case of wage-costs, international free trade drags everyone down to level of the lowest existing standards.
We find a similar situation when it comes to environmental legislation. Initiative after initiative at the national level designed to bring about a solution to environmental problems perishes in the face of an international refusal to adopt similar measures. Meanwhile international agreements such as that made at UNCTED, the UN-conference on Environment and Development held in Rio de Janeiro in 1992 are followed up by almost no-one, on the grounds that this would give an advantage to competitors. The powerlessness of national governments is only surpassed by the impotence of the UN. Real international power lies with G7, the grouping of the world's seven richest countries, whose heads of government meet regularly in order to co-ordinate their political, economic and monetary interests and to head off any new global division of power.
The biggest sufferers from all this are the countries of the Third World. In contrast to what the propagandists for globalisation would have us believe, these gain little or nothing from the new economic world order. Poor countries are forced to struggle constantly with enormous debts. Between 1980 and 1992 their total foreign debt grew, according to the UN, by $572 billion to $1419 billion. In the same period these countries paid $1662 billion in interest, more than $200 billion yearly than they received from the developed world. As is the case inside almost all countries, on the international level the rich grow richer and the poor poorer. In 1960 average incomes in the richest countries were 38 times as high as the ones in the poorest. By 1985 this had increased to 52 times, and according to the World Bank this will at best have improved to 50:1 by 2010. Even this slight reduction is only achievable, according to the Bank, if the poor countries continue to pursue a strict market-led economy and if globalisation proceeds unhindered. If this is not the case, then the prediction is that the ratio will rise to 70:1.
The results of shocking poverty in major areas of the Third World are not only destructive for the poor themselves, but for social stability in general. The seemingly endless conflicts and battles in Africa offer bitter proof of this, but similar effects can be witnessed in India and Pakistan as ethnic strife, fed by the hopelessness of existence, rages or, at best, simmers just below the surface. As Pakistani development economist Dr Mahbul ul Haq put it, "You can call these conflicts ethnic or regional, but the real causes are social and economic."

Meanwhile the IMF and World Bank continue undeterred to impose heavy demands on poor countries. While the US has a gigantic budget deficit, poor nations are expected to balance the books. As a result, food subsidies are cut so that military spending can be maintained and internal unrest kept down. Apart from poverty, large parts of the Third World remain terrorised by dictatorial and corrupt régimes, even if most have dropped their openly military character, and even if it is no longer fashionable, provided they follow the dictates of neoliberalism, to criticise such governments.

The moral bankruptcy of development aid

International development aid suffers from a number of evils: it is susceptible to fraud, the money often does not reach the people who most need it, and, most importantly, it often undermines the dignity of those who are affected by it. It does not base itself upon a concept of equality or on a real commitment to reduce the income divide between nations, but often serves instead to camouflage a fundamental lack of concern for the rights and interests of the inhabitants of the Third World.
In the end, any solution to the problem of global inequality will be found not in aid but in trade. This will only happen, however, when rich countries and their exclusive interests no longer dominate world trade. Economic, monetary and trade policy are designed to serve the interests of big western firms. The manner in which Shell treats the Ogoni people of Nigeria, for example, demonstrates in a macabre fashion where the unlimited power of multinational corporations in the Third World can lead.

From tariff barriers to a solidarity tax

That neoliberals pay no attention to the structural causes of global poverty is hardly surprising, as it is hard to see how the 'invisible' hand of the free market could address them, and any problem which cannot be solved through the market is invariably swept under the carpet. As has repeatedly been shown, it is the richer countries that benefit from the removal of frontiers. It is they which have at their disposal the necessary knowledge, technology and capital to drive the vulnerable 'competition' in poor parts of the world out of the market. The only weapon poor countries can bring to this fight is their cheap labour, or, to put it another way, their poverty. As soon as they begin to pay their workers better wages western firms move on.
Is it possible to break this vicious circle? The answer, if the short sighted struggle to maximise profits remains the only measuring stick for international political economy, must be no. As the UN organisation UNDP rightly asserted in its Human Development Report 1996, it is high time that a new look was taken at the idea of 'economic growth'. The Dutch newspaper NRC Handelsblad summarised the report's argument as follows:

> The real question must be, growth of what, and for whom? Rising pollution, which demands more environmental measures? The growth of criminality, which gives more employment to an army of lawyers? Growth in the number of car accidents, through which more mechanics are needed? These are not things most people want, and yet all of them can provide a growth in national income.

In the same manner, the concept of 'free competition' is being redefined. Is it honest competition when one country takes no interest in the environment and is therefore able to produce more cheaply than another? How honest is the competitive position of a firm that profits from a criminal dictatorship which meets any attempt at popular resistance with violence, as is the case with Shell in Nigeria? Is it honest to force all countries to accept products from other lands, without giving the slightest thought to the conditions under which these products were produced?
It is high time that we broke the taboo against tariff barriers. What is needed is an agreement to impose upon countries with a per capita GDP within the range of EU countries an obligation to bring their social and environmental standards up to a level comparable to those found generally in

Europe. If they do not do this, then we should impose a solidarity tax to deter unfair competition. This would prevent the lowest common denominator from being imposed on the world community. If it is possible to formulate strict rules in the area of government finance, as is done by the IMF, the World Bank, and EMU, why would it not be possible to do the same in relation to such important matters as social and environmental policy?
Developing countries with a low per capita GDP would be exempt from this solidarity tax, giving them the free access to the EU market that they certainly do not currently enjoy. We can keep our consciences quiet by giving poor countries a trifle in the form of development aid, but it would be a great deal better if we were to address the structural causes of their poverty, amongst which are existing trade restrictions. Any proceeds from the solidarity tax could be used during the transitional period to help people who currently benefit from these restrictions.
It is an illusion to think that a free world market will lead to a free world. You can only compete with slavery by introducing slavery yourself. Instead of the rich countries helping poorer ones to raise themselves up, people in the former are under pressure to abandon their social achievements. The present liberalisation of international trade is not an attempt to lay the foundations of a unified world, but serves only the interests of big capital.
As soon as the interests of the three great economic powerblocks, in which the major multinationals are concentrated, collide with each other, international crisis threatens. Not for nothing have we heard during the last few years repeated talk of trade wars between Japan and the United States, or the US and EU. There is a reason that for several the CIA years kept itself occupied with economic espionage, by hacking, for example, into EU computers. A world order which is based on a continuing contest for international markets can never be lastingly peaceful, especially if within that order there is no place for billions of people. Both the World Bank and the UNDP have calculated that absolute poverty has grown by nearly 50% since 1975, almost as much as has the world population. It is further predicted that this army of the poor will grow to 1.3 billion in 2000, and to 1.5 billion by 2025. As sociologist and Asia expert Jan Breman wrote, "This continual polarisation eventually leads to a division of people, as much on the national as the international level, into two segments: the ones who form part of the social order and those who are excluded from it."
Such a division will lead inexorably to bloodshed. The international community, after the collapse of the Eastern Bloc, has need of socialism. In socialism, in contrast to neoliberalism, there is a place for every individual as well as for the social nexus upon which every individual is dependent.

Chapter 10

The inevitability of an alternative

> We will fight for the right to be free
> We will build our own society
> And we will sing, we will sing
> We will sing our own song
> – UB 40

When, as a teenager, I began to think about life's 'big questions', the first 'big answer' to bite the dust was the idea of an almighty and omniscient God. My Catholic educators told me that God was not only almighty but all knowing as well, that he knew not only the past and present but also the future. Yet if he was almighty, why did he daily allow tens of thousands of people to die of hunger? Why did he not intervene? And if he was all knowing and the future was already known, and thus fixed, what became of free will? Could a loving god ever judge someone who has had no control

over the course of his or her own life? And if that was how things were, what meaning could life possibly have? Surely predestination could lead only to fatalism?
Once I had heard and read about the great men of the Renaissance and the philosophers of the Enlightenment, my belief in God melted away like an iceberg drifting south from the Arctic circle. Had the Renaissance and Enlightenment not delivered us from the darkness of the middle ages? Had rationalism not taken religious thought, with all its taboos, narrow-mindedness and obscurantism, and toppled it from its ancient pedestal? Fatalism, I concluded, is the eternal enemy of progress, and it remains alien to me to this day. However many causes reality may give us to be pessimistic, reasons to despair – if one is aware of the distinction between life's unchangeable preconditions and the things we can change – are rare. It is the things that we can change that offer us space to make our mark on history, a history of which we are both product and author.
Many things that are presented as unchangeable facts are not. It is for humanity to determine its direction and do everything in its power to bring its goals closer. Leaders and ideologies come and go. As we can see from history, no ideology has eternal life and each dominant idea, however complete its hegemony, will eventually pass away. The sooner an ideology becomes all pervading, the sooner its shortcomings become generally visible and the sooner the moment of its passing arrives. neoliberal thought may currently appear strong on both the international and, in most countries, the national stage, but it is certain that its irrationality and internal contradictions will eventually undermine its power.

Neoliberalism is not value-free

As we have seen in the foregoing chapters, neoliberalism exhibits a number of striking shortcomings that are a direct result of the vision of humanity and society which underlies it. Because it downplays any attempt to influence the shape and direction of society, in favour of the free play of social forces, and because by accepting the economic laws of capitalism it limits the margins within which politics may operate, it becomes ever more entangled in its own impotence. By entirely subordinating politics to a free market economy, neoliberalism is powerless to deal with long-term concerns, with the interconnectedness of things, or with the overall picture. A currency speculator does not bother about the consequences of his or her activities for, let's say, the quality of the water supply, or long-term unemployment.
These structural shortcomings in neoliberal theory and practice are at the root of many of the things I have described in this book. The atomisation and hardening of society, the erosion of democracy, the growth and sharpening of social divisions, the dismantling of collective provision, the neglect of public ethics and the commercialisation of society. All of these developments are systematically played down, and insofar as they are recognised at all, blamed on globalisation and the need for European integration. For those who wield economic and political power there is no alternative to 'more market and less government'. This is hardly surprising. neoliberalism, far from being value-free, has an unmistakably class character: those privileged by the existing system favour it. The assertion that there is no alternative is no more than a deceit to head off any attempt to force the powerful to share their power, influence and wealth.
The transition from feudalism to capitalism replaced the old feudal rulers with a new power, but it did nothing to solve the age-old question of the legitimisation of power. Whilst capitalism was once a step forward in history, making mass production possible and thereby opening the way to mass consumption, more widespread wellbeing, and the replacement of anachronistic ideas of noble power by democratic ideologies. on the threshold of the twenty-first century however, its structural shortcomings are coming ever more to light. There is nobody, even amongst its supporters, who can explain how neoliberalism's ideas and practices can lead us to a better society, or how they can answer the big questions which the world is currently asking itself. A return to the social relations of the nineteenth century, such as is now being pursued, can have nothing but catastrophic consequences.
There are people who have invested all their hopes in the blessings that are to come with the Age of Aquarius and others who expect the imminent return of Christ. I prefer a somewhat more worldly

solution: the inevitability of an alternative.

Humanity as the measure of all things

The Dutch Liberal leader Frits Bolkestein once wrote: "the human intellect is too limited for the making of blueprints for our society." We can thus only proceed "step by step" via "a spontaneous process of trial and error." Because we can never have sufficient information or intelligence to allow us to create the perfect society, all we can do is bring about as much freedom as possible, and within this space allow spontaneous cycles of risings and fallings to eliminate imbalances.
There is a great deal of truth in these words. Anyone who thinks they can draft a blueprint for society is suffering from overblown pretensions. It was no coincidence that under the centrally planned Soviet economy defeatism ran rampant through broad swathes of the population. If the future is taken care of, why exert oneself, or feel any responsibility? This is a fault which socialism must avoid in the future, the idea that the state can solve any problem.
Socialism is not some holy prophecy that promises that everything over the horizon will be better. It is based on an idea of humanity as the measure of all things and that must be the criterion for the organisation of society. In liberalism human dignity occupies in theory a central position, but if the individual is robbed of all dignity and put through the mangle by the free play of economic forces then there is in practice no neoliberal who will conclude that these forces must therefore be restrained.
If the principle of trial and error is to be taken seriously, then it must mean that the outcome of a policy is always tested against the stated goals of that policy. If, for example, you assert that economic growth can be achieved without destroying the environment for future generations, then you are surely bound to intervene if in practice you discover that the goal of sustainable growth is not served by existing policy. If you claim your policies will lead to an increase in the general good and it turns out that they lead to an increase in poverty, then surely trial and error means that you should change them. If the neoliberals were honest, they would look at their 'trials' and conclude that there is evidence of some pretty big 'errors'.
In 1633 the judges of the Holy Office of the Inquisition refused to look through Galileo's telescope at the heavenly bodies above. They knew that it could only endanger their unshakeable belief in the church's dogmatic view that the earth stood at the centre of the universe. In just the same way the current neoliberal wielders of power refuse to acquaint themselves with the destructive consequences of their policies: it could only shake their solid belief in the holy working of the invisible hand of the market. Galileo's book, *A Dialogue Concerning the Two World Systems*, remained on the Index, the Church's list of banned works, for two hundred years. Happily, the neoliberals will not be able to keep the secret of their hidden agenda for quite so long as that.

Youth, the future, and homo universalis

Possibly the ultimate metaphor for the short sightedness of neoliberalism is its treatment of young people. Everyone agrees that the education of children and young people – the adults of tomorrow, our society's future – is the best investment that a society can make. Yet the neoliberal dogma that the state must retreat offers no prospect of improving the position of young people and children within that society. While in country after country education groans under the weight of yet another round of spending cuts, and is forced in many cases to look to business for financial support, the neoliberals continue to cry crocodile tears about the degeneration of youth.
As an MP I have regular meetings with groups of students, during which I have often talked about the Socialist Party's view that there should be a maximum wage of perhaps three times the level of the lowest income. Why, we argue, should the hands of a plumber be worth so much less than the hands of a surgeon? Too often the reaction of students is that if such a system came about, then why should they bother to study? Clearly, for many young people a university education is nothing more than a step towards a well-paid job. And who can blame them? Certainly not those who have made the pursuit of financial gain the highest good. Yet when I ask these students whether they approve

of the fact that financial motives appear increasingly decisive in this regard, they almost always answer in the negative.

An ever-increasing part of the education system in almost every country of the world is now geared to specialised job-training directed towards the economic needs of the student in later life. Increasingly subjects like history, art history, geography, physical education and civics are excluded. A socialist view of humanity – that is to say one which sees people as essentially social beings with a responsibility to themselves and their environment – leads us to argue against this trend and in favour of a form of education which instead of narrowing one's view, contributes to its broadening.

It is the first task of education to relate to the wonder with which children seek the connections between things. Philosophy, not to be confused with knowledge of philosophers, should be taught in primary school. Consideration must be given to the formulation of new goals, and new ways of achieving them. More time and money needs to be invested in children's general development, their interest in life in all its facets awoken. And effort must be put in to raising them to be able, critical individuals who understand that we have to live together in, and at the same time create, our societies and that this involves valuing and respecting their fellow people. We need, too, to give them confidence in approaching art, culture and science, and to confront them more frequently and intensively with lessons in life from people who can put their own experience into words. The school should be a community within society, a place where children can be introduced to real life.

All current discussions about education revolve around money, structures, didactic details such as whether there should be computers in the classroom or whether young children should be subjected to tests, and idiotic questions along the lines of 'what should be the place of creationism in the leaving exam?' The question of what education is for is too often forgotten, but it is precisely this kind of basic pedagogy to which we must return, and not only in education itself but in politics and society as a whole. What should we do and what should we refrain from doing if we want our children to grow up to be valuable, rounded and happy people? Should we not be thinking of two explicit educational aims instead of one? The first is to prepare children so that they can later make a living, but the second – the *education permanente* – is much more general and thus, as the name suggests, never really comes to an end. This goal, the *homo universalis*, has now completely disappeared from the picture, though we surely have more need of it than ever before.

Society's complexity means that general development and wide interests are now preconditions for full social participation. Social exclusion threatens on a large scale, not only because there is no longer work for everyone, but because many no longer participate in the cultural, social and political aspects of life.

Since the late nineteenth century there has been an economic need, for the first time in history, to teach as many people as possible to read and write. It was also supposed economic needs that led to the call for greater specialisation and more concentration on an élite. The economic impulse to give everyone a good general education seems, given the high level of structural unemployment, to have disappeared. Perhaps it is this what explains the reduction of spending at the lower age levels.

In the United States they have long known a division between poor, inadequate state schools and rich, well-equipped private schools. Obviously poor, ghetto children go to the former and rich ones to the latter, but because the quality of state schools so often leaves so much to be desired, an ever-increasing number of middle income parents tend to send their children to private schools. In order to do this they might have to take on three or four jobs, but who wouldn't do that if their child's development was at stake?

Now that the division between increasingly affects European countries rich and poor in terms of their access to health care, it seems likely that neoliberal logic will also lead us to emulate this division in education. Already, 7% of British children go to fee-paying schools, and it seems inevitable given the current direction of policy that other countries will follow this lead.

If we care about the interests of children and the need to re-examine pedagogical concerns, then we must not confine ourselves to the strict area of education, but examine in addition all of the other things which affect children in this first phase of their lives. It is striking how little attention is given

to the interests of children when vital social decisions are taken. The last morsels of green space disappear from a town and they have nowhere to play. Spending cuts give sports clubs no choice but to increase fees, forcing children whose parents are on low incomes to drop out. No thought is given to the influence of television at a time when controlling what children watch is regarded as out of date. Cuts in public health mean that the visits of the school doctor become ever less frequent. The quality of childcare is often inadequate because of high turnover of personnel, itself undoubtedly connected to poor pay. Juvenile court judges complain that they must sometimes send children to police cells or prison because of the shortage of suitable secure institutions. Child protection and vice squads are dismantled because of cuts in police budgets; single mothers on benefit are forced to go to work whilst they still have young children at home; and flexibilisation excludes regularity and calm from family life.
The process of trial and error must begin with analysis. If we do such an analysis, then we must also question whether the policy pursued has brought the desired goal in reality any closer, or whether, instead of that, we are further than ever from its fulfilment.

The system of missed chances

The fallacy of the market as an efficient regulating mechanism is perhaps nowhere so bitterly obvious as it is in relation to the labour market. While hundreds of thousands of people sit at home and are forced to do nothing, those who do have employment must work ever harder for ever longer hours. At the same time, socially important work remains undone because there is no money to pay for it. Health care, the maintenance of green space in the public domain, keeping the streets safe, education, youth work, psychiatric care, all are short of labour as a result of years of spending cuts. Anyone who considers human dignity, equality and security to be of more importance than the maximisation of profit will clearly be willing to pay for socially useful work, the cost of which could in any case be at least partly offset by getting rid of useless training schemes. Automation need not lead to ever harder work for those who keep their jobs and poverty for the rest, but to a fairer sharing out of available employment and therefore less work for all. Work should stand in the service of people, and people no longer in the service of work. In his Grijsboek (Grey Book), Piet Grijs wrote of how the slaves of Athens did all the dirty work, leaving the free citizens to busy themselves with such things as doing nothing, love, discussion, games and science. As Grijs says, "We also shall soon have these slaves, even if, happily, they will be made of metal." It seems to me that we can never have enough of that sort of 'metal slave'.
Unemployment, as is often said, is at root a problem of organisation. How do we ensure that necessary tasks are performed? How do we ensure that this is carried out in decent conditions, and for a decent wage? How do we ensure that everyone enjoys such wages and conditions? And if we have more 'hands' than work, what can we do to arrange a decent sharing out, both of the labour and of the resulting income?
Is all of that impossible? If we agree that it is desirable, should we not, by means of that method of trial and error, be able to devise an approach that brings this desired society closer, instead of ever further away? Or must we resign ourselves to what is happening at present, to the loss of the many social achievements that still manage to survive, and even in one way or another be built, in the face of liberal dogma. When in the past new social achievements were won, such as the abolition of child labour or the introduction of the 40-hour week and the free Saturday, the authoritative economists of the time screamed blue murder and cried fire, but history proved them wrong, as it so often does. As the Americans say of economists, "if they're so smart, how come they ain't rich?"
Trial and error can also be applied to environmental problems. The knowledge, understanding and technology of our time offer us a priceless chance to make the world more liveable, as much for the poor as for the rich, and for both the present and the far future. This will only happen, however, if we learn from the mistakes of the past. Instead of applying ourselves to the problem of how we can use new technologies to make as much money as possible in as short a space of time as possible, we ought to be asking ourselves how the problems that are the consequence of earlier technological innovations (such as the introduction of the motor car, which led to air pollution and congestion, or

television, which from a pedagogical point of view has not been an undivided success) can be avoided.
The neoliberal faith in the blessings of the 'free market' leaves no room for this. Neurotic economic growth excludes reflection and considered decision-making. Sustainable techniques are rejected in favour of those offering more short-term profit. The enormous popular willingness to take account of environmental concerns is seen as useful only when it comes to persuading people to accept higher taxes, and not in any way to aid in the bringing about of active changes in production methods and patterns of consumption. There is a reason almost all reports about environmental problems end with recommendations of a drastic change in economic attitudes. Neither, of course, is it coincidental that these recommendations are immediately shoved to one side by neoliberal political leaders. That such repeated calls for change are ignored demonstrates once again the need for an alternative to neoliberalism, the ideological and political expression of the attitudes of the current economic power.

The right to happiness does not exist

Both the hedonism that was in many parts of the West characteristic of the '60s and '70s and the now so prevalent consumerism, basically consist of the idea that every human being has an absolute right to happiness. Whereas we were once told that the state should provide us with our daily fix of happiness, now the hidden message of every advertising campaign is that to settle for anything less than the best of all, fastest of all, newest of all is crazy. Inconveniences are there to be resolved, setbacks to be overcome, and happiness to be bought.
Consumerism, however, is universally associated with emptiness, because its underlying message, that everyone has a right to happiness, is a lie. Happiness is not for sale, just as is the case for anything of real value. It is, in fact, an unusually scarce good for which we must work hard. And each time that expectations of instant happiness remain unfulfilled brings more disappointment and irritation, or worse.
Even in health care we are witnessing the rapid rise of consumerism, with the pursuit of an ideal beauty which allows blemishes on neither the face nor the soul. Rejuvenation and Prozac will help us become 'pure', presenting us with happiness on a silver platter.
It won't stop there, either. How far away from a separation between propagation and sexual relations between a man and a woman are we now that ever more is known about the human genome, our hereditary material? Will we soon be so much of a biochemical robot that we can be endlessly reproduced? Will we have happiness on command, without respect for humanity as humanity? Is this the nightmare of the Midas touch come true?
The really important things in life, meanwhile, are given ever less attention: self-fulfilment and the quest for the limits of one's own potential and those of society as a whole, and the recognition, respect and sympathy which all people like to experience from those around them. The meaning of life is not much more than the love of life, with all the ups and downs that unavoidably belong to it. Consumerism would have us believe that the 'kingdom of freedom' is for sale, but nothing could be further from the truth. Freedom consists of nothing other than the recognition and acceptance of the immovable facts of life, of what can be changed and what cannot.
Of course, for most the love of life is undermined periodically by adversity, but an understanding of life and society can help to soften such blows, and those around one – family, neighbours, friends, colleagues, even the state – can help to renew that appetite for life. Unfortunately it is in this very area that the state is failing in its responsibilities. Organised solidarity is ever diminishing, throwing people back on to their own resources. We allow old people who are too poor to pay for expensive day care to rot away in nursing homes that offer little or no privacy. Their love of life is thus destroyed. Looked at in this light one can only view with cynicism calls for greater liberalisation of the euthanasia laws.
Humanity is as capable of good as of evil. Which of these two inclinations gets the upper hand has occasionally to do with physiology, but it is much more often the environment that turns the scale. That environment, the social nexus of which everyone forms part, is in its turn enormously

influenced by political choices. Society is of course not wholly malleable, but the playing down of the influence of political decisions, as is popular with many politicians and post-modern social critics, seems primarily motivated by the desire to escape responsibility for the many social evils of our time.
This false modesty about the influence of politics stands in stark contrast to the absoluteness with which many politicians nowadays preach the neoliberal line, and especially with the way in which it is imposed on society. There is little space for doubt or for the questioning of assumptions. It is still the case that big lies are more readily believed than small ones. Many have persuaded themselves that the market economy is a panacea for all social ills. That 'professionals' are more useful to an organisation than those who believe wholeheartedly in its goals. That the state is by definition suspect; that the free play of social forces produces only good; and that every alternative to these opinions belongs on the dunghill of history, because the prevailing beliefs are not only correct but self-evidently so.
Yet if history has taught us anything it is that absolute truths lead to absolute abominations. Nine hundred years ago Godfried de Bouillon, accompanied by 100,000 knights and other followers left the low countries with a sword in one hand and a bible in the other in order to proclaim the 'truth'. It was a 'truth' that taught that Muslims were heathens and barbarians, fit only to be slaughtered. The absolute truth of the Church of Rome led to the Inquisition; the supposed superiority of the human race to Dachau and Islamic fundamentalism to the Jihad and the Fatwah. Absolute truths exist only in theoretical mathematics and then only because certain axioms are taken as given. The truth can only be the sum of different truths, the content of which will differ according to time and place. Doubt is crucial. Of course, we cannot doubt everything all the time, because if we did we would achieve nothing and get nowhere; but we must always be prepared to allow questions, and, even more important, to question ourselves. Many people prefer a known question to an unknown answer, but that which today is unknown, new and strange might tomorrow be familiar and relied upon.

A society for people

As I said earlier, everyone is ultimately responsible for his or her own life and happiness. We are born 'alone, we die 'alone' and our feelings are a matter of individual perception. But people are also social beings: we live together. We have charged the state in the name of the community to take care of certain things, to watch over the general interest for now and in the long term. We legitimate it every few years by means of elections, and we expect it in the exercise of its tasks to take account of general social values, such as respect for the dignity of the individual and the equality of all people.
What makes socialists and liberals opponents is not the wish to allow individuals to take upon themselves as much responsibility as possible and to manage with as small a state as we can. An aversion to the nanny-state and paternalism is common to both. The biggest point of contention between the two sets of beliefs concerns precisely what it is that should be done communally and what can safely be left to the free play of social forces. The most important aspect of this difference of opinion involves the place of the economy, the cork upon which society floats, and its relationship to the state. Where liberals see the economy primarily as a place of sanctuary for investors, socialists say that it is too important to be left in the hands of a few. How can one claim an attachment to democracy and equality and then demand that the most important creator of social conditions remains outside its sphere of influence? Why tie democracy's hands behind its back and frustrate the democratic process in this all-important area?
What is produced in a country is the result of a collective effort. Why then should decisions about how and what we produce and what we do with the consequent revenue be left to investors who take account of nothing but their own private interests? Existing property relations prevent the state from being able to take vital decisions. They make it, to take an example, impossible to find work for people who are temporarily or permanently, through some incapacity, less productive than others, and thereby prevent them from being able to support themselves and make a contribution to

our communal wealth.
We are confronted with a growing gap between collective poverty, brought about by the passion for spending cuts of most European governments, and the growing wealth of a few. The reasoning behind this is that the collective burden must be lowered to preserve our international competition. Yet from this collective wealth every kind of collective activity is financed, and, as everyone knows, more cheaply than if all individuals are left to manage their own affairs. It is, for example, cheaper, if more people and firms use public rather than private transport, and it is cheaper for society as a whole if everyone comes automatically under the same provisions in relation to health insurance.
Terms such as Gross Domestic Product and 'collective burdens' give a totally misleading picture of reality. Labour executed in the raising of pigs is counted in GDP, but not that of parents in raising their children. With collective 'burdens' are included the financial demands placed on us by the state and social funds, but not our other collective burden, the sum of our individual financial obligations, which must rise if collective provisions diminish. It is such financial and economic ideas that sow confusion and have nothing whatsoever to do with reality. The instruments used by economists know the price of everything and the value of nothing.
Instead of the liberal dream of a state with less influence, the state's influence on the economy and everything that belongs to its sphere should be increased. Not as an end in itself, but in order to give it the ability to do the things which we empower it to do on our behalf, and to strike the balance necessary to improve society for all of its inhabitants. In the planning of how and where we live, work and take our leisure we must work together, bringing an end to the ever-growing concentration of economic activities in certain favoured areas. These are things over which the state can, as things stand, exercise diminishing influence.
By adjusting property relations we could also transform power relations, at last establishing the primacy of politics. Would this mean that politics and the state would take all power to itself? Nothing could be further from the truth, because an empowerment of the state must go hand in hand with its democratisation, with giving people more control of their own living and working conditions, of their lives. A thorough democratisation is the only effective answer to the individualisation and fragmentation of society. The democratic process brings people together: not only that, it can also make a contribution to improving the quality of decisions by increasing popular involvement and people's identification with the broader social good. Above all, by means of the democratic process we could create an infrastructure that would safeguard public ethics and enable us to pass on to future generations our moral understanding. Those things that can and should be left to the individual or to independent groups could also be decided by the people themselves.
The state must create conditions, stimulate, mobilise and co-ordinate. It is primarily an ally of the people and not an alien power that rules over them; it takes upon itself the needs of the people, identifies with their lot and tries to use its power to change things for the better for everyone.
No country, even if it is literally an island, is any longer metaphorically so. None can go it alone. But that does not mean that we should despair, or meekly give up what we have achieved. More and more people are awakening to the fact that humanity is allowing chances to be missed, and the process of this awakening is exactly in step with the growing influence of neoliberalism in the world. Battles may well have been lost, but the war is there to be won.

Enough!

Preface to the 2006 - updated edition

The original version of *Enough – a socialist bites back* is, in the facts it cites, without doubt outdated. It sketches out, after all, the political and social reality of ten years ago. Since then a great deal has happened. In my own country, the coalition of the arrogant, between social democrats and liberals, after eight years in power, perished before an unprecedented popular protest at the elections of 2002. These elections were dominated by the dramatic rise and fall of the political phenomenon that was Pim Fortuyn. Since then the Netherlands has been governed by an unadulterated right-wing coalition which has married economic neoliberalism to ideological neoconservatism, as has been the case in so many other countries. World-wide neoliberalism's dominion has been both widened and deepened – yet this has also conjured up opposing forces, from reactionary fundamentalist terrorism to youthful and enthusiastic alternative-globalism. To ensure that this book is more than just a historical document, I have, at the publisher's request, added three new chapters (11, 12 and 13) to the original ten. In these new sections I go into new phenomena and draw conclusions. These are of course based on my own estimations, but I hope that many will feel that they can share them. The translation into English of the new chapters was done once more by Steve McGiffen, whom I owe many thanks.

Jan Marijnissen, Oss, 2006

Chapter 11

Ten years later, in the Netherlands

> "We do not know where we are going. We only know that history has brought us to this point and why." – Eric Hobsbawm

Out-of-date facts, up-to-date analysis

The preceding ten chapters reflect my thoughts of ten years ago. They are completely dated as far as the facts go, because the Netherlands, as much as Europe and the rest of the world, has seen in the last ten years a great number of unusually far-reaching changes. In their analysis, however, I would not hesitate to stand by what I wrote. I'd go even further than that: sometimes I have the worrying feeling that they are more correct than I would have actually wished. The rise of neoliberalism has turned out to have been even greater than ten years ago I could have guessed, its impact on society even stronger. In the chapters that follow I would like, therefore, to look into the developments of the last decade as they have affected the Netherlands and the world, and, in conclusion, to write about all of the things which I believe that we, as socialists who want to bite back, can learn from them.

The rise of Pim Fortuyn

In *Enough*, I described a Netherlands which in the 1990s was governed by what was for our country an unprecedented coalition of social democrats and free market liberals. That uniquely monstrous alliance, which in my opinion brought, on balance, a great deal that was bad to our country, ruled during what I consider to have been the era of missed opportunities and came to an abrupt end in

the spring of 2002. In that year, in what was a true voters' revolution, the governing parties of the 'purple' coalition were punished. This revolution attracted attention outside the Netherlands, and the spectacular rise and dramatic fall of the political phenomenon that was Pim Fortuyn is certainly worth describing. This extravagant, populist politician succeeded, within a few months, in pulling the rug from under the feet of the 'purple' governing parties – so-called for the mixture of the red of the social democrats with the blue of the right-wing liberals – and mobilising a voters' protest which at the parliamentary elections of 2002 turned Dutch politics upside-down. Both social democrats and liberals found their numbers halved and the party of Pim Fortuyn, which had been established only a few months earlier, became in May 2002 in one fell swoop the second biggest in the country. And that in the face of the fact that, ten days before these same elections, the leader himself had been the victim of a cowardly murder.

I don't want to sound as if I'm showing off, but it's true that I had already written about the 'purple ruins' that this monstrous Dutch alliance of social democrats and right-wing liberals had brought about and would bring about at a time when Fortuyn, as social scientist, analyst and columnist, still believed in the purple blessings of this – for the Netherlands – unique governing combination (the first, moreover, since the introduction of universal suffrage not to include Christian Democrats). By, in 1996, writing *Tegenstemmen, een rood antwoord op paars* (Oppositional voices – a red answer to purple") I had gained many supporters but also many opponents. Which was fine. People said quite justifiably after our entry into parliament in 1994: you're certainly against…but against what? And what are you in favour of? These people, whether they were now for us or against us – had a right to an answer. And I gave them one. Also later, when there were questions, I tried to answer these not only with one-liners, but also in a more worked-out form, through, for example, our performance as an opposition party under the Purple government and our commitment in the face of new wars. Politicians who write down their ideas and proposals offer voters greater choice. You would never therefore hear me say, as did the liberal leader Hans Dijkstal, referring in 2002 to Fortuyn's book, 'No, I probably won't read it, I've got work to do.' To read, to analyse what political opponents are saying, is the work of a politician.

High-handed criticism of one's views and rejection of one's approach was characteristic of the purportedly apolitical position which people such as the then leaders of the social democrats and right-wing liberals – respectively, Ad Melkert and Hans Dijkstal – took in relation to political newcomers. "Give it a little time, it'll never take root," was what you could see them thinking. I hoped – with Fortuyn – that this pride would, on May 15th , 2002, the day of the parliamentary elections, be shown to have come just before a fall. I hoped – with Fortuyn – that the voters would have the nerve to declare the political elite incompetent and use their votes to demand to hear something new when the problems in our society were discussed. About alienation from society, about rich and poor, about 'black' and 'white' schools where almost all the children came from one or another ethnic group, about social security, about criminality and security, about our involvement in international conflicts, about culture and cultures. These are the themes over which the Dutch citizen was concerned and in relation to which he or she looked to politicians for proposals, and not for an 'old politics' of 'sweating it out', but for a 'new politics' which in a realistic fashion would lead to change. These were themes which I was always – with Fortuyn – glad to debate. Because there is after all never just one possible answer. The purple politics of social democrats and market liberals found itself bogged down, and the hype that everything would get better thanks to the monstrous alliance of liberals and social democrats was, by the end of 2001 or the beginning of 2002, no longer credible. Many people had grown sick and tired of the government which came to power in 1994. They wanted change. They demanded change.

On the waves of explosive anger – we are richer than ever, and yet this anger came, claws at the ready and shrieking, out of the hospitals and nursing homes, schools and neighbourhoods – Pim Fortuyn rode, from the end of 2001, full speed ahead. He won unprecedented support in opinion polls, and not only in opinion polls: he single-handedly engineered, at the local elections at the beginning of March 2002, a Rotterdam Revolution which saw one Rotterdammer in three vote for

him.

Another shade of purple?

Fortuyn was hot, and the voters thought the world of him. Yet it wasn't clear just where he was looking to take our society. His books, which he had written over a period of several years, gave the answer. *De puinhopen van acht jaar paars* ("The rubble of eight purple years"), the book with which he set out his stall in March 2002 and which positively flew out of the bookshops, was a concise summary of the thinking which he had developed over the previous fifteen years. Anyone like myself who actually took the trouble to read this book and analyse its contents, would see that Fortuyn's answers to the problems brought about by the purple government were nothing but more of the same, a sort of 'angry purple', the kind of ruddy hue sometimes caused by overindulgence. His solution to problems caused by a government which was fundamentally right-wing in nature was.. .to move still further to the right. That was what all of his books and every one of his columns had to say. The former Marxist from the 1980s had gradually lost all of his faith in left-wing solutions and by 2002 was advocating radically – and often rabidly – right-wing measures.

Pim was doing the splits: he wanted to go with the people who had turned their backs on the purple government, but he could do no other than lead them to an even purpler society. All you have to do is look at his proposals on each and every substantial policy area. Problems in health care must be tackled – but Fortuyn's medicine was an enforced anorexia: not a cent more in the first two years, he said in *The rubble of eight purple years*. Bureaucracy must be dealt with, and the managers. Agreed. We had worked out long before this that by addressing unnecessary bureaucracy as it affected the Netherlands you could save around €200 million a year. That's a great deal of money, but nowhere near enough to solve the problems to which Fortuyn himself pointed. For that, several billion euros would be needed, not a few hundred million. The difference represents Professor Pim's enormous health care gap. Without adequate money, you won't get adequate health care. You don't need to be a professor to understand that. Fortuyn's answer? Allow private financing initiatives and entrepreneurship ('the leaven of society') into every health care sector. Where this would lead can be seen clearly in, for example, America, where this Fortuynian dream is already a reality: millions of uninsured people who cannot afford the premiums for private insurance coupled with unbridled overconsumption of health care for those with the money to wander footloose and fancy free around the health care market. Moreover, research has shown that private hospitals in the US are on average ten percent dearer in real terms than are comparable public hospitals.

The overworked teachers and lecturers in schools and colleges would also have found themselves little cheered had they read Fortuyn's remedies: carry on working, don't whinge and moan for extra money ('you'll get nothing that way, Sir!') and fines for the school if the teacher is ill or simply can't put up with things any more. Our national rules regarding insurance against non-availability for work were and remain undoubtedly a problem. Too few people are working, and no-one disputes this. Everyone recognises as well that the Purple government in the end failed to reduce the numbers registering as unavailable for work or to increase those coming off the register. But look at Fortuyn's solution: for people who are ill and unavailable for work, a flat refusal of access to what was always the showpiece of Dutch social security. Cancer, aids, a disastrous car accident: too bad, but you can't come in. Proposals for improvement of working conditions, reducing stress in the workplace (the leading cause of the upsurge in sickness-related non-availability for work); or proposals to oblige enterprises at long last to employ people with health problems and to make use of their often extensive surplus capacity instead of overworking those members of their workforces who are still healthy. On the way to registering as unavailable for work, you'd better not bump into Fortuyn. Too many people on the dole? Cut the amounts paid, and you'll see how soon they find a job. Make all these single mothers get work as cleaning ladies or gardeners. (According to Fortuyn: 'you can't find a gardener in the Netherlands!') And by the way, why have they got children if they haven't got work – hadn't they ever heard of the pill?

Social security must be tidied up, said Fortuyn. I completely agree. Those who can work must work, a proposition to which a socialist can have no ethical objection. But under what conditions? Once again we can see the violent clash of colours between red and angry purple. I say: invest in your staff, get them involved, pay them properly, look after them, give them safe and pleasant working conditions, don't squeeze them dry, don't use them up, but use their working time to your mutual advantage. Fortuyn said: abolish welfare benefits, abolish the system of non-availability for work, don't pay sickness benefits for the first week, do away with unemployment benefits. Then they'll have to go to work. And while you're about it get rid of the minimum wage, the general declaration which obliges employers to respect collective work agreements – if possible the whole collective bargaining system and the trade unions along with it. Abolish work contracts of unspecified duration – after five years you're out, unless you've given your boss sufficient satisfaction to have yourself rehired. And get shot of the last remnants of any restrictions on working time.

Whoever reads Fortuyn's books will have to agree with me that what he wrote was at best an alarmingly light-headed song of praise to ultraliberalism. If Fortuyn had come to power he would have abolished, as I pointed out in the runup to the elections of 2002, society itself. It was not for nothing that he admired people like the 18th century Dutch nobleman Joan Derk van der Capellen, who also saw the country as a “union of individuals”. This sounds fine, but in simple language it translates as nothing more or less than the slogan of greed “every man for himself”.

The fall of Fortuynism

In the year 2002 the Purple government had a problem; in 2002 the Purple government was the problem. On that point Fortuyn and I had no difference of opinion. The solution, however, was another matter. Where he wanted Purple at top speed, a furious Purple moving even further rightwards, bringing social as well as financial shortfalls, I was in favour rather of turning first left, towards other, in my opinion better and affordable alternatives for a society seeking change.

The awaited confrontation never happened, because Pim Fortuyn was callously murdered. The perpetrator of this crime left a stain on Dutch democracy and put an end to the life and thereby to the political career of someone who was anything but boring and predictable, in contrast to the Purple politicians whom he so mercilessly knocked off their pedestals. Even in death, at the head of his party's electoral list he smashed the governing parties' support. On 15th May 2002 the voters settled affairs with the political arrogance which increasingly set the Purple government's tone. The elections brought the List Pim Fortuyn (LPF) into the 150-member Parliament with a total of twenty-six seats. They made the opposition Christian Democrats (CDA) into the country's biggest party, while the SP, for the first time, saw its number of seats double.

It was logical that the Christian Democrats and the stunned Fortuynists, who together had made the biggest gains in the election, should together form a government. Ideologically the market liberals of the VVD were closest to these election winners and it was therefore no surprise that they should join the other two in the new cabinet. In other words, there was no alternative to such a cabinet, as everyone agreed; yet at the same time the feeling quickly came over me that a sort of Greek tragedy was about to unfold. After all, the party of Fortuynists was an organisation the deviser and ideological founder of which had, shortly before the election, been murdered. As a consequence of this there was no unifying thought underlying the party, a party without a history and therefore with no available developed organisation to offer a leadership cadre and a balanced list of candidates.

The sum total of all these characteristics was immediately apparent: chaos, if only because of what attracted people to such an adventurers' club. Every new party has to deal with this problem: adventurers, fortune-hunters, people whose only concerns are their own personal interests, or bringing their own personal ideas into the political debate. This is the fast road to division in any group of people, as we have so often seen. We saw precisely the same scenario unfold in the case of the 'seniors' parties' which, between 1994 and 1998, whipped up a short-lived furore in the

Netherlands; there too politics became personal and the public function of member of parliament acquired a purely personal interpretation. Nobody exerted any effort on behalf of the party or its parliamentary group, but instead attached importance only to his or her own ideas. In the case of the Fortuynists, participation in a new government further compounded these difficulties in the aftermath of the 2002 elections. We are entitled to expect ministers to give priority to the national interest, to strive for unity within a government which might then speak with one voice.

The biggest complaint against the LPF is, all things considered, not therefore the endless series of rows, accusations and intrigues, but their irresponsible behaviour in relation to the national interest. While the new government talked loudly of standards and values, the actual behaviour of numerous ministers bore witness to their individualism and egoism. As one row piled on top of another, government almost ceased to function. Instead of the 'New Politics' promised by Fortuyn, we entered a period of 'No Policies'. As the 1.6 million voters who, on 15th May 2002 had, with their electoral support for his party, demonstrated their sympathy for its fallen leader Pim Fortuyn, became thoroughly sick of this series of spectacles, the Fortuynists' electoral support melted away like snow in the spring sunshine. The speedy end of the first Balkenende cabinet, with its Opportunist ministers, seemed just as inevitable as had its arrival. Pim Fortuyn's political legacy was frittered away, but the warning of what can happen if the dominant political power allows it to remains.

'First on the Left' remains the best option

What also remain are the political alternatives on the left of the political spectrum in the Netherlands, such as those developed and expressed by my own party. Our “first on the left” is still, in my opinion, the best option for Dutch society. Let there be no misunderstanding about this: our plans are neither wishy-washy nor daft. We are nobody's fools. Something will certainly happen should the SP acquire more influence. We are not an organisation inclined just to stick things out, but one which wants to tackle problems and see things through. Our course is clear: first on the left, a road which leads to the rebuilding of the scandalously neglected public sector and public property. This road leads also to a reduction of differentials not only of income but of knowledge and power, both on the national and above all the international level. And this road leads to a society in which nature and the environment are no longer treated as if they were unwanted children. In all, our 'First on the Left' has ten pillars:

First on the Left for social reconstruction. Of health care and education, of safe public transport, and of social security. Obviously needed, obviously civilised.

First on the Left is the road to democracy. We want the sell-off of democratic rights to end, and in its place an increase in the appreciation of democracy.

First on the Left for health care for all. It is really completely crazy even to discuss the possibility that the richest country in the world is unable to organise itself so that people who need health care or medical treatment have access to it, and promptly.

First on the Left for the protection of nature and the tackling of environmental problems. We do not own nature – we borrow it from our children. For this reason we say: hands off our country's last remaining nature reserves. And: make the real polluter pay and develop cleaner methods of production.

First on the Left to a practical plan to bring about a more integrated society. We want to live alongside each other, together and not apart. We do not want 'white' and 'black' neighbourhoods, 'white' and 'black' schools. Our longstanding argument against increasing apartheid and for integration is now attracting support from more and more people.

First Left also leads to a safe society. Public space belongs to us all. We must not allow ourselves to be terrorised by criminals and profiteers who care nothing for the rest of us. Criminal behaviour is anti-social behaviour. If we keep that in mind we will also understand what is going wrong: in

child-rearing, at school, in the neighbourhoods, with supervision and punishment. Values and standards, long dismissed as unimportant by the prevailing political powers, are now fortunately back on the agenda.

First Left to a transport system that works as it should. We want to make the old Dutch sayings 'As right as a bus' and 'it goes like a train' meaningful again. We realise that more tarmac does not lead to fewer traffic jams. That's why we say to government and public, let's get the trains and buses going again, then we might get somewhere.

First Left to a better future which begins, as we all know, with better education. It's a scandal that our country is sliding down the league table of countries with good education systems. What was once our pride is beginning increasingly to be our disgrace. There's nothing wrong with young people in our country, they will be what we make of them and are our only chance of a better future.

First Left to a refusal to accept any social divisions... in opportunities in education or employment, but also in sport, culture or leisure activities. We have some very concrete proposals for helping sports clubs, artists, museums and art galleries, and libraries.

First Left – to close my list – to solidarity in every moment and every place. We are in favour of improving the distribution of knowledge, income and power – here, there and everywhere. Wherever there are people is also to be found our sincere, active, practical solidarity. Solidarity is an important value within our civilisation. And it's in our own interests: any of us can after all at some time find ourselves in need of the disinterested support of others. But there is no solidarity without sacrifice. We are prepared to give, and to keep giving, real content to our solidarity with the world.

Chapter 12

2006: Another world is possible

‘This isn't economics, it's ideology’ – Joseph Stiglitz, World Bank Economist

The rise of neoliberalism…

In the ten years which have passed since I first formulated my opinions on neoliberalism, the world has changed fundamentally. Neoliberal globalisation has transformed relations among citizens, countries and continents. From the bipolar world which still dominated global politics in 1990, we have evolved into a unipolar world, one dominated politically, economically and militarily by the American superpower. Cooperation between European countries has advanced step by step in the direction of a European superstate, whose member countries find themselves increasingly in the position not of national states, but of 'states' in the sense it is used in 'United States', and whose territory now stretches as far as the borders of Russia, the Ukraine and Turkey. America, Europe and countries such as Japan and Korea control the world economy. They consume what the world produces and are home to the Fortune 500. They are the places on the globe where wealth accumulates. They rule supreme, seemingly on every front.

…and

And yet while all this was happening America and Europe faced the brutal challenge of forms of international terrorism that claim inspiration from Islam – a claim with which most Muslims were

fundamentally at odds but one which nevertheless has led to a situation in which western politicians and the western media in particular have fallen under the spell of ‘Islamicist fundamentalist terrorism’. The most important enemy of US President George W. Bush appears to be the Saudi multimillionaire Osama bin Laden, presently lodged in one deep-lying cave or another in the inaccessible region on the borders of Pakistan and Afghanistan. His base has been bombed by an American-led military coalition, for the most part at the cost of many innocent victims and with little success. A similar coalition has now for several years occupied Iraq, following the removal from power of the dictator Saddam Hussein in 2003. Tens of thousands of Iraqis have during this time lost their lives, victims of American violence and the violence of a curious alliance of resistants, in which supporters of the ex-dictator have evidently come to an agreement with supporters of Al-Qaida, which had never been the case before 2003. Under pressure from the foreign invader the most unlikely coalitions develop, as we know from the past. None of this has made the world of 2006 a safer place. In international politics, the need for an alternative becomes ever more urgent.

Superstate Europe

One government after another, coming into office since the Treaty of Maastricht was signed in December 1991 has brought 'Europe' to power in the Netherlands, a process in which the country's citizens have had no say. As far as Europe is concerned, these citizens have no vote. We were not given the opportunity to say yes or no to the euro, or to the enlargement of the European Union through the admission of ten new countries in 2004. It is no surprise that many Dutch people have ever greater doubts about the form which European integration is taking. When at last for the first time they were given the chance to vote on the European adventure of consecutive governments, it was put to immediate good use. Contrary to the opinion of the government and almost all political parties, two out of three Dutch voters said ‘no’ to the proposed European Constitution. As the French people had, only days earlier, given voice to a similar verdict, the European Union landed promptly, according to its supporters, in an existential crisis.

The rejection of the European Constitution by the citizens of the Netherlands and France was an important step for those who believe that an alternative to this neoliberal Europe is possible. In the Netherlands the SP was the leading force in the progressive campaign for a 'no' to the European Constitution, alone in parliament, but with a great deal of support outside. While we fought passionately for a 'no', the government, with support from most other political parties, took the lead in the campaign for a 'yes'. They could count on mass support from parliament, but outside parliament found themselves further isolated.

During the referendum campaign of 2005 the Dutch government did everything it could to terrify the public. A 'no' to the European Constitution could lead to economic chaos and political breakdown. One minister went so far as to speak of ‘war’, while another declared that 'the lights would go out in Europe’. The suggested consequences were so laughable that this sort of utterance rebounded on the government, becoming grist to the 'no' campaign's mill. Now and again supporters did try to have recourse to real arguments instead of the usual scare stories. Prime Minister Jan Peter Balkenende, writing in a national newspaper shortly before the referendum, claimed that the Constitution would give the citizen a louder voice. Yet the reasoning behind his argument demonstrated just how meagre were the advantages to which he referred, as I shall show by going through it point by point.

The premier stated that the voice of the European citizen would resonate in Brussels with more force, pointing to small steps which the European Constitution would take in favour of the European Parliament. And there are indeed such measures to be found in its text. The result, however, remains a long way short of anything which would enable us to describe the European Union as democratic. Because this small amount of additional influence would go, according to this Constitution, to upwards of seven hundred Euro-MPs with whom the population of the member

states has no relationship, in whom they place no trust, and who are not divided into a ruling coalition which can be called to account and an opposition group. They have, moreover, no real say when it comes to such important matters as defence and foreign policy. Small steps forward for this institution can thus hardly be called gains for democracy.

The second advantage to be gained from the Constitution according to the Dutch Prime Minister was the clear demarcation of those areas with which Brussels might concern itself from those with which it was not permitted to meddle. This argument is, alas, also wafer thin. The European Parliament would, it's true, have acquired a few more competences, but what the Prime Minister forgot was how weak the national parliaments of the member states would remain in relation to the unelected institutions in Brussels. This constitution would have made resistance to undesirable interference extremely difficult. The 'yellow card' supposedly intended for this purpose offered hardly anything. If a member state believes that the European Commission is interfering in matters which it should have nothing to do with, its national parliament can only reject and return a proposed measure if eight other countries, within a short period of a few weeks, declare themselves of the same opinion. And if this small miracle of agreement between nine countries to offer resistance to the powerful European Commission should occur, then and only then can the proposal be returned to the Commission for reconsideration. And even then, if the Commission, following such reconsideration, decided to stick to its guns, the national parliaments have no instrument at their disposal further to resist such unwanted interference. Reckon up the gains...

The third advantage on the basis of which our premier commended this constitution to us was that it would make Europe more transparent. Meetings of the Council of Ministers would henceforth be held in public. Yet it would be something of an illusion to imagine that differences of opinion would now all of a sudden be fought over out in the open. The most important processes will take place behind closed doors and the Council will take decisions during ritual meetings only when these have already been cooked up some time previously. This is logical enough and moreover the reason why nobody has ever proposed making meetings of the Council of Ministers of the Netherlands, the main instrument of our system of government (analogous to a British Prime Minister's or US President's cabinet) public. Such a proposal could lead to nothing more than an appearance of transparency.

The new transparency would also help to combat bureaucracy, the premier asserted. Yet anyone who does not recognise that this bureaucracy is of a peculiarly disgusting variety is in no position to counter it effectively. We should not forget that the Brussels politicians who have shaped this bureaucracy were the same ones who authored this European Constitution. It is therefore no wonder that they did not come up with a clear and well-organised collection of the rights of citizens and their relationship to the institutions, but instead produced 500 pages containing 448 unreadable articles, two preambles, thirty-six protocols, two annexes and forty-eight declarations; in which, you may note, can even be found details such as the closing date of the Czech steel mill Duo. In short, the proposed European Constitution, far from being a potential weapon in the struggle against bureaucracy, is a product of it.

The Constitution would, according to Prime Minister Balkenende, present no threat to our identity but would, on the contrary, strengthen it. “With this constitution the Netherlands would not be giving itself over to Europe,” he said on the eve of the referendum on 1st June 2005: “We would in fact take a firmer grip. This constitution offers an opportunity to a middle-sized country such as the Netherlands.” Here he seems to have lost all sense of proportion. We are talking, after all, about a European Union of twenty-five countries with around 450 million inhabitants. The Netherlands is indeed perhaps the biggest of what might be termed the smaller member states, yet our population adds up to only around 3% of the EU total. Given that the European Constitution lays down new rules on the weighting of votes, whereby the number of inhabitants has a greater role in determining the number of votes a member states can cast at Council, and the number of seats it has in the European Parliament, even a child could work out that our influence will diminish. If in the near future big countries such as Turkey and perhaps also the Ukraine join, this influence would become

truly negligible. With the best will in the world I cannot fathom how this can be called a strengthening of the Netherlands' position within Europe.

One of my biggest objections to this constitution was unfortunately not touched upon by the Prime Minister. I'm referring to the fact that the EU is developing ever further and with increasing rapidity into a European state. This was vociferously denied by Dutch supporters of this constitution. The premier and his ministers asserted that this document in fact drew a line under any such process. The social democrat leader Wouter Bos stated that with this constitution "Superstate Europe" would be kept at bay. Yet a considerable number of their fellow supporters, including some of the most important, turned out to have an entirely different view of the matter. Belgian Prime Minister Guy Verhofstadt, for example, said that: "In all these initiatives we observe that the European Union acquires all the instruments of a federal state...The capstone is the Constitutional Treaty..." (*Wall Street Journal Europe,* 26 November 2003). Or witness the pronouncement of German Minister for European Affairs Martin Bury, a statement which left no room for complaints about lack of clarity: "The European Constitution is the birth certificate of the United States of Europe." (*Die Welt*, 25 February 2005) With such frankness from their colleagues in the yes camp internationally it was of course difficult to maintain the insistence that opponents were spreading scare stories. If the rejection of the European Constitution was a nightmare for the politicians of the yes camp, it was a blessing for our country and for the European Union itself, which is now forced to offer space for alternatives which had heretofore seemed taboo.

The roots of terrorism

New York, Istanbul, Bali, Madrid, London – these are taken from what is in fact a much longer list of terrorist attacks, committed by people who claim inspiration from Islam. With the murder in November 2004 of the Dutch cinematographer, the intractably provocative Theo van Gogh, coming as it did just two and a half years after the slaying of Pim Fortuyn, it became clear that terrorism had arrived in our country. In response, a wave of horror swept through Dutch society. Where must our country be headed, if here also political conflicts were no longer fought out with words but with violence and murder? The murder, committed by a fanatic whose beliefs were based on Islam, a man of Moroccan origin but born and bred in the Netherlands, was followed by a number of attacks on mosques and other places where Dutch Muslims gathered. Numerous young people were arrested in possession of plans, motivated by a fundamentalist fanaticism, to carry out attacks, murder people and disrupt society. My name was amongst those appearing as a potential target on this sort of senseless list. So in my street, too, in front of my own door, there appeared a police presence which vividly demonstrated that the climate in the Netherlands was not improving.

Theo van Gogh's murderer – known, following our national practice of not revealing the full names of people implicated in such crimes, only as Mohammed B – was sentenced to life imprisonment in 2005. This was just, as had been the lengthy sentence handed out some months before to the murderer of Pim Fortuyn, known as Volkert van der G. People who attack the rule of law in this way forfeit their right to take any part in society. Pursuit, conviction and sentencing of those who commit terrorist attacks are certainly badly needed. But an answer to the hatred and aggression which are revealed in such attacks demands more. It is for this reason that we must go in search of the roots of present-day terrorism.

Draining the pond

The grouplets which are responsible worldwide for the growing number of terrorist attacks have much in common with terrorist organisations of the past such as the Red Army Fraction and the Red Brigades. They consist of sectarians whose beliefs tell them that the 'higher' goal justifies the means and in this way justify their violent and antidemocratic acts. Members have in the main a distorted image of humanity and society and as dissidents cut themselves off. Ideology or religion are called on as justification for their crimes. In the case of Muslim extremists a cultural component

is also evident: theocracy versus democracy and rural versus urban, western values. The Vietnamese, who for many years had to deal with American terror in the form of bombs, napalm and Agent Orange, never, despite this, opted for an approach which, under the slogan ‘an eye for an eye, a tooth for a tooth’, based itself on blowing up innocent American citizens, bringing the war home to the US. Muslim terrorists, on the other hand, appear to have indeed chosen such a course. We are therefore dealing with groups who in thought and deed stand in many cases isolated from the community which produced them. That does not mean that they have no recourse to a support network. They are fish with sufficient water in which to swim, albeit in a small pond. We, who find terrorism unacceptable, are faced with the question of how this pond might be drained dry. In order to have sufficient ‘water’ available to them, terrorists are capable of exploiting frustrations even were these unjustified by real circumstances. Hatred thrives in an environment in which existence is characterised by injustice, inequality, oppression, poverty and above all hopelessness. Combined with the principle that “the end justifies the means”, this produces dynamite.

The hypocritical West

Take the Middle East. The Arab world has for a very long time lagged, in economic terms, far behind the West and increasingly the same applies to its relationship to the emerging countries of South East Asia. No shadow remains of the days of the Arab world's cultural superiority, though its historical existence remains a visible presence in southern Spain. Of what we can see today, very little makes us feel beholden to the people who invented writing, algebra and astronomy. This comes in part from the legacy of colonialism and the still unhealthily single-minded interested that the West has in this region (oil!), and in part from the dictatorial character of most of its regimes: regimes moreover, which even where they were not helped into power by the West, are always treated with great consideration. It is therefore also no wonder that the West is accused of conspiring with the oppressor. Nor is it strange if the West's double-talk about democracy and human rights, combined as it is with active support for the oppressor, is characterised as hypocrisy. The hard and often violent oppression of the political opposition has in numerous Arab countries led to a radicalisation within the relatively safe walls of the mosque and within the Islamic faith. The breeding grounds of terrorism are the oppression of the Palestinians who have now had to endure this for fifty years and the invasion and occupation of Afghanistan en Iraq. The defamation of Islam, a faith to which many people cling as a source of identity and as something which gives their lives meaning, also fertilises the soil upon which evil thrives.

Wanting to understand the background to terrorism is entirely different to showing an understanding for terrorism itself. Tony Blair and many other western leaders close their eyes to the context within which extremism flourishes and play down the relationship between terrorism and the political position of the west regarding the Middle East. This is a standpoint which is wrong not only from a moral point of view, or even from simple realism, but which is also completely politically irresponsible, feeding the hatred of millions of people and increasing global insecurity.

Within the Netherlands, inadequate integration, and discrimination against people 'from outside' provide the breeding ground for terrorism. People who do not function fully within a society are more readily discriminated against. Unknown, unloved, mistrusted, discriminated against. Two sides of the same coin, both producing losers. That is precisely the reason why the SP has, since the beginning of the 1980s, made efforts in support of common schools and integrated housing. Politicians who assert that 'in time' the problem of segregation would eventually resolve itself, made a terrible mess of things. Time can of course do a great deal, but that doesn't mean we shouldn't help it along through the implementation of sensible policies. By allowing the creation of black and white schools and neighbourhoods, ethnic and communal conflicts were also brought into being. Anyone who has ever taken the trouble to discuss this with those people most directly involved, whether of Dutch or foreign origin knows that a massive majority find this segregation undesirable. What armchair experts and smartaleck politicians could not see, had for those involved been crystal clear for decades: you cannot live together by splitting apart.

The fish in water

The fish in water must be separated from each other. They must be caught, brought to trial and sternly though justly punished. The trial of Mohammed B. was from this point of view a good start. Any kind of tolerance of those who have shown themselves to be violently intolerant towards a society which tries to make concrete the ideals of democracy and freedom is misguided. Those who have declared war on our values, achievements and civilisation must take into account that the iron fist which they have wielded will eventually recoil upon themselves. For this reason, everyone's energy and vigilance are needed. A democracy cannot survive without active citizenship and what might be termed 'civil courage'. A special responsibility lies with those who are closest to those who seem vulnerable to falling under the spell of the mirage of so-called martyrdom. At the same time we must not avoid talking about 'the water', the environment which can produce such feelings. Nationally and internationally we must try to get rid of the breeding grounds of blind hatred and violence. If we cannot persuade people, wherever they may be, of the justice of our intentions and policies, and that means of course those of our political leaders, all our efforts to do so will come to nothing. This must begin with a transformation of those policies, for we will only be able to win the hearts and minds of the oppressed, we will only be able to win them to the idea of a future based on freedom, democracy and solidarity, when we give these three elements real and practical content. This can be achieved through ending the occupation of Iraq and Afghanistan with all possible haste, dismantling the prison camp at Guantànamo Bay, resolving the question of Palestine-Israel through means of a two-state solution, and tackling all of the dictatorial regimes of the Middle East.

No simple solution

The catastrophe which terrorism brings in its wake has shown us just how vulnerable we are. Yet, even if there are already six billion of us, and the earth has an enormous surface area, rapidly progressing technology makes possible a rapid and effective supply of news, and when terrorist attacks occur the response is an exceptional feeling of solidarity and sympathy. We have become each others' neighbours. The question is whether there will ever come a time when we will to the same degree take to heart the lot of all victims of terror, oppression and exploitation without regard to nationality, race or religion. However negative may be the occasion for such reflection, it seems to me no less valuable. Threats and opportunities are closely connected in a world which may appear to be torn apart but which is also in constant and rapid development. In the meantime we should be on our guard for those who come to us with simple answers to this complex problem. Taking advantage of the prevailing anxiety, they stigmatise entire groups of the population and the remedies in time could become in the end worse than the disease. Dismantling of a legal order built up over generations is no answer to terrorism. A ban on thinking something or holding a certain opinion, restricting the rights of suspects, of the accused and of prisoners and the limitation of the freedom of expression offers no real help. Only policies which both tackle the terrorists and are directed at draining the pond in which the terrorists swim can hope to be successful.

Better than bombs

Our stand against military interventions in the former Yugoslavia and later in Afghanistan and Iraq, as well as our general opposition to the deployment of military forces has been interpreted by some as advocating turning our backs on the outside world. This is an unjust accusation. It's true that we do not go along with the idea that if a country does not do what we say we should drop bombs on it. We say that there are better answers than bombs. The fact that you are appalled by what's happening in the world leads often to the idea that really 'something' must be done about it. There comes a moment when politicians think “we can surely not sit back and do nothing?” That mechanism clearly played a role at the time of the Balkan war. Added to this was the fact that we had at that time in the Netherlands recently established a special airborne military force, the 'luchtmobiele brigade', which was intended to provide the means for rapid intervention; this meant

that in the army top brass there was considerable interest in the deployment of Dutch soldiers in Bosnia. It was said that here was a unique opportunity to underline the right of the brigade to exist. The combination of an enthusiastic public opinion, senior army officers who were keen to see it happen, and numerous members of parliament who were sincerely alarmed by the course of events, but just as sincerely believed naively in military intervention, led in 1993 to the first Dutch involvement in a war since 1945. And things didn't stop there.

In itself I find it praiseworthy that people are not willing to sit by as neutral observers when such terrible things are happening as the events in Yugoslavia. Nevertheless, it is hard to see throwing bombs at a powder keg as a sensible response. You might indeed later have further asked yourself whether interference from the international community, whether political, diplomatic, military or humanitarian had not actually led to a prolongation of the conflict. We have to realise that it is the warring parties who must also, as warring parties, achieve peace, because peace deals are by definition concluded with your enemy. This piece of wisdom should have been made clear to the warring parties in Bosnia.

I had quite a debate over this with Hans van Mierlo, who at the time was the Dutch Minister for Foreign Affairs. At a certain moment the international community institutionalised the entire conflict, institutionalised it, that is, in the way in which certain prisoners or psychiatric patients are 'institutionalised' – rendered incapable of managing life in the wider world. The warring parties had increasingly the idea that it was the responsibility of this international community to bring about peace, and so they had no need to concern themselves with the resolution of their conflict. This meant that the solution would not come from each other at all! It would have been much better to have attempted to use political force to come up with just and correct proposals at the right moment: firstly to prevent the conflict; and secondly to try through diplomatic means to arrive at a perspective for peace for the people of the country. As far as the first possibility was concerned, instead of Germany's wish to recognise Croatia's declaration of independence, the European Union should have brought pressure to bear for a confederal Yugoslavia. And as far as the second goes, such a perspective was offered to neither the Muslims, nor the Bosnian Serbs, nor to a section of the Croats. This lack of any prospect for peace meant that people continued the seemingly endless war.

From United Nations to coalitions of the willing

The United Nations was established after the Second World War. In establishing the UN, and in comparison with the pre-war League of Nations, an important concession was made to the world's real powers: the General Assembly, in which all 170 member states would be represented, had little power, while the Security Council, where the most powerful member countries were represented, was almost all-powerful. France, the United Kingdom, the United States, Russia and China run the show, with the Americans topping the bill. In fact this is, in a nutshell, an outline of the major problem afflicting international politics, namely that the power of the mighty always prevails over the good intentions of the world community. The friction between the two is what makes all of these problems so difficult to resolve. Because the interests of big, influential countries always come into play, these invariably block any solution which is not in their immediate national interests. We know now as well a great deal about how the Russians and Americans employed their security services. In Africa they for a long time controlled puppet regimes and groups who in turn unleashed wars in which millions of people died – certainly in the time of the Cold War, when people thought in terms of spheres of influence. What we have now is a sort of *Pax Americana*, with a unilateral centre of power in Washington which no other country comes anywhere near. Russia is to a large extent dependent on America: for technology and ‘know-how’, for investment and for the right to export to the US. China must also rely on the US, while Britain has long been its lapdog. France remains in reality the only member of the Security Council which attempts to plough its own furrow, but in doing so very much keeps its own interests to the fore. The Americans are presently in a position to dictate, to a great extent, the decisions of the Security Council. As a result they were able to see the famous Iraq resolution adopted by the Security

Council. And when they could not bend the Security Council to their will, the US simply granted itself the right as the world's superpower to intervene unilaterally. Whereas the attack on Afghanistan following the act of mass murder by terrorists on 9th September 2001 was carried out with the permission of the Security Council, the attack on Iraq in 2003 lacked any such approval, yet the ‘coalition of the willing’ was for President Bush an alternative acceptable in every sense. He was thus able to bypass also the North Atlantic Treaty Organisation and the resistance from within it from member states France and Germany. That Bush with his illegal attack eventually found himself falling ever deeper into the mire while the Iraqi people embarked upon an orgy of violence and counter-violence is something which now, a few years on, we can all agree upon. Anyone who, on the other hand, at the very beginning of the century, predicted that this would happen was reproached for defeatism both in the Netherlands and abroad.

Pax Americana

The Pax Americana is a peace replete with violence and one which offers no prospect of a better world. That is why we must, in relation to this also, work towards an alternative. That's easier said than done, of course. Just how difficulty it is to achieve a better global politics can best be illustrated with an example. At a certain moment in the past the United Nations stated that we should have an International Court of Justice in order to be able to punish crimes against humanity. Just a minute, the Americans then said, any such court will have no jurisdiction over us – not for American military personnel, diplomats or politicians. We must play the role of world policeman and for this reason do not want any American citizen ever to be brought before this court. If you don't agree to this, we'll reject any proposal for such a court. Because an International Court of Justice could only be established if a certain number of members of the United Nations were to ratify the relevant treaty, the Americans first persuaded Romania, and then a number of other countries, to sign bilateral agreements to the effect that they would never extradite accused persons to the International Court of Justice, with the aim of frustrating the United Nations.

Putting out fires before they start

To avoid any misunderstanding, I must say that it would make no sense to idealise the United Nations, as I have already clearly stated in *De laatste oorlog, gesprekken over de nieuwe wereldorde* ('The last war: discussions about the new world order') that I co-authored with Karel Glastra van Loon in 2000. There is, it would be correct to say, much to criticise in the organisation: its slowness, its lack of efficiency, the money it wastes, the very limited powers of the General Assembly, the dominant role of the Security Council, and the sometimes frankly cynical attitudes which prevail. For the time being, however, the United Nations is all that we in fact have. The world community has no other platform for the airing of issues related to war and peace. For this reason we must not be too hard on this institution and must indeed defend it from those people and countries which would undermine and ridicule its authority. The United Nations Charter contains extremely valuable moral cornerstones for the conduct of international relations, including the forbidding of acts of aggression, and even for relations between states and their citizens. It is reasonable to expect responsible states to treat the UN and international law as things to be valued. Any intelligent foreign policy must include as one of its goals the strengthening of the United Nations and its institutions.

Lastly I want to enter a plea for reducing the chance of new wars occurring. There is a saying which is popular in the fire brigade: ‘You can put out any fire with a bowl of water if you get to it fast enough.' For those who really want to contribute to bringing about a safer world there are therefore two questions to be answered: do we want to get there soon enough? And do we have a bowl of water left for it? In order to get there in good time we need to create a worldwide early warning system, one capable of enabling the United Nations and regional bodies such as the Organisation for Security and Cooperation in Europe (OSCE) to offer timely help in preventing conflicts or, where

conflicts already exist, avoiding any further escalation. This means that the UN, as well as the OSCE and similar bodies must have available adequate financial means, sufficient to enable them to offer such help effectively. After the war in Kosovo the western countries established a Stability Pact for the Balkans, excluding only the Federal Republic of Yugoslavia. The question is this: why were many prepared at that stage to allocate numerous troops to this region when that had not been the case earlier? We can never know for certain but can say with some confidence that the cost of the many thousands of military personnel who were deployed in the bombardment, as well as of the enormous destruction which was its consequence, amounted to many times the amount which would have been needed at the beginning of the 1990s to reverse the decline of the Yugoslav economy. Had this sum of money been provided and had European countries made efforts to establish a confederation instead of a group of independent republics, the human tragedy which was to play itself out in the Balkans could probably have been prevented. If we had at an earlier time done more for the people of the Middle East, then we might well not be stuck in the mire in which we now find ourselves.

Broken promises

Neoliberalism likes to present itself as a promise, the promise that if developing countries run down their already wafer thin social safety nets still further and further liberalise their markets and the movement of capital then prosperity will follow as day after night. The reality is that worldwide economic growth has diminished since the early 1980s when neoliberalism began to overrun the world. In the 'fifties, 'sixties and 'seventies the world economy grew by an average rate of around 4% per year. In the 'eighties and 'nineties, neoliberalism's heyday, this fell 3%, then 2% respectively a year. Furthermore, we all know that economic growth is one thing, while the distribution of its fruits is quite another, and if these are unfairly divided then what on earth would we have achieved?. And of course, neoliberalism hasn't only provided us with lower rates of economic growth, but also with greater inequality. This has been evident in almost all industrialised countries. In the Netherlands, income inequality has been growing since 1983. According to research conducted in every member state of the European Union, in fact, the gap between the best and worst paid workers has grown nowhere so quickly as in our country! It is not for nothing that my party has placed such importance on the struggle against the growing social divide, a divide which is moreover evident not only in relation to incomes and wealth, but also when it comes to education, health care, housing and even the law. And then again, I am here speaking only about developed countries, because it is unfortunately the peoples of developing countries who have been neoliberalism's biggest victims. We often forget that it is in such countries that the great majority of the world's population lives.

The Asian Tigers (the term itself is beginning to acquire a comic ring) were *the* argument presented by such bodies as the International Monetary Fund and the World Bank to demonstrate that neoliberalism worked. These countries formed the proof that globalisation could lead to convergence of incomes and economies towards the western level. Many of these countries had, however, pursued policies which on a number of points greatly diverged from those laid down in the miracle prescriptions of the IMF, basing themselves for instance on a strong state and the imposition of import limitations and restrictions on capital movements. South Korea and Thailand did not liberalise their capital accounts until as late as 1995, planting in doing so the seeds of their later financial crises. Despite this, the neoliberal 'Washington Consensus' was all too readily identified with these countries in what was supposed to be a demonstration that 'capitalism works'. Recent years have shown ever more clearly instead that neoliberalism is no road to prosperity, but rather a political ideology which all too often turns out to be a road to poverty and misery.

The rapid international movement of capital in speculative investments has grown explosively. Politicians often make it appear as if the internationalisation of finance capital was a logical consequence of the technological developments of the last twenty-five years. Modern means of communication, such as e-mail and the Internet, would have been essential to the infancy of

financial globalisation, making it possible for capital to move from one side of the world to another in a few milliseconds. For speculative capital the world has indeed become a global village. Yet technological development is not the cause of globalisation, having at the very most made it possible. Politicians are responsible for this development, in that they have since the end of the 1970s systematically dismantled any regulation of international capital movements. It is now almost inconceivable, but the United States became in 1974 the first country to liberalise its capital movements. After Thatcher came to power in 1979, the United Kingdom followed suit. Not long after, almost every other industrialised country did the same. The free movement of capital and the international spectre of high-speed capital were products of the neoliberalism which has ravaged our planet since the beginning of the 'eighties.

WTO, IMF, World Bank

At the same time as the capital markets have been undergoing deregulation, international trade in goods has been increasingly liberalised. In 1986 around a hundred countries began, at a meeting on the General Agreement on Trade and Tariffs (GATT) in Uruguay, a round of negotiations which led eventually to the establishment of the World Trade Organisation (WTO). The longer the negotiations continued, the more they came to be dominated by the rich countries of the west. The Dutch government itself later said of the talks that 'in the endgame, because of their economic weight, the European Community and the US have played the leading role.' In 1994, in Marrakesh, Morocco, the process was brought to a conclusion. Given the dominant influence of neoliberalism in both Europe and the United States, the outcome of the negotiations was hardly a surprise: in the framework of the World Trade Organisation, existing obstacles to trade would as far as possible be demolished, and tariff barriers broken torn down. Intellectual property rights would be enforced with a firm hand. This was principally in the interests of the rich western countries, which possess the vast majority of patents. In addition, the possibilities for national administrations to pursue their own economic policies were drastically restricted.

Global resistance

Resistance to globalisation concentrates in particular on the IMF, the World Bank and the WTO, organisations which not long ago were known only to a handful of administrators, activists and economists. Since the 'Battle of Seattle', the failed WTO summit of December 1999, this has totally changed. Meetings of these organisation now bring tens of thousands of demonstrators on to the streets. Their motives and the alternatives which they propose vary hugely, but they agree at least on the failings of the 'Washington Consensus', the set of neoliberal prescriptions by which all three organisations are guided They direct their arrows not at globalisation as such, but at its neoliberal character and the manner in which the IMF, the WTO and the World Bank impose their 'solutions' on countries and people. Hundreds of thousands of demonstrators, belonging to progressive political parties, trade unions, human rights groups, religious associations, the environmental movement and development organisations, demonstrate since Seattle wherever the top dogs of the IMF and World Bank (as well as those of the G7 and EU) pitch their tents. The multi-coloured coalition of demonstrators is at one over the ineffectiveness of the IMF and the World Bank, the social consequences of their interventions, their fixation on mega projects and macro-statistics, the one-sided way in which their prescriptions are established and enforced, the lack of transparency within, and the undemocratic character of these organisations. The rise of the World Social Forum as well as its continental and national variants, especially amongst young people, shows that a counterweight to neoliberal globalisation is growing. The last World Social Forum in Porto Allegre was a tremendous success, while the European Social Forum in London in 2005 brought together a large number of people and of ideas concerned with the development of alternative opinion and alternative routes to power. In 2006 the European Social Forum sets up camp in Athens, where there will certainly be more discussion of recent global developments, including the WTO ministerial in Hongkong in December 2005 and the UN Summit on Poverty a few months earlier.

This summit broadly considered the fact that nothing appears likely to come of the agreed Millennium Goals, which amongst other things were supposed to lead to the halving of world poverty by 2015.

‘This is no economics, it's ideology’

Today there are more poor people in the world than ever before and, according to one edition of the United Nations' *Human Development Report* (HDR) after another, the gap between poor and rich has never been so great. Yet the medicine men of the Bretton Woods organisation continue to this day to write prescriptions for draconian cuts in spending on education, health care, food subsidies and other attempts by governments to fulfil their duty of care. They continue to bring pressure to bear for privatisation and liberalisation of trade and emphasise in the most extreme fashion production for export in order to ensure that currency is available for the repayment of debts. A more evenly matched development would demand that the west would open its markets while poor countries were allowed to protect where necessary their economies. As a certain Gross Domestic Product per head of the population was reached, these countries could gradually enter the liberalised markets of world trade. Another complaint which might be brought against the IMF and World Bank is their domineering style of operating. Programmes are established with hardly any discussion with the finance minister of the country concerned and none whatsoever with social organisations, while knowledge of the relevant macro-financial and macro-economic data is not, in either the establishment or the implementation of these programmes, tempered by any taking into account of the situation of the people of the country. The IMF pays out and pays out, forcing national administrations to do whatever is assigned to them. Fortunately criticism is growing, and not only from demonstrating outsiders. The cracks in the 'Washington Consensus' are becoming ever broader and deeper. The idea that only free trade can bring structural and sustainable development finds fewer and fewer supporters. Henry Kissinger, not exactly a leftist, was some few years ago already denouncing the IMF's short-sighted approach, saying that the Fund works “like a doctor who has only one pill for every conceivable illness". According to Kissinger, the IMF's policies lead to 'exploding unemployment and growing hardship' amongst the population. In June 2002 the economist Joseph Stiglitz was forced to leave the World Bank because of an identical criticism of his employer: 'this is no economics, it's ideology.'

The undemocratic nature of the IMF and the lack of transparency are meeting growing resistance. The number of votes that a country has is directly proportional to the amount of money which it contributes. The principle of 'one-man-one-vote' is here exchanged for 'one-dollar-one-vote'. The US has fifteen percent of the votes and Europe thirty percent. The forty-five participating African countries have together four percent of the votes. Because there is no question of transparency or openness, the rich west can recreate the world in its own image, without it ever being clear how and why. I am of the opinion that we must work towards an alternative to these organisations and find new forms of cooperation. That is badly needed in a world which grows smaller by the day.

Chapter 13

New optimism

> “Don't sit sulking on the sidelines. Do something and show your courage. Let your anger go hand in hand with the good that you do.” Dutch novelist, journalist and activist Karel Glastra van Loon (1962 – 2005)

A history of peaks and troughs

The history of humanity is a history of peaks and troughs – but throughout, also one of progress. I do not believe in cultural relativism, the idea that cultures are of equal value, no matter what cultures and at what stage of development. These things do indeed matter. Besides, the fact is that we all live longer, and I fiercely support the idea: long live life! This is in itself also a form of progress. But I also believe that through its existence humanty has grown greater, in our reduced dependence on climate and nature, for example. We have, in at least a part of the world, been able to arrange our environment to suit ourselves. Science has brought us a great deal, from knowledge of nature to prosperity, from knowledge about the human body to good health. We can therefore speak in terms of development and I do not know why, in the 21st century, this development should stop. There is also, however, a great deal amiss. Society does not move automatically in a positive direction. I am no feelgood prophet of progress! I am also constantly preoccupied with climate change, overpopulation, worldwide hunger and economic inequality – and above all with the terrible inequality of prospects, of hope. These problems are enormous, and it is logical to expect that many people feel despondent in the face of them. Despondent and hopeless: the lack of prospects and of hope is a terrifying catalyst for the creation of movements driven by hatred of others. It leads to barbaric fanaticism and even to horrifying terrorism.

Global village

The idea of the 'Global Village' is in itself sound enough. Improvements in transport and communications have indeed made the world, as far as relationships between different regions goes, smaller. The world also became smaller on 11th September 2001, when even people living in powerful countries turned out to be vulnerable to relatively small powers from far away. What happened in New York that day was sure to lead to our looking at the world in a different way. ‘9.11' forced us to reflect. Of course, what we had here was an unacceptable terrorism, which must be forcefully combated; but what also had to be considered was the question of what lay behind this terrorism, of where this fanaticism had come from, of how it can find a breeding ground in certain parts of the world. Such questions lead us also to consider the issues of worldwide inequality, the extremely unjust revision of prosperity, of good health, of hope and the prospects for a better future. In my opinion these questions have been for too long confined to the sort of discussion which leads to no commitment, and to their being too infrequently dealt with. They are talked about on Sunday morning, but rarely tackled when the working week begins. Look at the World Trade Organisation, the World Bank, the International Monetary Fund, the United Nations, all organisations which claim to wish to contribute to a fairer distribution of prosperity in the world, but which in many cases in practice contribute instead to still more inequality.

The socialist movement has since the nineteenth century been in essence nothing but a movement which has repeatedly attempted to make possible what has been considered impossible, which has tried to close the gap between the is and the ought, always to the advantage of people and of humanity as a whole. And so much was, we were told, impossible! The forty hour week, for instance, would certainly mean the end of prosperity – yet this turned out not to be the case. The eight hour day would bring economic progress in the west grinding to a halt – this was also said, and thus also turned out not to be true. The abolition of child labour would prove impossible – it would signal the death of industry. The opposite turned out to be the truth. Elsewhere in the world all of these things – a working week of forty hours, a working day of eight, and a ban on child labour – remain even now impossible, at least that's what we are led to believe by those who hold the power over these places, over India, Pakistan, in Burma, in the Philippines, in fact in huge areas of Asia, Latin America and Africa. And those who live in these places and yet do not agree with this assessment, can gain hope and a belief in a better future from others who in the past have proved that it can indeed be done.

For the people, with the people

Humanity has been perfectly capable of coming up with alternatives, precisely because there were people who demanded what was called impossible. The German philosopher Herbert Marcuse, who became a US citizen in his forties, talked about ‘the one-dimensional man’, a person who can see reality only as it now is. Marcuse saw this one-dimensional person as the biggest threat to the eternal will of human beings to strive for change. My guiding principle is this: that the things we do we should do for the people, but also always with the people. We must not confuse emancipation of the people with patronising the people. That is why a politician should always avoid pretention. True, it's best to try to lead the parade in a certain direction. But don't go thinking that you will always know in advance just what that direction will be! Think carefully, do your best, have courage when it's needed, don't be afraid to offer leadership or to say what you really think or which side you want to be on – in this way you can perhaps provide the match with which others can ignite the fires of change.

New optimism

I call this the new optimism. You don't see it in everyone, but happily enough it can indeed be seen in growing numbers of people and ever more strongly. And this new feeling of optimism is sorely needed, quite simply to give people hope for a future worth working for, to free ourselves from the cynicism into which so many people have now fallen. Critics have of course a point when they draw attention to another development to be seen in our society. In contrast to the new optimism there exists also a great deal of ‘hedonism’. This is difficult for optimists such as myself to stomach, yet here also, after twenty-five years of rank neoliberalism, rampant individualism and a surfeit of cynicism, I sense the turning of a tide. We have in the Netherlands during these twenty-five years seen a rise in incomes and in Gross Domestic Product of unprecedented dimensions. Nevertheless we have, in a number of ways, become poorer. The social divide has grown, health care and education have deteriorated. The soul has been torn from our society, by which I mean the mutual understanding. Recently someone said to me, “What belongs to all of us has been lost.” And this is also the case. Public space has disappeared and the public sector has fallen into decline. I adhere to the dialectical idea that the more intensely something becomes itself, the more likely it is, ultimately, to cancel itself out.. I am convinced that in the next few years the indifference and superficiality will give way to a greater involvement and engagement.

Ever more people are starting to feel that we really must begin to look for an alternative. 'Do nothing and wait and see' is seen as an option by fewer and fewer. Many people are for the first time getting involved, or renewing their involvement. If I look at the number of discussion meetings in the country or listen to what all sorts of people are currently saying to me, I see an ever-growing number rejecting the idea of “me, me, me and the rest can go hang”. They understand that the weight of your wallet is not directly proportionate to the happiness of your life. Human happiness is not something which falls just like that into your lap; on the contrary, you have to do a hell of a lot to achieve it.

I'm glad that I am far from being the only one who thinks this, that in fact the numbers of people seeing things in this way is growing, and quickly. The high water mark of the period of superficiality and postmodernism has now been passed. We must now, and with the greatest urgency, offer resistance to all the pessimism and negativism in politics and society. Of course, it is not easy to put undesirable developments to rights, of course things which have grown crooked cannot always be straightened out, and of course new policies will also have their ups and downs – but there is decidedly no reason to take a purely negative view and kid ourselves that we do not hold our future in our own hands. I truly believe this, in any case, and hope that this belief will prove infectious. It is time for new optimism.