

A General Logic of Crisis

Adam Tooze's outpouring is material for a future anatomy of the class rhetoric of faux cosmopolitanism as it flourishes among a soul-searching urban-academic middle class in the post-Brexit moment (*LRB*, 5 January). Those of us who do not meet the demanding standards of universalist utopianism can find solace in the fact that when it comes to earthly matters, even the inhabitants of the moral high ground have in the past shown a sense of healthy pragmatism, for example by abstaining from calling for Britain to join the European Monetary Union or the Dublin or Schengen agreements, making one suspect that they, too, distinguish between different institutional constructions of Europeanism or globalism, and between different national needs and interests in relation to them.

While Tooze does represent some aspects of my work fairly, I am highly uncomfortable with his claim that I was asserting 'the primacy of the nation'. (Other points, equally disturbing, I cannot address here for reasons of space.) I know this trope from discussion in Germany, where any positive reference to national borders or national sovereignty is denounced as implying 'a return to the nation-state of the 19th century', or even as a call for *Abschottung* (isolation, sealing-off in panic). I don't know about 'primacy' – but when it comes to the politics of Europe today and in the next ten or twenty years, I opt for sober – British? – empiricism, everything else being highly inflammatory. In Europe the nation-state (I tend not to refer to 'nation', only to the nation-state, which is an institution, a political organisation, not an ethnic bloodbrotherhood) is very much alive; see the United Kingdom, but also Scotland as a nation-state in waiting. (Quite a few of my anti-Brexit British friends were pro-independence.) I cannot imagine a European Union, however it will develop in coming years, in which the historical nation-states of Europe won't play an important, indeed a constitutive role. Europe cannot be a unitary polity, for innumerable reasons. My concern is not with 'an assertion of the primacy of the nation', but with how our historically inherited nation-states can be bound into a European fabric where they can live in peace with each other and with themselves – the latter meaning, to me at least, shielding themselves from powerful pressures, internal as well as external, for a neoliberal restructuring of their economies and societies. Too much centralisation is counterproductive in this respect; see the rise of anti-integrationist, nationalist parties everywhere, and the exit from Europe of a country like the UK, that was at best only marginally integrated in 'Europe' to begin with. The more you push for 'more Europe', the less Europe you get.

So much for the politics. On political economy, 'Europe' – that's to say, the European Union and, in particular, its monetary union – has become a formidable neoliberal rationalisation machine. I saw this coming, and said so, beginning in the 1990s with the turn of the second Delors Commission to a supply-side economic policy. Forgotten was the 'social dimension', not least because of British influence – and I don't remember today's Remainers having had a word with their governments, Conservative or New Labour, on the need to build into a 'united Europe' effective capabilities to defend the European welfare state, at national or supranational level. That train has long left the station. One might think historians like Tooze should have a sense of what social scientists call 'path dependency'. Democracy, defined as the institutionalised possibility of the unwashed reminding the washed of their existence, is to some residual extent still present at national level – see the Brexit vote – with no prospect of expansion to the elevated circles of the Junckers and Draghis, for institutional, organisational, linguistic or whatever reasons. I argue that democracy is more important than globalisation, and since global democracy is no more than a pipe dream, a little less globalisation is quite all right if it gets us a little more democracy. But perhaps that battle has already been lost.

Liberals like Mario Monti, a seasoned functionary of both haute finance and haute Europe, who promised the cosmopolitans of Europe he would turn Italians into Germans (in a newspaper interview shortly before an election that sealed his political fate), may see this differently, and Tooze is of course free to do so as well. Where it gets really dirty, however, is where he blows up my innocent analytical distinction between 'the people of the state' and 'the people of the market' into an essentialist, racist, implicitly anti-Semitic conceptualisation of politics and political economy. The relevant passages in my book are devoted to explicating two competing pressures on democratic politics in an age of high debt: pressures from the owners of passports commanding a right to vote (*Staatsvolk*), and from the owners of bonds and movable capital commanding a right to sell (*Marktvolk*). I say nothing about how the two are constituted, except to mention that voting rights are national and selling rights international (which is so). Nothing in particular on ethnicity, nowhere. Are there personal overlaps between the two 'peoples'? Sure, and I explicitly mention them, among the rich (who are, however, today more internationally mobile than ever before in the modern era) and the less rich (those who have money in private pension funds). Tooze implies, let's be clear about this, that my *Staatsvolk* is a *Volksgemeinschaft* and my *Marktvolk* is an international, probably Jewish conspiracy; this is beyond the pale, and leaves me speechless.

A final point on Europe. The *Sun* called Oskar Lafontaine the 'most dangerous man in Europe' shortly after he became finance minister in late 1998. Tooze forgets to mention that the *Sun* and, if I remember correctly, other British papers adorned his image with a swastika, the reason being that on his first visit to London, he had advocated tax harmonisation in Europe. (If you're German, you find that swastikas are readily applied by anyone who disagrees with you; they can even be delivered with a Mark Antony tremolo – viz Tooze: 'One wouldn't wish to impute that to Streeck.') At the time I was a member of a group created by the German chancellor's office along with the 'social partners' (in German parlance: trade unions and employer associations). We were charged with devising ways to overcome what was then a deep employment crisis. (Not the Hartz reforms; they came in 2003 when our group had long been disbanded.) Roughly coinciding with Lafontaine's London visit I gave a lecture in Amsterdam in which I touched on the way European countries attracted the headquarters of multinational companies by affording them special tax deals. In the audience was a high

functionary of the Dutch Partij van de Arbeid, who in the subsequent discussion shouted at me as though I were aspiring to be the new *Gauleiter* for the Netherlands. I haven't forgotten this. I learned from it how complex European politics are: so complex that the idea that it would take no more than an R2G government in Germany for national interests and obsessions to dissolve into thin air is ridiculous. Others with less grounded experience may find it hard to understand why so many in Europe perceive Habermas's Europeanisation of Germany as a Germanisation of Europe. Universalism, however, can be imperialism; when I call for the preservation of a modicum of national sovereignty within whatever European construction will finally emerge, it is because I want Europeans to live in peace with one another, which to me requires, among other things, that countries be able to command a halfway effective capacity to defend themselves against competitive pressures and German rule, and in particular against the former imposed by the latter. High capitalism is a difficult enough fellow to fight.

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