

◆ Phenomenal World Volumes

Market Economy,
Market Society
*Interviews and
Essays on the Decline
of European Social
Democracy*

Edited by Maya Adereth

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— Maya Adereth

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Abbreviations

CCOO: Comisiones Obreras

The largest trade union in Spain, affiliated with the PCE

CFDT: Confédération française démocratique du travail

French trade union affiliated in the 1970s with the PS

CGIL: Confederazione Generale Italiana del Lavoro

Italian trade union affiliated in the 1970s with the PCI

CGT: Confédération Générale du Travail

French trade union affiliated with the PCF

CISL: Confederazione Italiana Sindacati Lavoratori

Italian trade union affiliated in the 1970s with the DC

DC: Democrazia Cristiana

Italian Christian Democratic Party

FLP: Frente de Liberación Popular

An anti-Franco opposition group active in Spain from 1958-1969

IU: Izquierda Unida

A coalition of left leaning parties organized in 1986

ORT: Organización Revolucionaria de los Trabajadores

A Maoist organization active in Spain during the early 1970s

PCE: Partido Comunista de España
The Spanish Communist Party

PCEI: Partido Comunista de España Internacional
A split from the PCE especially advocating Catalan independence

PCF: Parti Communiste Français
The French Communist Party

PCI: Partito Comunista Italiano
The Italian Communist Party

PDS: Partito Democratico della Sinistra
An Italian post-communist coalition active from 1991-1998

PS: Parti socialiste
The French Socialist Party

PSI: Partito Socialista Italiano
The Italian Socialist Party

PSIUP: Partito Socialista Italiano di Unità Proletaria
A split from the PSI active 1964-1972

PSOE: Partido Socialista Obrero Español
The Spanish Socialist Party

SEU: Sindicato Español Universitario
The Spanish student's union

SPD: Sozialdemokratische Partei Deutschlands
The German Social Democratic Party

UGT: Unión General de Trabajadores
A Spanish trade union affiliated with the PSOE

An Introduction

In the past twelve months, the Covid-19 pandemic has deepened the stark inequalities in income, wealth, and social resources that have characterized rich democracies since the late-1970s. A year that began, in the United States, with unprecedented political support for policies like free public education and healthcare was soon defined by hundreds of thousands of preventable deaths, and millions cast into precarity and joblessness. In the chaos of the pandemic, metaphors proliferated of foundational injustices being “exposed” or “laid bare” by the pandemic. What was underneath?

In the 1970s, amid the breakdown of Bretton Woods, oil shocks, debt crises, and stagflation, a new political consensus began to cohere. Anti-inflationary monetary policies, weakened capital controls, and cuts to expenditures formed the core of this new mode, which chipped away at or abandoned social provisioning.

The popular story of neoliberalism’s rise justly associates the turn with personalities such as Ronald Reagan, Margaret Thatcher, and Paul Volcker. But in much of continental Europe, it was socialist parties and their social democratic governments that liberalized the economy—against their stated programs and the interests of their constituents.

Explanations for the breakdown of European social democracy tend to focus on the impact of technological development, neoliberal ideology, and globalization. In a vast and discipline-spanning literature, scholars have argued that the combination of declining consumption of durable goods, stagnating productivity, and growing wage demands led employers to restructure the process of production. The development of information technology and reorganization of factory production on a global scale not only empowered multinational corporations and

altered incentives for investment, but also generated a breakdown in the class identities and class-based organizations of the postwar period. The advancement of neoliberal economic ideas and policies is also often attributed to the interests of states, particularly rich ones with strong high-value-added and financial sectors who benefited from a liberalized global economy.

In assembling this volume, we sought to illuminate such explanations through documentation of the experience of social democratic and communist policymakers, trade unionists, and activists themselves. The interviews compiled here all revolve around two related questions: what motivated left-leaning governments to pursue neoliberal restructuring, and was there, contra TINA, an alternative?

From the analyses of Italy, Spain, and France contained in this book, two instructive themes come into view. The first is the necessity of actively reconstructing a political language adequate to the changing realities of the labor market and its effects on a party's social base. In the opening essay, Adam Przeworski takes up this question, placing the interviews of this volume in dialogue with a correspondence between Swedish Social Democrat Olof Palme, German Social Democrat Willy Brandt, and Austrian Social Democrat Bruno Kreisky. Their exchange sees the three party leaders struggling to conform their political vocabulary to the dramatic economic changes of the early 1970s.

The second is the importance of maintaining a sensitivity to the long term consequences—coalitional and institutional—of short term economic reforms. The interviews with policymakers from the period indicate that, at least in part, socialists implemented what would come to be called neoliberal reforms because they simply could not foresee

their long term structural implications. But, as Stephanie Mudge notes in her essay, “if democratic politics are to survive, the question we need to answer is what made the writing on the wall so difficult to see.” In their country-specific analyses, David Broder, Juan Andrade, and Jonah Birch detail the complex transformations that political parties underwent as they navigated the rapidly changing global economy of the period and the drastic effects the changes had on the space available for political decision making.

The debates over the particular historical sequence that allowed for the collapse of European social democracy are far from resolved. What this volume hopes to do is shed light on major structural changes by locating them in the political machinations that carried them forward. While the global economy of our present looks different from that of the 1970s and 1980s, the experience of mass political parties during the time provides both fodder and lessons for our continued research, speculation, and debate.

— Maya Adereth
January 25, 2021

Adam Przeworski

Revolution, Reformism, and Resignation

Some time in 1991 I was invited to give a talk to the Andalusian Confederation of the Spanish Socialist Worker's Party (PSOE). Afterwards, the secretary of the confederation walked me back to my hotel. I asked him why there was a widespread atmosphere of demoralization within the party. He answered *Nos hicieron hablar un idioma que no era el nuestro*: "They made us speak a language that was not ours."

Note that the secretary did not evoke the industrial restructuring of the 1980s, which significantly reduced the Party's industrial working class base. He did not refer to the emergence of television, which reduced the importance of the party machine in mobilizing that base. He did not point to cultural transformations in Spanish society, which rendered new ideological dimensions politically salient. Instead, he identified the root of the party's transformation in the language by which party leaders were expected to address their supporters, publicly interpret the world, and justify their policies. What was this language that was not "ours"?

To answer this question we have to go back in time and to venture beyond Spain. The two keywords of the socialist movements that were born in Europe in the second half of the nineteenth century were "working class" and "social revolution," where the latter was expected to realize the "ultimate goal" of abolishing the class system. Yet when socialist parties entered into electoral competition and, for the first time, gained parliamentary power in the aftermath of World War I, "ultimate goals" were not sufficient to mobilize electoral support or to govern. As political leaders, they had to offer a program of immediate improvements to the life conditions of the public. Moreover, socialists learned to dilute or obscure the language of class in order to win

elections. While communists continued to adhere to “class contra class” strategy, socialists formed coalitions and fronts aimed at appealing to “the people.”

Thus was born reformism: the strategy of proceeding towards socialism by steps, and through electoral expression of popular support. The social democratic view of the world was one in which there was no choice between reform and revolution. There was nothing strange about French Socialist Jean Jaurès’s argument that “Precisely because it is a party of revolution... the Socialist Party is the most actively reformist.”¹ He further notes:

I do not believe, either, that there will necessarily be an abrupt leap, the crossing of the abyss; perhaps we shall be aware of having entered the zone of the Socialistic State as navigators are aware of having crossed the line of a hemisphere—not that they have been able to see as they crossed a cord stretched over the ocean warning them of their passage, but that little by little they have been led into a new hemisphere by the progress of their ship.²

But even if reaching socialism would be imperceptible, socialism remained the goal. “Revolution” would be accomplished by accumulating reforms.

Following the success of the Swedish Social Democrats in the 1930s, and in the aftermath of World War II, the Keynesian welfare state institutionalized a compromise between organizations of workers and of capitalists across Western Europe. Gradually abandoning Marxism, social

democrats accepted the tenet announced in the SPD’s Bad Godesberg program of 1959: markets when possible, the state when necessary. Social democrats were to administer capitalist societies with the goals of liberty, employment, and equality. And they did accomplish much: they strengthened political democracy, introduced a series of improvements to work conditions, reduced income inequality, expanded access to education and health, and provided a foundation of material security for most people, while promoting investment and growth.

But because it left the property structure intact and allowed markets to allocate resources, the social democratic approach fuelled the causes of inequality at the same time as it aimed to mitigate their effect. This contradiction reached its limits in the 1970s. As many old ills were overcome, new ones emerged. Indeed, the list of problems to be resolved by socialist programs in the mid-1970s was not any shorter than it had been at the turn of the twentieth century.

The constraints of capitalist economy turned out to be inexorable, and political defeats meant that reforms could be reversed. In office in most Western European countries, social democratic governments desperately searched for responses that would preserve their commitment to “ultimate goals” in the face of the economic crisis. During the early 1970s, socialist parties developed new energy policies, workers’ management schemes, and structures of economic planning. But Callaghan’s defeat to Thatcher in 1979, and the departure of communists from the Mitterrand government in 1984, administered fatal blows. Mitterrand’s turn to austerity was the final act of resignation in the face of domestic and international constraints. All that was left were successive “third ways.”

The evolution of social democracy until the advent of neoliberalism has been extensively documented. The capitulation of the left to the neoliberal offensive is more puzzling. It is hence revealing to get a glimpse of how social democratic leaders saw the future when they got the first whiff of the impending crisis of their long-term project. Fortunately, they were articulate about their fears, their hopes, and their plans. An exchange of letters among German Prime Chancellor Willy Brandt, Austrian Chancellor Bruno Kreisky, and Swedish Prime Minister Olof Palme on the eve of the first oil crisis of the 1970s offers insight.³

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The exchange included a series of letters and two in-person debates. It was initiated by Brandt on February 17, 1972 and ended with a conversation in Vienna on May 25, 1975. Brandt became the Prime Minister of Germany on October 21, 1969, won reelection in 1972, and resigned in May 1974. Kreisky became the Chancellor of Austria on April 21, 1970 and continued to serve until May 1983. Palme came to office in Sweden on October 14, 1969, left after an electoral defeat in 1976, returned to office in 1982, and was assassinated in 1986. Hence, all the three were in office through most of the period of correspondence.

The exchange took place after the collapse of the Bretton Woods system in 1971 and during the onset of the first oil crisis of the 1970s. The economy was in turmoil. Between October 1973 and March 1974 oil prices increased by about 300 percent. Unemployment in the OECD countries rose from an average 3.2 percent between 1960 and 1973 to

5.5 percent between 1974 and 1981; inflation rose during the same periods from 3.9 percent to 10.4 percent, and growth rate fell from 4.9 percent to 2.4 percent.⁴

Brandt initiates the exchange with a call to discuss the fundamental values of democratic socialism. Quoting the Bad Godesberg Programme, he declares that the goal of social democrats is to create a society “in which all men could freely develop their personality and cooperate in the political, economic, and cultural life of humanity as members of the community.” This transformative orientation is immediately echoed by Palme: “social democracy is more than a party charged to administer the society. Our task is much more to transform it.” Kreisky even more explicitly refers to the ultimate goal: “Socialists... want to eliminate classes and justly divide the product of work of the society.”

Echoing Jaurès, all the three reject the choice between reform and revolution. For Brandt it is an artificial distinction “because no one can seriously deny that all reforms tending to increase our sphere of liberty do not also contribute to a transformation of the system.” Palme rejects the idea of a violent revolution as “elitist,” claims that reformism is based on the support of social movements, and sees reformism as nothing but a “process to improve the system.” Kreisky is less certain about the cumulative effect of reforms and more specific about the reforms that would have transformative effects, but he also believes that “there is always a moment in which the quantity [of reforms] becomes transformed into quality.”

All the three worry about the relation between long term goals and current policies. Resolutely democratic, they condition the progress of

reforms on their popular support and they welcome the cooperation in reforms by other political forces. Yet whatever their commitment to long term goals, they are leaders of political parties, with the responsibility to win elections. They are acutely aware that people will condition their support on bread-and-butter issues, not on long-term goals. This is what preoccupies them. Palme writes:

It is the problems of everyday life which occupy men most.... The relation between the ideas and the practical questions must be explained.... It is not sufficient to say: We need to modify the system. All efforts in this direction must be attached to solving human problems.

And problems there were: income inequality and capital concentration were intensifying, unemployment was rising, natural resources were limited, and the environment was increasingly under threat. Kreisky worries that: “Sooner or later we will face the problem of how far we can guide ourselves by our principles in practical politics.” He worries about the rise of multinational corporations, environmental limits to growth, and the depreciation of manual work. The letters are forward looking: the three discuss structural reforms that would advance their fundamental values.

On December 2 of 1973, they meet to discuss the consequences of the oil crisis. Brandt recognizes that it constitutes a decisive breakthrough for industrialized countries and will require serious efforts to cope with. The first bell of alarm is struck by Kreisky:

There is something that seems very important to me, namely, our lack of foresight in matters of social policy. There has been a particularly dangerous development. It was believed that crises like the one in the early 1930s could not be repeated. Yet we now see how from one day to the next political events came to weigh on our economic situation. A threat of global proportions which, just a few months ago, would have been held to be impossible.... We suddenly see that we confront a situation the seriousness of which cannot be minimized.

Palme spells out the difficulty:

We told the people who were already enjoying a prosperous situation that things would be much better for their children and that we would be able to solve the outstanding problems.... [But the new situation] presents a much more difficult task to fulfill. Because from the moment there is no longer a constant surplus to be distributed, the question of distribution is appreciably more difficult to resolve.

Brandt echoes these concerns, noting that it is essential to prevent inequality from increasing as growth resumes. Eighteen months later, during another in person meeting on May 25, 1975, Kreisky makes the fiscal constraint even more explicit: “It is precisely now that reforms should be made. It is just a question which. If we strongly develop social policies, we will not be able to finance them.”

They desperately search for a distinct social democratic response. “Social Democracy,” Kreisky emphasizes, “must find its own response to the crisis of modern industrial society.” Brandt rejects the accusation that “we have become a party confined to tactical maneuvers. The program of 1959 does not separate us in any way from the grand objectives of the German and international workers’ movement.” They agree that some reforms, those in the realm of social policies, have become much more difficult, but they emphasize that reforms which extend democracy to the economic realm by introducing employee co-management, as well as new energy and environmental policies and increased state intervention in the economy are not only still possible but necessary. While Palme reflects that “the time of simplistic belief in progress is irrevocably gone,” he searches for a new “third way” between “private capitalism” and “bureaucratic State capitalism of Stalinist variety,” offering a detailed eleven-point program of reforms. And Brandt admonishes that “the effort to reform the society must not cease.”

The reforms did not cease. After Brandt resigned in 1974, his successor Helmut Schmidt pursued demand stimulation policies, albeit paying increasing attention to fiscal constraints and reducing some public expenditures, until he was removed in 1982 by a vote of no confidence in favor of Helmut Kohl. Palme lost the election in 1976 but returned to office in 1982, restoring most cuts to social policies instituted by the interim government but emphasizing wage restraint and abandoning Keynesian policies. Kreisky won several elections and remained in office until 1983, continuing to expand social policies, particularly in education and health. While the shadow of fiscal and

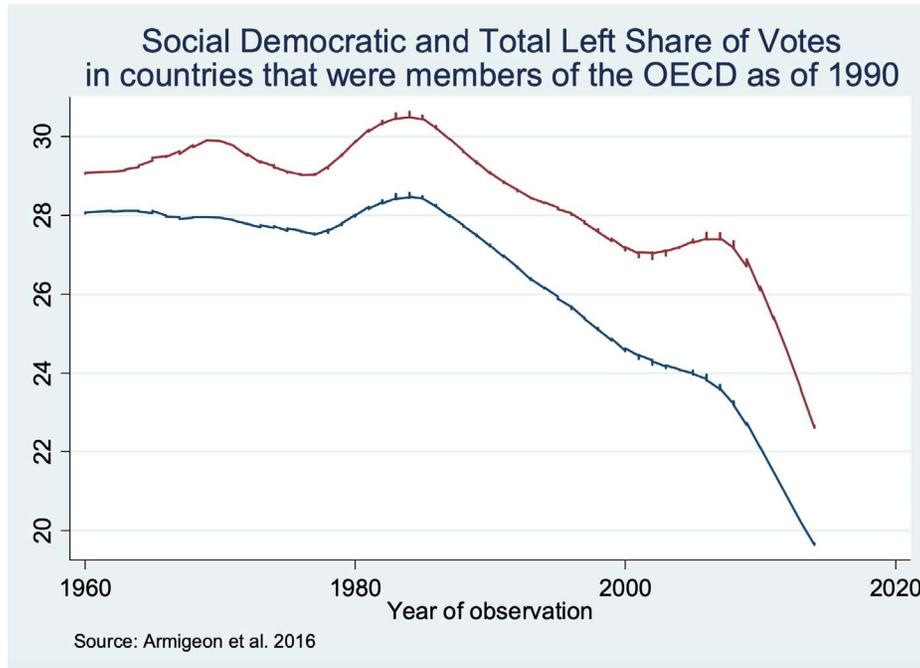
foreign exchange deficits tempered the reforms, the reformist zeal was not abandoned.

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As Figure 1 shows, electoral support for social democratic parties and the left as a whole in the OECD peaked in the early 1980s and continued to decline ever since.

Explanations of the electoral decline of social democracy are many, but this is not what I aim to examine here. Parties bearing social democratic or socialist labels may do better or worse electorally; the deeper question is whether the content of their vision has changed. And in response to the shrinking of their traditional base of industrial workers, the rise of neoliberal ideology, the liberalisation of capital flows and subsequent tightening of fiscal constraints, and the necessity to defend national currencies against financial speculation, the language of social democracy fundamentally changed. We get a sense of this language in Brandt, Kriesky, and Palme’s references to fiscal constraints generated by the oil crisis. We hear it, in the interview that follows, in Italian Prime Minister Giuliano Amato’s understanding of “the need to balance social rights with financial stability.” We heard it from Felipe González in 1999: “Capital markets charge themselves with reminding that they do not trust an economic policy that does not watch inflation or deficit.” I heard it personally from Brazilian President Fernando Henrique Cardoso, whom I asked what he found most constraining, to which he answered, “the market.”

These constraints are real. Felipe González once told me that the run



Social Democratic (blue) and Total Left (red) share of votes in countries that were members of the OECD as of 1990.

on the peseta in 1986 cost Spain the equivalent of the national health budget in a few days. Slow growth, inflation, unemployment, large fiscal deficits, and balance of payments crises did not leave socialist governments with much room for maneuver. The Maastricht Treaty was to be a solution to these problems, but at the cost of tying the hands of social democrats behind their backs: with the limit of 3 percent on annual deficits and of 60 percent on the ratio of debt to GDP, Keynesian stimulation was nearly impossible and increased social expenditures tightly circumscribed. As the Right moved to the right, the Left moved even farther to the right, and the economic policies of center-Left

and center-Right became almost indistinguishable. Social democrats embraced liberalization of capital flows, free trade, fiscal discipline, and labor market flexibility, abstained from counter-cyclical and industrial policies.

For fifty years social democrats believed that equality promotes efficiency and growth: in the words of Swedish minister Bertil Ohlin, social expenditures “represent an investment in the most valuable productive instrument of all, the people itself.” Yet suddenly they adopted the neo-liberal verbiage about “trade-offs,” between “equality and efficiency,” between “equality and growth.” The world became full of “dilemmas” and “trilemmas.” The English sociologist Anthony Giddens invented as many as five dilemmas—none of which is one, in the logical sense of the term. “The government can do only so much,” social democrats echoed the Right. “Responsibility,” a keyword from the Thatcherite lexicon, was shifted from the state to individual citizens. Giddens preached, “A prime motto for the new politics [is] no rights without responsibilities.” And in addition to this linguistic turn, social democrats ran out of ideas. In the grandiosely entitled chapter, “A New Capitalist Order,” from his 2010 book, economics Joseph Stiglitz urged the same reforms of the postwar period: governments should maintain full employment and a stable economy, they should promote innovation, provide social protection and insurance, and prevent exploitation.

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The shift in trajectory from the late nineteenth century to the late twentieth was stark. The Hague Congress of the First International pro-

claimed that the “organization of the proletariat into a political party is necessary to insure the victory of social revolution and its ultimate goal: the abolishment of classes.” The first Swedish program specified that “Social Democracy differs from other parties in that it aspires to completely transform the economic organization of bourgeois society and bring about the social liberation of the working class.” Socialists were going to abolish exploitation, to eradicate the division of society into classes, to remove economic and political inequalities, to finish the wastefulness and anarchy of capitalist production, to eradicate all sources of injustice and prejudice. They were going to emancipate not only workers but humanity, to build a society based on cooperation, to rationally orient energies and resources toward satisfaction of human needs, to create social conditions for an unlimited development of personality.

These turned out not to be feasible goals. But the vision of transforming the society survived for nearly one hundred years, even when it was imperative to cope with immediate crises, even when some ideas—most prominently nationalization of the means of production—revealed themselves to be mistaken, and even when social democrats experienced political defeats. This is what faded at the end of the 1970s. Referring to the reforms of the 1980s, Giuliano Amato reflects, “Little by little, we’ve reduced public expenditure beyond the point which enabled the continuation of social rights, to the point where it has deteriorated them.” González is also nostalgic: “What worries me is that to some degree social democracy died of success. It died because it couldn’t understand that the society that it had helped create was not the society which existed when it started.” Historian of the French

Communist Party Roger Martelli, commenting on the Mitterand government, is most bitter: “The turning point towards austerity from 1983–1984, reinforces this idea that there is no point in putting the Left in power since, in any case, it is not in a position to change our situation.”

The title of the Brandt, Kreisky, Palme exchange was *Social Democracy and the Future*. But this may have been the last time when social democrats struggled to maintain a transformative perspective while coping with an immediate crisis. Perhaps social democrats have transformed as much as they could have; perhaps they have succeeded in making some of their reforms irreversible. Nothing in this essay is intended to question their achievements. But any vision of a common future to which they would orient their societies faded under the onslaught of the immediate obstacles. What was no longer “our” for the Andalusian secretary was a language that does not extend beyond a program for the next election, a language that does not guide the society toward some goals. And this is what we must regain.

Notes

1. Jean-Jacques Fiechter, *Le Socialisme français: De L'affaire Dreyfus à La Grande Guerre* (Genève: Droz, 1965), 163.
2. R. C. K. Ensor, *Modern Socialism as Set Forth by the Socialists in Their Speeches, Writings, and Programmes* (New York: Charles Scribner's Sons, 1907).
3. Willy Brandt, Bruno Kreisky, and Olof Palme, *La social-démocratie et l'avenir* (Paris: Gallimard, 1976).
4. Michael Bruno and Jeffrey Sachs, *Economics of Worldwide Stagflation* (Harvard University Press, 1985), Table 1.

Stephanie L. Mudge

Democracy or the Market: Third Wayism and the Problem of Representation

The problem of democratic representation has always turned on the question of the “have-nots”—not only those without wealth and property, but also those marginalized on the basis of race, ethnicity, gender, origin, religion, and education. Even in a world of full-fledged democratic rights, the game tends to break in favor of the “haves.” They enjoy an easy affinity with political elites who are not so different from them, and they experience democratic politics as a hospitable and responsive place. When in doubt, they can back-channel, mobilize proxies and networks, and exchange cultural influence and economic power for political voice, cloaked in the comfort that what’s in their interest is in everyone’s interest. None of this means the powerful always get their way. But it means they operate on the assumption that their way is likely to prevail.

Before democratization, which in both Europe and the United States did not reach its full expression until the turn of the twentieth century, those without power were politically excluded by fiat. Even when some “have-nots” overcame formal exclusion, they had to further overcome efforts, both brazen and subtle, to impede the exercise of their political rights; if they managed to bridge the distance between rights-in-name and rights-in-fact, they still had to muster meaningful representation in a game that was not built for them. The achievement of both rights and representation for the powerless is difficult, rare and fragile—not least because formal rights, once achieved, can be used as a pretense for rendering representation practically meaningless. In this case, democracy becomes form without substance.

Three kinds of institutions were crucial drivers of the fitful, contested, imperfect construction of democratic rights and represen-

tation of the powerless between the 1850s and the 1920s: socialist and social democratic culture, mass political parties, and labor movements. Where the three converged, the result was a unique historical organization—the labor-allied mass party of the socialist and social democratic left.

One does not have to romanticize social democratic parties or gloss over their failures to recognize that they, or something like them, are necessary for democracy. Indeed, there was once a well-established twentieth-century pattern in which tough economic times favored the fortunes of the social democratic left. The assumption that social democratic parties were forces of protection from the vagaries of markets, and understood as such by electorates, was once so taken-for-granted that an electoral left turn came to be understood by social scientists as a law of modern democracy.

But in the 1990s—the era of the “third way”—this law began to falter, and now appears to be in catastrophic collapse. The 2008 financial crisis did not convincingly reinvigorate the electoral fortunes of the social democratic center-left; it accelerated voters’ rush into the embrace of radical far-right parties, many of which took shape in the third-way era. (The UK Independence Party was founded in 1993, moving in a more xenophobic direction in 2006 under Nigel Farage; in Sweden, where the social democratic party embraced so-called Third Road politics in the 1980s, the far-right Sweden Democrats emerged in 1988.) The fates of parties, per se, are not necessarily important; but the fate of representative democracy itself is. Historically speaking, social democratic parties occupy the space in democratic systems that has the potential to make the difference between mere rights and actual representation.

But simply occupying that space isn’t enough—it matters how these parties work, the agendas and policies they promote, and how and for whom (or what) they speak.

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Indeed, language is the coin of the political realm. And so it is noteworthy that, in the interview published here, former Prime Minister of Spain Felipe González describes politics as akin to “an iceberg, with democracy on the surface and democratic forces operating underneath.” Coming from a social democratic politician, González’s remarks can be read as a comment on the fragility of the representation of “have-nots”—that it is never fully achieved. From the vantage point of the present, his remarks also suggest that there may have been something about third wayism that ultimately eviscerated center-left parties’ capacity to represent. Indeed, despite claims to the contrary, it now appears clear that third wayism’s particular variety of representation was not what center-left constituencies had in mind.

To think about this we have to remind ourselves that parties represent more than just constituents; they also make truth claims about how the world works. Claims about the economic world are especially critical for the representation of poor and working people. Accordingly, center-left parties always concerned themselves with the production and recruitment of economic experts. Before the 1920s, these experts were largely in-house and journalism-centered, but the tumultuous interwar years ushered in two significant changes: on the one hand, rebellious, younger-generation ranks of still-developing economics professions

embraced more pro-labor, pro-deficit-spending ways of thinking; and on the other hand, socialist, labor, and social democratic parties increasingly became viable parties of government, growing their ranks and connections to university-educated elites in the process. The result was the forging of a critical tie between center-left parties and increasingly “Keynesian” economics professionals.

This tie was expressed in and sustained by a dominant professional ethic among mainstream economists that prioritized strategically sensitive policy advice—that is, a commitment to adapting economic analysis to the social democratic imperative of responding to constituencies including, critically, organized labor. With one foot in the academy and the other in center-left parties, economist theoreticians of the 1960s developed a unique understanding of their political function: to ground economic advice in a sensitivity to democratic demands.

But ties to economics professions meant that center-left parties’ understanding of the economic world was very sensitive to mainstream economists’ understanding. And so, as economics professions internationalized, became increasingly integrated into the growing world of transnational financial and monetary institutions, and embraced a vision of the world rooted in untethered markets, the economic truth claims—and thus the representative capacity—of center-left politics were transformed for reasons that had little, if anything, to do with electoral “demand.”

This transformation helps to explain a hallmark of third way center-leftism: a shift from the representation of people to the representation of markets, understood not as a means to human ends, but rather as territorially, politically and socially untethered forces governed by

natural laws. We find hints of this way of seeing things in third-way preoccupations with the irresistible forward march of globalization and “modernization.” In continental Europe, third-wayers sometimes conflated market demands with the exigencies of European integration—which, having originated as a pacification project aiming to construct a “community of law,” became increasingly about market-making (trade liberalization, free movement of workers, labor market reform, monetary integration) from the mid-1980s onward. No matter the euphemism, the basic logic was the same: democratic constituencies would have to adapt to the demands of markets, not vice versa. Yet socialist and social democratic parties’ embrace of market imperatives entailed an intractable dilemma, because the interests of markets tend not to coincide with the interests of the powerless.

Efforts to rhetorically navigate this irreconcilability was, inevitably, another hallmark of third wayism, fueling the production of memorable but elusive catchphrases. Third wayism, in the words of Tony Blair and Gerhard Schroeder, stood for “[f]airness and social justice, liberty and equality of opportunity, solidarity and responsibility” while accepting “[m]odernization” of a specific sort: “The essential function of markets must be complemented and improved by political action, not hampered by it.” Still, third wayers insisted there was a line they wouldn’t cross: “We support a market economy, not a market society.” Interestingly, González uses this very phrasing, even now: “This is what I believe in: a market economy and not a market society. Because human beings are not merchandise, and for that reason we need regulations and constraints.” The difficulty, of course, is that in a worldview in which markets can only be helped and never hindered, the line between

market economy and market society becomes impossible to uncover—much less put to work as a practical principle of government.

Despite the particular trajectory of the Spanish Socialist Workers' Party (PSOE)—unlike other social democratic parties, it skipped over the intermediate, Keynesian phase found elsewhere, and its commitments in the 1980s centered on the construction (not “reform”) of social welfare institutions—González' comments echo the constitutive ambiguities of third wayism.

Traces can also be found in the interview with Italian Prime Minister Giuliano Amato. He is clear from the outset that his politics are explicitly class politics—a theme that's missing from González's political self-description. He notes: “The political culture when I entered the Socialist Party was one which stressed the protection and expansion of social rights.” But present in Amato's remarks, also, are questions third wayers never really answered: where do we draw the line between a market economy and a market society? Who should draw this line, according to what principles, in the context of a meaningfully representative democracy? When Amato recounts that “little by little, we've reduced public expenditure beyond the point which enabled the continuation of social rights, to the point where it has deteriorated them,” he highlights the enduring consequences of third wayism's failure to address those questions.

Amato insists that third wayers, at the time, could not have known what was coming. In his words: “We could not understand the consequences of what we were doing. We could not see the moment in which the loss became greater than the benefits. And the people who lost from these developments went elsewhere.” But if democratic politics are to

survive, the question we need to answer is what made the writing on the wall so difficult to see? Doing so requires that we reject the notion that parties and politicians simply react to the world as it is. The reasons for the rise of market-centric third wayism were as much internal to parties as they were external. To be sure, the period since the 1960s saw large scale transformations in the structure of the global economy, including the decline of domestic manufacturing in the West and the rise of multinationals and global finance. But these were not inexorable market processes; they were enabled by deregulatory and liberalizing policies that third wayism, on the basis of a belief in markets, embraced—and, in so doing, helped to make their belief a reality.

Can we chalk the third way turn up to “ideology,” then? This, too, is overly simplistic. When we peer inside center-left networks, we see that beliefs are never pure principle; they are inextricable from the complexities of factional intrigue, power-seeking and contestation over the meaning and interpretation of events. Third wayism was not born as spontaneous consensus, but rather through a series of factional victories—American New Democrats over New Deal liberals; Third Road Swedish and (later) New Middle German Social Democrats over traditionalist foes; New Labour “modernizers” over the “old” Labour Left.

This collection of interviews helps us grasp the making of third wayism and its consequences by shedding light on these processes. They press us to reflect on the present and future of democratic representation, as the space once occupied by socialist and social democratic parties has been vacated in the name of markets—leaving the “have-nots” with little democratic terrain on which to stand. Finally, they

speaking to the necessity of building parties that are capable of formulating economic truth in a way that expresses, rather than suppresses, the needs, experiences, and demands of the people they claim to represent.



Part I Reflections on the Italian Experience

David Broder The Italian Left After Keynesianism

In 1977, Eric Hobsbawm published a book of interviews with Giorgio Napolitano, a leading figure in the Italian Communist Party (PCI)'s gradualist wing, the miglioristi. Hobsbawm proclaimed himself a “spiritual member” of the PCI and intended this book to depict the path it was beating in between Leninism and social democracy. Yet his efforts appeared rather frustrated by Napolitano’s vocabulary. Though calling for the “reconstruction and renewal” of Italian society and insisting on the PCI’s “democratic commitment,” Napolitano did little to convey any clear socialist worldview. As he extolled the “perspective of the continuous, organic, balanced development of the Italian economy” and the “retailoring of [Italian] production for the foreign market,” Hobsbawm interrupted him, as if to draw him back on topic:

Hobsbawm: All this is very useful and positive...

Napolitano: But what does it have to do with the advancement of socialism?

Hobsbawm: That’s exactly what I wanted to ask you.

Napolitano: That’s a question whose answer is less simple than it may seem.

Napolitano’s elusive response expressed a contradiction not limited to the miglioristi. In Cold War Italy, the PCI never took up the reins of national government, yet strongly identified with republican institutions and a cross-class interest. The meaning of this ambiguity in terms of economic policy was highlighted at a 1962 Gramsci Foundation seminar on “Tendencies of Italian Capitalism,” as well as the 1966 PCI congress, where leading migliorista Giorgio Amendola clashed with the

left of the party. Despite the “economic miracle” of the 1950s, Amendola emphasized the backwardness of Italian capitalism, and asserted the PCI’s role in “modernization,” “democratic programming,” and “structural reforms”—less planning than Gaullist dirigisme. The PCI left’s leader Pietro Ingrao instead emphasized the fight to increase workers’ living standards—a line which other PCI leaders saw as sectional and “economistic.” It was Amendola’s perspective that prevailed in the PCI into the 1970s, though it was Enrico Berlinguer and not he who became the new general secretary in 1972.

Berlinguer’s leadership, lasting up till his death in 1984, was nonetheless marked by a substantial shift in his party’s economic thinking, embracing a strong critique of Keynesianism and even “statism.” Yet this also happened as a Socialist Party (PSI) increasingly hostile to the PCI was moving from what Amato calls a “schizophrenic” party to more recognizably social-democratic positions. While in the 1970s Italy had Europe’s most militant labor movement, profound changes in both the PSI and PCI’s culture beginning in this decade would radicalize them in a position which rejected any “sectional” blue-collar interest. It would be an exaggeration to present even the period of PSI leader Bettino Craxi’s premiership from 1983 to 1987 as the onset of Italian neoliberalism, given both the lack of any general design to liberalize the economy and the limits on incipient moves toward privatization. Yet the crisis of Keynesianism following the 1973 oil shock would mark a major reordering of the workers’ parties’ priorities, laying the bases for their transformation into a neoliberalised “center-left” in the early 1990s.

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The PCI had, from the period of the Comintern Seventh Congress in 1935 and then the antifascist alliance of World War II, always proposed some variant of “popular frontism,” transcending the sectional interests of blue-collar workers. Ever since the failure of the biennio rosso of land and factory occupations in 1919–20, Antonio Gramsci had recognized the need for the working-class minority to hegemonize broader masses rather than just assert its own industrial might. Since the factory proletariat was small in that early period of communist organization (around 2 million), even a fairly narrowly defined working-class force would have to integrate all manner of artisans, small traders, the casual workforce and unemployed, as well as rural laborers and farmers. But under Palmiro Togliatti’s leadership, this outlook was radicalized into a search for alliance with bourgeois parties on antifascist grounds, and indeed to appeal to the broadly defined “Catholic masses.” After Fascism, the important thing was to advance democratic reforms that could put the working class in the heart of national life, rallying broader layers around it, in a series of stages which would precede the fight for socialism proper.

Reaching its height in the Resistance period, such a position faced obstacles during the Cold War era, in which the communists (and to a lesser degree, in the 1950s, even the socialists) were subject to a kind of anathema, which they sought to overcome by demonstrating their loyalty to republican institutions. The logical endpoint of this strategy came in Berlinguer’s leadership and the “historic compromise” from 1976 to 1979, in which the PCI gave outside support to Christian-Democratic (DC) cabinets. Indeed, while the PCI was now at its electoral high watermark—winning 34 percent support in the 1976 general

election, bringing it closer than ever to overtaking the long-dominant DC—Berlinguer was aware he could never build a stable government just by cobbling together a “50+1 percent” coalition of the left. Recent events in Chile as well as the fact that Italy was a NATO country pointed to the need for a more mediated approach. In Berlinguer’s outlook, the PCI had to demonstrate its loyalty to democratic institutions and commitment to serving the broader national interest, thus earning it the right to hold executive power.

This was the spirit in which it tolerated DC stalwart Giulio Andreotti’s third government after the 1976 elections (the abstention known as the *non sfiducia*, i.e., “not-no-confidence”). This compromise, in which the PCI still had no ministerial roles, owed much to the efforts of DC party president Aldo Moro, who had already in the 1960s eased the PSI into the first “center-left” governments and now spoke of rapprochement between the DC and the PCI. His murder in May 1978 by Red Brigades terrorists would greatly set back such a cause. Yet beyond this apparently unnatural union, this period of “national solidarity” raised wider obstacles for the PCI, especially on the terrain of economic policy. For all its historic theoretical titans, the PCI had no experience in national government and a correspondingly weak layer of party economists—instead being driven to rationalize Andreotti’s crisis-response measures, in order to pull along its own base.

Indicative in this regard was the package of austerity measures announced by Andreotti in October 1976, three months after the PCI’s *non sfiducia* had allowed him back into power. Alongside sharp fuel price increases, Andreotti proposed a two-year freeze on the scala mobile, a measure established in 1945 (from 1975, as a single reference

point for all workers) to index wages to inflation. While the shopfloor mobilizations of the last decade had driven strong wage rises—thus achieving a more equitable sharing of postwar growth, just as it was coming to an end—faced with 17 percent inflation, the Andreotti government sought to impose a tighter wage discipline. But responsibility for such a turn now also lay with the PCI, considering not only its 12 million strong electorate but its massive hegemony among organized labor. Indeed, this revised outlook was most famously defended by Luciano Lama, leader of the General Italian Workers’ Confederation (CGIL) union and a veteran PCI militant, in an interview with *La Repubblica*.

Speaking with its editor Eugenio Scalfari, Lama explained that he did not just stand for a sectional interest. Rather, “if we want to be consistent with the goal of pushing down unemployment, clearly the improvement of employed workers’ conditions has to come second.” Asked what this meant concretely, he explained, “Wage policy in the coming years will have to be very contained, any improvements we can ask for will have to be staggered.” Also put into question was *cassa integrazione*, the mechanism which paid out wages to redundant workers: “We can no longer oblige firms to keep on the books a number of workers beyond their productive capacities, or continue to demand that *cassa integrazione* means permanent assistance for surplus workers.” In a policy later known as the “*svolta dell’EUR*,” Lama made clear that the CGIL would accept a policy of “sacrifices” in the interests of rebooting investment and resisting runaway inflation, which had by 1977 reached 20 percent.

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The year in which Berlinguer first ventured the language of “austerity” as a “lever to transform Italy” was also 1977. With this he both pushed back against a consumerist vision of progress and insisted that short-term sacrifices would ultimately serve the general interest. Berlinguer’s comments did not portend a permanent fiscal austerity such as Italy would undergo in the 2010s; rather, they sought to present the PCI as a responsible party of government, while counterposing its record to the corruption of the ruling parties, shown in the first oil crisis of 1974. This change was not simply an artifact of the historic compromise with the DC, but a theme on which Berlinguer expanded even after the turn back to opposition in 1979, including in a 1981 interview with Scalfari on the “moral question” in politics. The PCI now advanced policies to handle the immediate crises facing the economy, rather than simply pointing to its ills as malign effects of capitalism or supporting mobilizations to shield workers from their effects.

I’ve noted that even by 1945, PCI leaders had abandoned any notion of a 1917-style revolution: from the Stalinist Pietro Secchia to miglioristi or more social-movement-oriented figures like Ingrao, PCI leaders raised the banner of broad popular alliances, defense of republican institutions, and compromise with Catholic Italy. Yet if each had different conceptions of how this connected to the socialist “end goal,” Berlinguer’s turn relegated any such program of transformations to an intangible future. This also allowed the PCI to draw closer to the ideas of MIT economist Franco Modigliani, a brand of post-Keynesianism in fact based on marginalist ideas. In 1976 he was feted at a conference of the PCI-linked *Centro Studi sulle Politiche Economiche*, at which party economists embraced even such a pillar of neoliberal doctrine

as NAIRU. This was the same vision reflected in Lama’s comments on the competing interests of employed and unemployed workers, which accepted that wage rises, not an exogenous shock, were driving inflation.

For historian Guido Liguori, a gap was opening up between the PCI base and the values being imported from other political cultures. But equally striking were developments in the PSI. Ridding that party of its Marxist residues, in 1983 Bettino Craxi became Italy’s first socialist premier, in a five-party alliance mostly based on DC MPs. Where in the “national solidarity” era the CGIL had swallowed a pause on wage demands, in 1984 Craxi legislated to lower the *scala mobile* index by three points. In this, he had the consent of the CISL and UIL union federations, who signed the “Valentine’s Day agreement” on February 14, though not the CGIL. Berlinguer opposed this, and even after his death on June 11, the PCI pressed on with its bid to force an abrogative referendum. While the “yes” (pro-abrogation) camp far exceeded the PCI’s own base, it ultimately lost the vote 46 percent to 54 thanks to the common front among the PSI, DC and the smaller liberal and centrist parties. As Giuliano Amato hints, for the PSI, now strengthened by rising white-collar layers, the PCI’s defense of a rigid *scala mobile* showed it to be stuck in the past.

Decisive, here, was the idea of sacrifices now for payoff tomorrow: Craxi’s focus on combating inflation appeared in the guise of a crisis-resolution measure. But rather less understood were the structural shifts also taking place in these years, both unravelling gains made by the 1960s–70s labor movement and codifying rules which conditioned all political decision-making. Particularly important, in this sense, was Italy’s entry into the European Monetary System (EMS) in 1978. The

PCI had from the onset of the Cold War opposed the European integration process, and before Italy's entry into EMS even a relatively pro-European figure like Napolitano criticized its likely negative effects on workers in countries with weaker currencies. Yet over the 1980s EMS (later, EMU) became the framing of all economic policy discussion in Italy, a process formalized by the independence of the Bank of Italy in 1981. As opposed to the elected government setting monetary policy, including via frequent recourse to devaluations, Rome would have to fix wage policy and public borrowing with reference to a money supply whose most immediate conditioning factor was the interest rate set by the Bundesbank.

Already from 1980, public debt began to spike, driven not by government profligacy or wage rises so much as the effects of the oil shock and, more specifically, the paralyzed institutional response which resulted from the central bank's "divorce." With the lira effectively pegged to the mark, and the Bank no longer forced to buy up government bonds, public debt ballooned from 57 percent of GDP in 1980 to over 100 percent in 1992. Becoming premier that summer and faced with unbearable pressure on the lira (the 'Black Wednesday' that also forced Britain out of ERM) PSI man Giuliano Amato announced a "blood and tears" budget, while also putting an end to wage indexing. This administration would slash 93 trillion lire (50 billion euro) from the public budget. In the name of emergency response (and as Amato notes on sharing meagre resources equitably) this austerity program was backed by both the leadership of the CGIL and the post-communist PDS (Democratic Party of the Left), accepting sacrifices now in the interest of keeping Italy in EMS. When, faced with the deepening crisis in the PSI, former Bank

of Italy governor Carlo Azeglio Ciampi took over as premier, the PDS offered its support.

The PDS did not directly join Ciampi's administration—when parliament voted against prosecuting Craxi on corruption charges, the party withdrew its own proposed finance minister. The PSI's first premier would ultimately flee to Tunisia, evading trial and pushing his party toward outright destruction. Yet the changes that had taken place during his premiership would have a lasting impact, especially when considered as part of a shift in the entire left which had begun already in the mid-1970s. Whether in the leadership of the trade unions or through their participation in government, the two main parties of the Italian workers' movement had already in this period begun administrators of the "battle against inflation," pushing into the background not only their past visions of social transformation, but even the immediate defense of sectional working-class interests.

Over the course of the 1990s, the center-left's bid to guide Italy into the eurozone "on time" in 1999 radicalized it in this direction, as former PCIers now unbound from the communist past could assume European liberalism as their new ideal horizon. As the PCI turned into the PDS, there were splits—a Communist Refoundation took form, and there were also sharp divisions in the base of the CGIL, with even general secretary Bruno Trentin resigning after signing up to the abandonment of the *scala mobile*. Yet if there have been some moments of revolt against the particular measures promoted by Italian neoliberalism, this has never amounted to a nationwide political force with an alternative governmental program and different set of priorities, such as the PCI represented at least until the late 1970s.

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That the European country with the largest communist party now has a neoliberalized center left and a small and politically inert left-wing milieu raises the question of the “paths not taken.” Especially important, in this regard, is the way we understand the relationship between changes in the leadership in the PCI—especially the passing of the Resistance generation, as even Berlinguer embodied, and its replacement by younger figures like Massimo D’Alema, Walter Veltroni and Pierluigi Bersani—and their ability to impose such a dramatic shift in the party’s identity and fundamental social referents. Bersani would refer to the continuity ex-communist leadership as *la ditta* (“the firm”), and clearly some of the explanation for the left’s political weakness lies in the subjective choices it made. Yet a frank reckoning with the left’s weakness would also have to point to broader cultural failings in the PCI (and even more so, the PSI). A story of betrayals by leaders is certainly unsatisfactory in explaining the behavior of a political force supposedly based on the masses’ own protagonism.

In his fascinating 1981 study on the Italian Communist Party, Grant Amyot offered insights into its left wing through a local-level analysis (in Bari, Modena, Naples, Perugia, Turin), rare even among Italian researchers. He identified not only a failure in the historic compromise propounded by Berlinguer, felled by the assassination of Moro, but a wider crisis in the Popular Front model inherited from the Togliatti era, and accepted by all wings of the party. But building on this observation, one could say the left’s weakness owes not to the alleged “disappearance” of the working class—in what is, after all, still the continent’s

second most industrial power—but the fact that the islands of industrial organization that still exist no longer suffice to cohere wider “popular classes” politically. Schematically, if in the 1970s the 60,000-odd FIAT workers at Turin Mirafiori symbolically represented the labor behind industrial modernity, the muscle behind the anti-fascist revolt, and a visible expression of the power of numbers, one could hardly ascribe a similarly obvious “cohesive” role in 2020 to Italy’s 1.6 million mostly low-paid tourism employees. The PCI always represented more than just industrial workers; the problem, after the loss of the identity and cohesion the party itself offered, is how to federate different types of workers, unemployed, precarious, small-proprietor groups under any common set of demands.

Thus emerges the role of the state and institutional-level politics in cohering an agenda that stands above the workplace-level bargaining power of individual groups of workers. It is, decisively, the Italian left’s weakness in proposing achievable reforms at this state level—visible even in the PCI’s 1970s response to stagflation—which has made it particularly suffer the effects of the decline of the mass workplace. This problem is further complicated by an ambiguous attitude toward the hollowing-out of national sovereignty in recent decades. Since 1989, even forces more radical in their rhetoric than the neoliberalized center-left have tended to focus on social “resistance” against various disliked reforms rather than advancing an agenda for government and state intervention. This is also why the dissolution of the old workers’ parties led not to their replacement by some superior alternative, or the masses now organizing free of bureaucratic party hierarchies, but rather a general atomization and desertion of the political terrain.

Certainly, there are major obstacles to rebuilding such a horizon of possibility. Under the weight of a €2.5 trillion public debt and the strait-jacket of European rules, Italian governments remain trapped in a cycle of short-term crisis management—and, with the decline of recent mass experience of successful reformism, it becomes increasingly difficult to even imagine what they could do differently. It is only by frontally addressing this problem of the limits on state action that we can begin to promote collective demands able to rally a fragmented population around common goals.

An Interview with Giuliano Amato

Giuliano Amato was a member of the Italian Socialist Party and Italian Prime Minister from 1992–93 and 2000–2001, Treasury Minister in 1999–2000, and Minister of the Interior, 2006–2008.

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Maya Adereth: How would you characterize your ideology when you first joined the Socialist Party?

Giuliano Amato: I joined when it broke with the communists in 1956, after the invasion of Hungary by the Soviet Union. The political culture when I entered was one which stressed the protection and expansion of social rights—my early experiences were in a mountainous region of Tuscany where marble was drawn for Michelangelo and other sculptors. My constituency was formed by miners extracting this marble, and in 1963, when the Socialist Party first considered a coalition with the Christian Democrats, the miners were absolutely horrified. They couldn't believe that the party would stand with their employer in government. When the coalition took place, I left the party and joined a leftist formation named PSIUP, the Socialist Party of Proletarian Unity. This gives you an idea of the importance of class politics and social rights for myself and for those around me.

The moment in which I found myself actively shaping public policy was also the moment in which the cost of social rights, and the ballooning of the public debt, was threatening their future. There was a shift in the cultural paradigm, not in terms of goals, but in terms of enforcement. This took place primarily due to the transition of the PCI away

from being the party of the future; I still remember this very powerful idea that the butter in Russia was much better than we could imagine. There were propaganda posters in the fifties that promised that one day we would have that Russian butter. This did not remain effective for very long; at a certain point the party ran purely on the promise of building a socialist society. In my view, this promise was much more effective at pacifying the Italian labor movement than the strategy of the Christian Democrats. So, paradoxically, the Communist Party served a conservative function in Italian society.

The big transformation took place in 1968, when popular demands shifted to the present and away from the future. The Communist Party did not want to alienate this new movement, “*pas d’ennemis à gauche*,” as René Renoult said. But if it wanted to remain relevant in this moment, it had to begin to develop a program for today. And as the left shifted from the future to the present, the scale of demands for the present grew. When I was in government, I remember proposing to increase pensions. Immediately there was a communist proposal to increase them four times more. The belief among the left was that social benefits were a fundamental right enshrined in the constitution, and money was only a means to be found. Given that Italy had the most popular communist party in Europe, they had absolute cultural hegemony.

My party was schizophrenic. It had in it the legacy of the anarchist movement, this idea of unrestrained freedom, which in the era of civil rights made it a pillar of the struggle for abortion, divorce, and same-sex marriage. The communists were tied to the masses, and in a Catholic country, they were not so keen to advocate for divorce. Our great poet and filmmaker [Pier Paolo] Pasolini was expelled from the party for

being homosexual. This was astonishing to the socialists, but this was what happened.

As treasury minister for the Socialist Party, I struggled to convince other party members that what I was doing was actually necessary. There were elements of the party which were aware of the need to balance social rights with financial stability, but there were some elements of the party which were more unwavering in their advocacy for the expansion of social rights than the communists. Frequently, members of the Communist Party would offer me support behind closed doors, which they would never publicize. The communists were excluded from government, but as the main opposition they sought to build connections with the establishment. They had excellent relationships with the Bank of Italy, for example, which was well aware that social rights have a cost and that the debt could reach a point which was unsustainable. So the communists were also a bit schizophrenic.

In the 1990s, largely due to the constraints of Europeanization, the need to limit public debt became a priority and the protection and expansion of social rights became secondary. This was so true that I remember reading an article which had to argue the point that public health does not exist to save money on health, but to protect the health of citizens. It seemed that the aim was to save money, and the constraint was people’s health. Somehow, this kind of thinking also came to dominate the leftist parties, and in part this is due to the fact that the communists ceased to form an effective opposition.

But little by little, we’ve reduced public expenditure beyond the point which enabled the continuation of social rights, to the point where it has deteriorated them. People have begun to look for other

political representatives. At the time, we could not understand the consequences of what we were doing. We could not see the moment in which the loss became greater than the benefits. And the people who lost as a result of these policies went somewhere else.

Davide Ceccanti: Can you discuss the 1960s–80s debates in Mondoperaio which were carried out by Norberto Bobbio, yourself, and other intellectuals of the period? Politically, there was a transformation from De Martino, champion of the communist-socialist alliance, into the system formulated by Craxi.

GA: There was a group of intellectuals around Mondoperaio in the 1970s, of which I was a part. Bobbio was the main father, a very active father. This group was challenging the underpinnings of the communist construction, primarily by asserting that freedom and socialism are inseparable. We argued that by centralizing power, Soviet communism destroyed the freedom it purported to bring. The explosion of the feminist movement and 1968 allowed the socialists to ideologically distinguish themselves from the Communist Party.

The electoral outcome of this separation was a disaster. While we concluded that the youth want more freedom, not more communism, we remained under 10 percent in the election of 1976, while the PCI won 35 percent. The youth voted for them because they had transformed themselves from the party of the future to the party of the present. The collection of articles in Mondoperaio from those years, all the pages written by Bobbio, Galli della Loggia, Cafagna, Benzoni, and others, is beautiful. But electorally it did not work.

After the 9.7 percent result of the 1976 election, De Martino had to resign. Craxi arrived, a young Northerner to replace the Southern professor. Was Craxi an anti-communist? I think so. He used to say that the coalition was unnatural. What Craxi understood, but never fully accepted, is that unlike other European communist parties, the PCI was not reliant on the Soviet Union. It was deeply Italian. This was because most of the original members of the party in the 1930s were more anti-fascist than communist. They entered the party because it was the most efficient organization to combat fascism. If we look at the biographies of Giorgio Napolitano, Alfredo Reichlin, Giorgio Amendola—these were generations of teenagers who realized they were living in a fascist country in the years of the racial laws. They wanted to rebel, and the Communist Party was their vehicle to do it.

Among those who were satisfied with Craxi's leadership there were two groups: the first, which held that a coalition of the left is something we should reach for in the future, and the second, of which I was a part, who wanted to pursue the coalition immediately. Pertini and I spent hours together when he was president of the Republic, at the time I was undersecretary to the Prime Minister's office and every week I was supposed to inform the President what the government was doing. After five minutes we always moved to discussing other things, and one thing which he repeated to me was that while he opposed the unitary front of socialists and communists in 1948, he spent the rest of his life fighting to restore left unity. Craxi never denied that unity was feasible, and in the last years of his leadership he began to make some moves towards it. He understood that it was necessary, and, in 1991–92, after the fall of the Soviet Union, it was a real possibility. But the Socialist

Party died before it could ever happen.

MA: I'd like to get your thoughts on three specific policy reforms: the first, *Il Divorzio* in 1981; secondly, the wage negotiations in 1984; and finally, the abolition of the *scala mobile*, which had adjusted wages to inflation, in 1992. What were you thinking at the time?

GA: Despite the difficulties, I think of this as a happy time because we were not yet at the stage of telling people they had to suffer. In my period, it was a question of integrating social privileges into a general fiscal framework—if the debt of any citizen has a cost, it couldn't be that the debt of the Treasury had no cost. And we believed we were expanding benefits at a reduced cost because of our low interest rates. This was the idea behind *Il Divorzio*, and many people think that this policy led to the ballooning of the debt. But the catastrophe behind the debt in the 1970s was unavoidable; at the time it was a progressive decision.

The wage indexation reforms of 1984–85 were advanced by the trade unions. When I was head of the research institute for the national trade union CGIL we studied the impact of the wage indexations on salaries of workers, and union bargaining power, in a context of high inflation. We realized that it was a threat for us, the trade union, because the indexes ate up all of the increases and diminished our ability to negotiate. We sought to slow the pace of indexation in order to preserve the negotiating power of trade unions in the long run. It was quite extraordinary that we won the 1985 referendum against most of the Communist Party on this matter.

My reform in 1992 was also progressive. At the time, people were sometimes able to get their pension in their thirties and they were supported by the state for 60 more years. For instance, since 1973, married mothers can get a pension with less than 15 years of contributions, and civil-service employees with 20 years. I sought to build a universal welfare system rather than one based on categorical privileges. So the balancing that I pursued between the cost of rights and their expansion was one which prioritized equality, fairness, and redistribution.

An Interview with Emanuele Macaluso



Emanuele Macaluso was an Italian trade unionist and politician with the Italian Communist Party (PCI).

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Davide Ceccanti: Why did you join the Communist Party?

Emanuele Macaluso: I clandestinely joined the party in 1941, when the country was under fascist rule. I was 17 years old and had almost finished my studies. At the time, I was studying at the Mining Institute of Caltanissetta, in Sicily. There was a strong underground organization in town led by a worker called Calogero Boccadutri, who ended

up becoming our cell chief. I formed a small anti-fascist group and was convinced to join the PCI by a friend of mine, Giannone, who came to visit me at the hospital when I had tuberculosis. He gave me the address of Calogero Boccadutri, and when I left the hospital, I contacted him and joined. My relationship with the PCI began like this, in hiding. I was responsible for political education, for our newspaper, and for our library. These were so important that, when Caltanissetta was bombed, my friend Michele Cala, died trying to save them. This is how I started my political life as a clandestine communist militant.

DC: Was antifascism your primary motivation?

EM: It was antifascism, combined with the social conditions of Sicily and my city. Caltanissetta was a city of sulfur miners, where everyone broadly shared a left political consciousness. The group which I organized was made up of other boys in the mining school, all children of workers. We went to mining school because we weren't able to go to high school, or even get a technical education. My father was a railroad worker. He was never to be promoted because he went on strike in 1922, but after the war they made him a train driver.

DC: Tell us about your trade union organizing in Sicily after the war, between the 1940s and 1950s.

EM: After the liberation, I immediately started working for the union. I organized the first demonstrations to reopen the mines that had been flooded. The miners were well organized, but there were also bricklay-

ers, bakers and mill owners from Caltanissetta. The Chamber of Labor where I worked was central to the struggles of workers of all backgrounds—at the time, there were also assemblies of widowed women fighting for their pensions. In 1947, the regional congress of the CGIL was held in Caltanissetta, and [Giuseppe] Di Vittorio came to this congress. It was he who proposed that I become the regional secretary of the CGIL and then took me to the national congress in Florence. I was 23 at the time. The problem was that I was born and raised in Caltanissetta, I did not know anything about the rest of Sicily. Having to lead the Sicilian trade union movement, at 23, was a huge risk, particularly in the midst of the massacre of Portella della Ginestra. Nevertheless, at the age of 23, I moved to Palermo.

DC: With new patronage networks, and the activities of the mafia, how does class conflict change after liberation?

EM: It changed profoundly, particularly due to the massive struggles over land distribution. Immediately after the liberation, the then-Communist Minister of Agriculture, Fausto Gullo, made two declarations: one that assigned uncultivated or poorly cultivated lands to farmers' cooperatives, and another dedicated to the countryside. In Sicily, the land was mainly dedicated to cultivating wheat. Two thirds of the wheat produced on a plot of land went to its owner, and a remaining third went to the peasants who worked the land from dawn to sunset. Gullo completely reversed the proportion, demanding that 60 percent of the product would go to the peasants. There were fierce struggles, both over allocation of the land itself, and over the division

of the product between the peasants, owners, and the mafia, which was engaged in the fiefdoms and rented them. The land of the princes was all in the hands of Calogero Vizzini, the head of the Sicilian mafia. There were deaths, shootings and arrests, and this worsened after the communists left government. But this moment was the transition from rebellion to politics. We began to think clearly about how the left can govern.

DC: In 1962, you moved to Rome and entered the Party Secretariat. By that point, you had organized Sicilian trade unions, worked in the Regional Assembly, and served as Party secretary in Sicily. Nevertheless, at age 23 you found yourself immersed in very intense and complicated political issues. What were the theoretical influences that helped you engage with and study Party doctrine? What was the internal educational infrastructure of the party like?

EM: In 1962, I was called to Rome to help Berlinguer prepare for the 10th National Party Congress. Once the Congress was over, I replaced Berlinguer as manager of the organization. Prior to that, I was in the CGIL Regional Assembly until 1962, and I followed Paolo Bufalini to Rome.

The politics of labor and the social relationships built around the wage relation were never theoretical for me. They were issues that had to be dealt with every day, by striking and occupying land. This is where my experience differed from that of other party leaders. I personally knew not hundreds, but thousands of militants all over Sicily. This was the school I attended—the direct, unmediated relationship

with the world of work, with the peasants, with the workers, with the employees, has given me a very direct knowledge of reality.

DC: In 1973, Allende was overthrown and inflation spiked due to the oil crisis. Within the party, Berlinguer became party secretary and introduced two major innovations: internally, he developed a closer relationship with the DC, and externally, he developed Eurocommunism and the detachment from Moscow. In your experience, how did the seventies change the PCI?

EM: On the day of the Chilean coup, I was on vacation in the USSR with Luis Corvalan, the general secretary of the Chilean Communist Party. When we heard the news, we made the journey back to Rome together, and he left for Chile from there. The coup was a decisive signal of changes in the international climate. Specifically, it was a signal from the United States that it would not tolerate a socialist government in its so-called “backyard.” In Italy, we organized massive demonstrations in solidarity with the Allende government.

Many have argued that Berlinguer revolutionized the PCI by fostering a closer relationship with the Christian Democrats. This is true only in relation to the socialists. As far as I know, Berlinguer aimed to develop a direct relationship—what Petruccioli called “historic compromise”—with the Catholics in order to avoid a relationship with the Socialist Party. A direct relationship with the Socialist Party would have broken our party. There was too large a portion of the party against it. So the practical PCI-DC relationship was explicitly formed against the socialists: in this sense, yes, it was something unthinkable before to

split the left so much.

Eurocommunism arises from an agreement with Berlinguer, Marchais and the Secretary of the Spanish Communist Party. It was not so much intended to break with the Soviet Union, as much as it was intended to indicate that there was not only Moscow—there was also Paris, Rome, and Madrid. It was a courageous choice and, in my opinion, full of possibilities that never materialized. Marchais was scolded harshly by Moscow, and the French communist party abandoned ship. But the intuition to indicate a plurality of centers was extraordinarily positive for international communism.

DC: Many viewed Eurocommunism as a shift towards social democracy.

EM: By signaling autonomy from the Soviets, it did open the possibility for a new relationship with social democracy. It was a commitment to a democratic and gradual movement towards socialism. The important thing was that we had a commitment to gaining power, and our idea of politics was integrated with the needs of society. This dynamic between socialism and social democracy could have created something profoundly revolutionary in Europe. But sadly, the commitment was not there.

DC: I'd like to talk a little about the 1983–84 reformation of the scala mobile. What was the PCI's position during the 1985 referendum? What broader shifts in the relationship between the party and its electorate does the referendum point to?

EM: The referendum on the scala mobile was very complex. The scala mobile helped workers by pegging wages to inflation. But by the mid 80s, the degree of inflation we experienced was highly divisive. There was a lot of tension between workers over the referendum, and trade union leaders both in the CGIL and CISL had to handle the situation delicately. The “march of the fourty thousand” is symptomatic of the fundamental shifts this period represents—it was a protest of leaders and managers, not workers. This statement of political identity by the professional class had never before manifested in Italian history. The notion that both bosses and workers were marching in the streets was an absolute novelty.

DC: Nevertheless, the 1985 referendum was lost.

EM: The referendum was lost because of divisions between the PCI and the CGIL. Berlinguer, who was extremely invested in the referendum, believed that Luciano Lama had doubts. And indeed, Lama thought that the scala mobile was falling apart. Added to these tensions was an agreement signed by Formica and Napolitano, the group leaders of the socialists and communists, which agreed to attenuate the referendum. This was rejected outright by Berlinguer, who considered the referendum a crucial battle in the broader scheme of class conflict.

Upon Berlinguer's death in 1984, the PCI entered a period of decline. Natta excluded the reformist elements of the party, and by doing so he eliminated a clear political aim. The party grew disconnected from governance and the needs of workers.

DC: In between the fall of the Berlin Wall in 1989 and the judicial scandals that led to the dissolution of the PSI in 1992–94, there were several attempts to unify the PCI and the PSI. These never worked out. What prevented the left from unifying in those years, particularly after the transformation of the Italian Communist Party into the Democratic Party of the Left (1989–91)?

EM: Under Occhetto's leadership, many in the party grew increasingly distrustful of the PSI. For his part, Craxi always maintained that left unity had to be based on socialist leadership. Rather than coming together, the parties grew further and further apart in those years. The truth is that Occhetto did not consider the relationship with the PSI strategically essential. But beyond this, the PCI experienced internal splits. After Berlinguer's death, I exposed a pact signed between Occhetto and D'Alema in which they planned their successive leadership of the party. But soon after I publicized this, mutual diffidence grew between them, and the party split into two camps.

DC: You are suggesting that the competition for leadership between D'Alema and Occhetto prevented the PCI from talking more openly with the PSI. Usually, the lack of dialogue between the two parties is attributed to Craxi.

EM: Neither Occhetto nor D'Alema wanted a strategic relationship with the PSI, particularly as Craxi envisioned it. But Craxi failed to preserve the agreement he made with Berlinguer in the 1970s. The PSI's early shift to the left was entirely abandoned, and when the op-

portunity arose, the Craxi government made an agreement with the Christian Democrats and created the Pentapartito. Craxi's strategy was to gain consensus and cease to be a minority. But this never happened, he never exceeded 14 percent of the votes.

DC: Do you consider it a missed opportunity?

EM: Yes. Until Berlinguer's death and after the European elections that followed it, the PCI reached a maximum of 34 percent. After this point, the PCI slowly begins to decline. Was the downfall of the PCI in those years caused by Berlinguer's death, or by political, cultural, and economic processes operating at an international level? I think the second option is the closest to reality. Times simply had changed. But these changes could have been dealt with differently if the left were united. As the left has not been committed to staying in government, we find ourselves today in a time when being a leftist, let alone a socialist, is seen as offensive.

DC: What lessons can the left glean from the experience of the PCI throughout the 1970s?

EM: The most important thing is to build a party that is rooted in the experiences of the public. Our base has changed, but it has not disappeared, and similarly, our reasons to exist and to fight are becoming more pronounced. The Democratic Party today lacks this popular push, as did the movement of people like D'Alema. These people wanted to bring a force into government without having a political plan

in society. Any party which disassociates itself from the public, which does not continually ask itself whether it is representing the movement in the electorate, will dissolve into obscurity. Conversely, every popular movement needs an organization which will politicize social unrest. Without internal governing bodies, parties are reduced to electoral aggregates serving their leaders.

An Interview with Claudio Petruccioli

Claudio Petruccioli is an Italian politician who was president of the Italian national broadcast network RAI from 2005–2009.

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Davide Ceccanti: What were your early ideological influences?

Claudio Petruccioli: I joined the Communist Party when I enrolled in university, in 1959. I didn't belong to a leftist family, but it was a working-class family. My grandfather was a worker, my father was a technician. The first in my family to attend university, I was born in a tradition of work but was drawn towards intellectual labor. If I think of the day in which I decided to be a communist, it was probably when I was fifteen and I went to the library in Umbria. I found a small book titled "Wage Labor and Capital" sitting on the table. They were lectures Marx had given to a worker's club in London. I read the book in one sitting, and when I finished I felt like I had just understood precisely how the world works.

I was born in 1941, the immediate postwar years. They were difficult years, but my family never went hungry. So my shift to the left was not born of my immediate conditions. Why did I join the communists and not the socialists? It was because the socialists were forming a government with the Christian Democrats. It wasn't because I was hostile to religion; the Christian Democrats repulsed me because they were the ruling party, and they imposed strict cultural limits (Machiavelli's *Mandragola* was considered a theatrical text that could not be publicly performed). So the only leftist opposition for me was

the Communist Party.

DC: After 1956, the communist and socialist parties began to position themselves internationally. What was the relationship between the two parties like between 1956–1968? And within the Communist Party, what new tensions were emerging in the run up to 1968, particularly with respect to the trade union movement and the CGIL?

CP: The decision made by the Italian Communist Party in 1956 was the most dramatic and, in my opinion, destructive one in the party’s history. I had joined the party after the Soviet invasion of Hungary and in 1956 I participated in demonstrations in support of Hungary. I believed in defending and supporting a population that fought for its freedom and independence. As I did also for Algeria, for Vietnam, and so on. So very early on, I opposed the actions of the USSR. But the party took ambiguous positions. Everything they did after the Eighth Congress was to try to put the pieces of a broken vase back together. They knew that right there, looking at the Italian left, the vase had broken.

My real breakup with the Soviet Union happened in 1968 with the invasion of Czechoslovakia. I was the secretary of the Italian Communist Youth Federation. In a situation where the Czechoslovakian party and its leader attempted to guide a process of change, the Soviet Union intervened again. To me, this signalled the end of the possibility for an innovative social framework which surpasses our current ones. And unfortunately, the umbilical cord between the PCI and the Soviet Union was still not cut. Even Berlinguer did not cut the cord completely, and I think the party paid dearly for this.

DC: At the very least, wouldn’t you say that the existence of the Soviet Union enabled other European governments to bargain with the United States?

CP: With the end of the Soviet Union came the end of what Kissinger called the “world order.” But I find it difficult to think in terms of systems; saying, for example, that the fall of the Soviet Union strengthened the capitalist system. We have instead to think of power, and how power is organized. And in the current moment of concentrated financial power, we have to ask ourselves whether controlling access to data and information is not equally important to controlling the means of production and exchange. I’m thinking of Richard Baldwin’s “The Great Convergence,” recounting the second period of globalization (the first being 1820–1910). The fall of the Soviet Union can be understood as the consequence of this globalization.

DC: How was the experience of 1968 in Italy different from that of France and the United States?

CP: In Italy, we had a close relationship between student and worker struggles. The Italian 1968 occurs in a condition of political compression. It took place when the center-left failed in its reformist policy. The opposition movements of both students and workers supported one another but couldn’t find a clear political outlet. In France we see the consequences of the constitutional reform of De Gaulle, opening over time to the prospect of turnover. In Germany, the replacement is prepared politically through the Große Koalition, with Brandt

becoming Chancellor. In Italy, however, everything moved forward, up to the attempt in the mid-70s of national solidarity after the advance of the PCI, which was convinced it was indispensable to resolving the crisis. That attempt ended tragically, as we know.

DC: Let's talk about the decline of Italian unions between 1970 and the Congress of 1997. What is the relationship between the PCI and the CGIL in this period?

CP: The big problem in the relationship of the PCI to the trade unions, but even more importantly, between the unions and the workers, is the difficulty of both the party and the unions to free themselves from the categories they were comfortable with. The reality of work was changing, but the language and strategy of the trade unions and the Communist Party remained the same. One thing we never talk about in Italy is the enormous divisions between public and private sector workers. We have two pension systems, two social security systems. And if anyone points to this gap, we face an uproar. The majority of workers today, and beginning in the 1970s, are employed in services. And yet the party is still talking about the factory. Globalization has meant productive decentralization, the creation of value chains which have divided the factory across distant territories.

One of the critical moments in the relationship between the party, the unions, and the workers was in the mid-1950s, coinciding with investment from the Marshall Plan. This was the defeat of FIOM by FIAT in the internal commission election of '55. FIOM, which was the CGIL metalworkers' union, and which had the overwhelming majority of

votes, lost. For six years there was no strike at FIAT. I still remember the excitement as a very young militant member of the party when, for the first time in six years, on the occasion of a strike proclaimed by the metalworkers, 20 percent of the workers of FIAT in Mirafiori remained outside the gates on strike. The struggles returned in the 1960s. At that time there had been technical progress and some changes in the organization of work and duties. It was the moment when the CISL, which was the white collar Christian Democratic union, proposed firm level bargaining, while the leftist, Marxist union advocated a federal contract. In this moment the CISL was simply more attuned to changes in the form and structure of work. This was the CGIL's problem throughout the 1960s, until 1969. The ongoing strikes in 1969–71 gave way to the formation of firm level councils. This was an innovation in the basic organizational form of the union within a company. We also started fighting for new things, healthcare for example. The moment in which we became more closely attuned to the changing nature of work is the moment in which our movement, if only briefly, recovered. The late 1960s to the early 1970s was a period in which production was already being decentralized, before the creation of global value chains.

DC: How do these broad structural changes figure specifically in reforms like *Il Divorzio* and the ending of the *scala mobile*, which hitched wages to inflation?

CP: When Johnson decided not to run for reelection, and Nixon arrived, it marked a huge turning point globally. With the opening up to China, the end of Bretton Woods, the new balance of power in the global

monetary order, and the oil crisis of the early 1970s, the left spoke only of capitalist crisis. But will the crisis of capitalism that we've been chasing ever come? In a way, this is the story of the 1970s. We were chasing the fall of capitalism instead of looking at what was there. The innovations in the first phase of decentralization were organizational rather than technological. I was living in Lombardy at the time; there was a reorganization of factories and a decentralization of production which precipitated the introduction of technology.

At this moment the Communist Party and the trade unions ceased to bear a relationship to the reality of workers. We see it with the referendum of 1985, on the *scala mobile*, which we lost by three million votes. 2,800,000 more people voted yes. Where did these votes come from? In most of the country, they were fairly equally distributed. It was Lombardo-Veneto: Milan, Bergamo, Brescia, and the Tri-Veneto which pushed the referendum. The Communist Party didn't win because we didn't understand the changes that were taking place. The union leaders were concerned with preserving their position as a bureaucratic class.

Today the drama is enormous: There is no Communist Party. The problem is one of creative destruction. Capital has been able to reconstitute itself, we have not.

DC: You argue that the PCI wasn't able to adapt to a changing productive process. But it seems that after the Chilean coup in 1973, and with the development of Eurocommunism, there were efforts to evolve.

CP: Eurocommunism was certainly a positive development, particular-

ly because of its relationship to social democracy. But there were also two negative elements: one is that Berlinguer conceived the crisis of the 1970s, and the Chilean coup, as the first steps in the collapse of capitalism. This, of course, was wrong. The other aspect was that Brezhnev installed missiles in Europe as we adopted Eurocommunism. Really, the problem was in our relationship to the socialists: if they agreed with us, they were useless. If they didn't agree, they were the enemy.

DC: Between 1989 and 1991 there were some attempts at collaboration between the two parties. And then there was the name change, which ensured there was still a leftist party in Italy after all that happened. We would like to know your opinion on what worked, what did not work, what could have been done differently.

CP: The turning point was not only about changing the name, and it was not primarily initiated by the fall of the Berlin Wall. We initiated the turning point by putting forward two proposals capable of winning, in order to enable competition. The turning point involved a process of unification that would put the Italian left in a position to compete for the government. We aimed to create institutional and electoral infrastructure that would put more power in the hands of the voters. That is why we promoted referendums. Once the Berlin Wall fell, we sped up the process, but we had already decided to join the Socialist International. The effort to unify the Italian left became a rescue operation for the Italian Communist Party.

What failed in all this? The whole substance of the turning point. We failed because of our weaknesses, because of Christian Democrat-

ic obtuseness, because of socialist deafness. The fall of the wall was thought to be relevant to the communists, but it was pivotal for the entire country's future. What happened after that? In 1992, when we could have followed up on the Turning Point, Tangentopoli broke out and we found ourselves without interlocutors. The Socialist Party disappeared, and the same for the Christian Democrats who changed their name.



Part II Reflections on the Spanish Transition

Juan Andrade

Transitions: Four More Voices for the Chorus

It's been some time since the term "transition" was fully incorporated into day-to-day usage in contemporary Spanish. It refers to the process of political change that began during the second half of the 1970s, a process which transformed Spain from the Franco dictatorship to the parliamentary monarchy that governs the country today. The term was coined in the midst of the dictatorship, as if in its invocation it could foreshadow the horizon of its disintegration. It succeeded in connoting the way in which one regime gave way to another—not a violent cut, nor a democratic breakdown in the strict sense. Instead, it was a process negotiated by the leaders who had inherited the state apparatus of the dictatorship, and the leaders of the parties of the democratic opposition. While the first aimed to assert the weight, however trivial, of an obsolete and precarious power structure, the second aimed to channel the democratic impulse of a significant section of Spanish society.

That latter section was composed of men and women who resisted through illegal parties and organized social movements (worker's movements, neighborhood associations, student unions, and feminist groups) capable of breaking the public order and revealing, between the cracks of the regime, the new alternatives. In their day to day, they developed forms of political participation, experimentation, and cultural innovation which themselves detracted from Franco's hold on the popular imagination.¹ In many ways, these early experiences were much more profound than the institutional restructuring later termed the transition. From this angle, the transition can be understood as a *sfumato*, that is to say, not only the fading of dictatorship into democracy, but as a sum of experiential layers each contributing to its atmosphere and offering a depth that we've yet to fully grasp. The

interviews with Felipe González, Begoña San José, and Héctor Maravall contained in this book capture the texture of this historical moment.

On the other side of this politically active reality stood another very diverse and wide sector of society, predisposed to the consensus they were socialized into under Francoism. They were motivated by a timid desire for change, as well as by a deep fear of its consequences. Understanding the Spanish transition requires gaining an awareness of these inherited social habits which were highly structured by authoritarianism, and the survival of its repressive legal, bureaucratic, and media institutions. It also requires acknowledging an international framework in which any action on the margin of society was limited by the areas of political influence that defined the Cold War period.

But understanding the transition also requires capturing that organic crisis in existing relations of power, the intuitive and automatic social responses which enhanced the appeal of new cultural attitudes and expanded the scope for political action. The much cited phrase of Manuel Vázquez Montalbán—which explains the negotiations behind the changing regime as “an alignment of weaknesses”—is useful if we recognize that, in moments of crisis, any alignment of forces is unstable and fragile. Understood through its underlying estatism, “an alignment of weaknesses” is a declaration that the transition happened in the only way that it could have. It’s an argument in which the real is transformed into the rational, the rational into the optimal, and the optimal into the venerable. But we know that narratives of the past tend to perform this argumentative transposition in the opposite direction: it is from the veneration of the present that earlier events are arranged in a way that inevitably leads towards some determined destiny.²

The story of the Spanish transition was written in such a way during the 1980s and 1990s. Through an invention of tradition, the Spanish transition as we know it is actually a product of these decades. And in this process of invention, the very real and visceral criticisms which abounded during the early years of democracy were left out of the narrative.³ In these interviews we see that the more successful the interviewees were in the eighties and nineties, the more pleasant is their memory of the process that led to their ascent.

The interview subjects describe inverse trajectories during the process of transition. Begoña San José and Héctor Maravall were members of the Partido Comunista de España (PCE), the largest, best organized, and most influential party in the fight against the dictatorship, which nevertheless reached the end of the process in pieces. Felipe González was a member of the Partido Socialista Obrero Español (PSOE), a party that played a minor role in opposition to the Franco regime, but won the elections 1982 with an absolute majority, ruling the country without interruption until 1996.

Several factors account for the difference in these trajectories. Among other reasons, the crisis of the PCE at the end of the transition can be explained through the general stigma that Francoism and the culture of the Cold War had cast upon it. It can be explained by the focus on tactics rather than a vision for long term strategy, by the aging leadership, the frustration with a militancy that was not rewarded electorally, or the conflicts that emerged within that militant base once unity in the fight against dictatorship gave way to ideological divisions fueled by the desire for party control.

By contrast, the success of the PSOE can be explained by the external

support of social democratic parties all over Europe, by the historical weight of the party, memories of which survived latently throughout the dictatorship and resurfaced during the transition, or by its calculated oscillation which enabled it to compete both on the left and the right. The success of the PSOE against the PCE can also be explained by the proliferation of popular media and its crucial role in mediating public debate. The image of González then was that of a young married man, with whom both younger and older generations could identify. It was the image of a labor lawyer, simultaneously appealing to the professional class of lawyers and accountants, as well as the interests of workers. It was the image of a socialist, with Christian beliefs, temperate manners, charismatic speech and little ideology. This image fit the ideals that many had adopted or constructed during the transition.⁴

The term “transition” has undergone such semantic expansion that it came to describe every aspect of Spain at the time—from the economy, to culture, and the society. The most interesting accounts manage to articulate the different spheres of activity which did not always align, and occasionally came into explicit conflict. In an attempt to characterize this complex reality, one might be tempted to speak instead of “transitions.” We are concerned with two different transitions which the interviews clearly bring to light. Internationally, the degradation of Keynesian growth models which seized much of the West during the 1980s. And domestically, the personal development of protagonists of the Spanish transition in response to this shift. The international shift can be conceptualized in Polanyian terms as another “great transformation.”⁵ The evolution of agents of the Spanish transition can be understood through Gramsci’s notion of *transformismo*.

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Spain built its new political architecture on ground already shaken by the global crisis. In its most popular form, the transition was primarily aimed at integrating Spain into European and North Atlantic institutions. Effectively, it was a transition into a world in transition. This particularly constrained the PSOE’s “historical mission:” to build the welfare state that Francoism had denied the Spanish public even during years of growth and development. The great postwar social pact, which European workers had begun to question because of its benefits to employers, and employers began to dissemble because of declining profits, had never been sealed in Spain. Rather, this fight to change the rules of the social game was fought just as the rules were being redefined.

The PSOE came to the government in 1982 in the midst of this battle. It did so on the back of a social impulse for change, including very broad moderate sectors, and with the approval of an important part of the country’s economic elite. It did so in an economic context of stagnation, inflation and unemployment very different from that of the “golden years” of the welfare state. In this context of crisis, the development of a strong redistributive policy required not only fiscal progressivity, but also a fundamental restructuring of the relations of power and property. But the PSOE arrived in government after having accelerated an ideological transition from rhetorical radicalism to a social liberalism, constrained within pragmatic and technocratic borders. This project was generically named modernization. It symbolically combined all those illusions, doubts, debts, limitations and interests which the Party had

to confront. In practice, the economic policy of the González government complied with the orthodoxy that was beginning to prevail on the international stage. It opted for anti-inflationary measures which focused on a reduction in aggregate demand, wage cuts, increased tax rates, investment stimuli and extensive deindustrialization. It managed to reduce inflation and restore economic growth, but wages lost purchasing power, unemployment erupted and the labor market grew precarious. To compensate for this very apparent decline, the PSOE combined a language of entrepreneurship with intensified disciplinary practices and a minimal net of social policies. With excessive economic adjustments and facing renewed social pressure, the government built a timid welfare state, with important achievements in health, and more ambiguous ones in education.⁶

The opposition to these policies came from many directions. Students mobilized for public education, for a good scholarship system and against the privileges preserved by the private system. The environmental movement matured in the struggles against the maintenance of pre-existing nuclear power plants and the creation of new ones. In a time of nuclear rearmament and an escalating Cold War, those struggles were tied to a strong antimilitarist spirit, from which arose a movement against Spain's participation in NATO. The pacifist movement deployed in resistance to conscription. The feminist movement gained momentum around the claim to the sexual and reproductive rights of women, barely covered by the abortion law of 1985. The most concerted response to the policies of the PSOE came from male and female workers organized in large trade unions like the CCOO. Labor unrest in Spain was among the highest in Europe during the eighties. It reached

its zenith with the general strike of 1988, which paralyzed the country. Despite these activities, PSOE managed to revalidate its victory at the polls.⁷

The protagonists of these three interviews—whom anti-Francoism had brought together, and whom the transition had placed in competition with one another—now engaged in open confrontation. Felipe González was the president of the government. Héctor Maravall and Begoña San José were active members of the CCOO and entered Izquierda Unida (IU) in one way or another. But the ideological worlds of the PCE and PSOE, which at times repelled one another, have also frequently coalesced around the stronger pole. Thus, Héctor Maravall participated in Nueva Izquierda, a current of IU more prone to understanding with the socialists. Begoña San José recalls the frequent cooperation with socialist women in many organizations and institutions.⁸ All three make fairly generous assessments of the transition. Their autobiographical testimonies offer a foundational contribution to understanding the history of neoliberalism.

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The memory of historical periods often comes from a position of power. Power constructs memory with sophisticated resources, simulating a benevolent distance with the past and reproducing anecdotal dialogues which flatter oneself. Power knows how to count and above all to be silent. The void that it leaves between the profiles it draws ends up constraining the slender silhouette of itself. But power sometimes also relaxes, floods the story, and ends up revealing something we

already knew.

However, memory, of the kind collected in oral history, is also built from other places—from the desire to rescue a life experience, to the search for who one was and for a time that is extinct. The authenticity of the past is glimpsed when many of the voices of then and many of the memories of today are heard, and especially when they are multiple and replicate each other.

Between the 1970s and 1980s, Spain lived through its unique transition to democracy just as the world began its transition (linearly and uniformly) into neoliberalism. The country’s recent history appears to be traversed by many contradictory moments: anachronistic, accelerated, syncopated, out of step. Without impinging on the democratic changes underway, the transition left intact the elite institutions and practices of the dictatorship. Others were cloaked in the new language of modernization, revealing with time the grotesque nature of these hybrid forms. The monarchy acts like a metaphor for the country’s peculiar trajectory. The king emeritus was hailed as the leader of the transition in the 1970s. A few months later, he fled to the Persian Gulf. In 1969, he was named successor to the King by Franco. And in the 1980s and 1990s he was hailed as “the best Spanish ambassador abroad.”

Hybridization was the peculiar form of that decade from the beginning of the eighties to the beginning of the nineties, where the opening of health centers coincided with the legalization of *contratos basuras*, and the festivities in the streets with the law of *patada en la puerta*; a mixture, in turn, of the old authoritarianism with the disciplinary measures of the new global order. The weakness of the social

state that arose in Spain in that critical decade explains the speed with which it was dismantled. The neoliberal side of the two-faced Janus ultimately devoured its opponent. In the new millennium, a financialized and poorly diversified economy prevailed. Society grew more unequal, with a precarious mass and segments thrown into social exclusion.

With this baggage Spain faces today a global pandemic, which has torn it at the seams and which has thrown it into the historical gallery of mirrors. The image reaffirms itself immediately: segregated neighborhoods for the poor, consumerism for the rich. A lack of investment in medicine, and overinvestment in the police force. If we move without fear through the gallery of mirrors, the memories of all men and women, we will see the multidimensional image: wrinkles and scars, but among the atrophied sections some parts that can still be exercised. Therein lies the utility of the memories of these transitions, in which a powerful public health and social coverage system was fought for, community support networks were built, and civic virtues were deployed without coercion.

Notes

1. On the labor movement, see: Xavier Domènech Sampere, “The Workers’ Movement and Political Change in Spain, 1956-1977.” *International Labor and Working-Class History*, no. 83 (2013); José Babiano and Javier Tébar, “El sindicalismo de clase de la transición a la democracia. Una perspectiva histórica de los cambios en el movimiento sindical en España.” *Gaceta sindical: reflexión y debate*, no. 30, 2018. On the student movement, see: E. Hernández Sandioca, M Baldó, M. A. Ruiz Carnicer, *Estudiantes contra Franco (1939-1975)* (Madrid: La Esfera de los Libros, 2007); Alberto Carrillo-Linares, “La oposición política al franquismo en la Universidad.” *CIAN*, vol. 23, no. 1 (2020). On feminism: Pilar González Ruiz, Carmen Martínez Ten, and Purificación Gutiérrez López, eds., *El movimiento feminista en España en los años 70* (Madrid: Cátedra, 2009); Silvia Gil, *Nuevos feminismos. Sentidos comunes en la dispersión* (Madrid: Traficantes de Sueños, 2011). On counterculture: Germán Labrador Méndez, *Culpables por la literatura* (Madrid: AKAL, 2017).

2. On these presentist narratives: Josep Fontana, *La història dels homes* (Barcelona: Crítica, 2002).

3. On narratives of the transition, Pérez, J., “Historical experience and social construction of memory: the Spanish transition to democracy,” *Pasado y Memoria. Revista de Historia Contemporánea*, 3, (2004); François Godicheau, *Democracia inocua. Lo que el posfranquismo ha hecho de nosotros* (Madrid: Postmetropolis, 2015); Gonzalo Pasamar Alzuria, *La Transición española a la democracia ayer y hoy* (Madrid: Marcial Pons, 2019).

4. The reasons for this trajectory are developed in: Juan Andrade, PCE and PSOE en (la) transition (Madrid: Siglo XXI, 2012).
5. Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 2001).
6. Different readings of this period can be found in: Álvaro Soto Carmona and Abdón Mateos López, eds., *Historia de la época socialista España (1982-1996)* (Madrid: Silex, 2013); James Petras, “The Petras report. Dos generaciones de trabajadores españoles,” available at <http://www.inventati.org/ingobernables/textos/anarquistas/informe-petras.pdf>; and Vega, R. “Arden las calles Movilización radical y luchas por el empleo en Naval Gijón,” *Sociología del Trabajo*, 2017.
7. Gálvez, S., *La gran huelga general: El sindicalismo contra la «modernización socialista»* (Madrid, S. XXI, 2017).
8. Begoña San José, “Feminismo y sindicalismo durante la transición democrática española (1976-1982),” in *El movimiento feminista en España en los años 70* edited by Pilar González Ruiz, Carmen Martínez Ten, and Purificación Gutiérrez López. Madrid: Cátedra, 2009

An Interview with Felipe González



Felipe González was Prime Minister of Spain from 1982–1996.

○

Maya Adereth: Let's start with your experience in the anti-Francoist resistance.

Felipe González: In the final years of the Franco regime I spent a lot of time getting prosecuted and detained—in 1971 I was detained three times. But I was never tortured, like some of my cellmates whose condition I lament to this day. For me, this period was about understanding clearly that I wanted an end to the dictatorship, and that I did not want to replace one dictatorship with another. I joined the PSOE in the 1960s because of its history of struggle over civil rights, and its commitment to social democracy. And I've stayed there ever since.

Javier Padilla: Did you have any political or ideological mentors?

FG: There was a group of us in Sevilla, sometimes referred to as the “Tortilla Group” which included Alfonso Guerra, Luis Yáñez, and Manuel Chaves. We were committed to ending the dictatorship, but we didn’t have particular political mentors. We regularly read *Nouvelle Observateur*, and we learned about models of workers self management and cooperatives in Yugoslavia. These ideas interested me from both a political and theoretical point of view because of the ways in which they distanced themselves from Soviet planning.

JP: Tell us about your process of becoming leader of the party. What was your opinion of the party leaders who were in Toulouse?

FG: We had an interesting situation in Sevilla. Alfonso Fernández Torres was an old socialist militant from Jaén who clashed with the leadership in exile when we met him. We didn’t know why, and we didn’t even know that Rodolfo Llopis had expelled the Andalusian organization because he considered it too rebellious. We were just a group of young people who were agitating at the University. We used the faculty and graduate students at the Law Department in order to build contacts with the CCOO and the UGT. At a certain point, we met an Andalusian socialist who invited us to the national congress of the party in Baiona on July 16, 1969. At this congress, we realized that the vision of reality held by the exiled party leaders was entirely distorted. They had an irreconcilable hatred for Santiago José Carrillo, and they had no idea what was happening on the ground.

This was also true of the PCE—they spent year after year calling for a revolutionary national strike that was neither national nor a strike, and everything but revolutionary. These divisions between the changing political circumstances and the antiquated positions of the party leaders ultimately led to the split—in the first congress that I attended, Llopis experienced more or less what I would experience in 1980. He lost the party congress, but he remained the general secretary. I’ll always remember that when I asked him why he took this position he said: “By electing me general secretary, the public has appointed me high priest to interpret whatever political consensus follows.”

As a group we gained support from Ramón Rubial and Nicolás Redondo. We set up labor litigation offices in Asturias, Valladolid and Bilbao, and we used these as a platform to build relationships with the unions and workers. Llopis created what was known for a time as the “Historic Spanish Socialist Worker’s Party” and Suarez and Martín Villa legalized it before they legalized us, even though they had no base. So we held the Suresnes Congress with the party divided. At the Congress Yáñez strongly advocated for my candidacy, though Nicolás Redondo could have just as easily had it if he wanted it. He didn’t want it, so the candidacy fell on me without any clear purpose. At the time everyone thought that a transitional congress headed by a thirty-two-year-old Sevillian was not likely to last long. Things didn’t turn out that way, it seems.

MA: I wonder if you could tell us about the relationship that the Socialist Party had with other European parties, like the SPD.

FG: My relationship with the German SPD and the French PS was very important, as was my relationship with the Swedish and Austrian socialist parties. Willy Brandt had some doubts as to the legacy of Llopi, but he aligned with our movement during the Congress of Suresnes. This congress was also decisive because of Mitterrand's participation. He was initially closer to the General Secretary of the Communist Party Santiago José Carrillo, because he wanted a unity of the left. In the Congress of Suresnes, Mitterrand expected to walk into a room with some old exiled socialists and saw instead a room of 30 year olds. He didn't know where he was. He continued to insist that we needed a front with the communists, but his behavior towards the PSOE was totally transformed.

JP: And what about people from Nicaragua like Bayardo Arce?

FG: I knew Bayardo Arce through the Ortega brothers. I knew the group of those who went after the nine commanders with Sergio Ramírez even before Anastasio Somoza's fall from power. I was the first outsider who came to Nicaragua to bring Somoza down. I saw a small airplane leave from Panama, dropping bombs on the Somoza palace. I was present during some incredible conversations—ones in which they purposefully spoke nonsense through channels which they knew were controlled by American intelligence agencies. They did it so well that Carter once called Torrijos and Carlos Andrés Pérez to tell them that Somoza was going to fall. And sure enough, Somoza fell soon after.

I traveled to Panama through Nicaragua five days after Somoza's fall. Sandinista leaders were welcome at the Spanish Embassy. When I

arrived there I had dinner with the nine leaders, the commanders, the Ortega brothers, and Bayardo Arce. Of the three groups behind the Nicaraguan revolution, he was in the GPP—the Permanent Popular War. There were also the communists like Borge, who constituted the core of the movement. Daniel Ortega was a member of the social democratic group. I spoke to them to figure out what they needed. They said: we need paper, pens, and radio batteries. That was the most urgent thing for them. The public was discouraged because they couldn't listen to the radio. They couldn't circulate a decree because they didn't have any paper. This was two or three days before the week the Sandinistas came to power. Afterwards I maintained a very active, if frustrated, relationship with them, despite the corruption and so-called piñata. I maintained a relationship with Bayardo despite the fact that he didn't remain in government. He was the great mediator with the business world, he would say things like, "we're very clear on our approach to business interests: live and let live." It hurt me to hear him take that approach.

MA: When you were elected in 1982, Thatcher and Reagan were already in office. What was it like to enter as a socialist in this context? What were your primary objectives upon being elected?

FG: Henry Kissinger came to visit me in 1982. He wanted to see me because they had forecasted that we may win the general elections. Before that I had only seen him once at a meeting, and we never spoke. This time we spoke for two or three hours. He never explicitly said it, but he was coordinating with the intelligence department. He wanted

to get to know me, understand my principles and political purposes. At one moment the conversation felt like a satirical interrogation; he asked me: “Mitterrand nationalized the bank. Are you planning to nationalize the banks?” And I answered: “That’s not very precise. De Gaulle nationalized the bank, and despite the fact that he wasn’t pro-American, you could hardly call him a Red.” At that point he started to smile.

He told me what, in his view, a socialist should do upon entering government. Mitterrand had nationalized some technologies, under the theory of “controlled progress.” But technology can’t be controlled, once you bureaucratize it it stops working. I assured Kissinger that despite his expectations, being a socialist does not always necessitate being a fool. Though he didn’t believe me, I thought that nationalizing the banks was imprudent. Actually, in the government I proposed denationalizing or privatizing all of the businesses which were not successful in the National Institute of Industry, where the failures of the private sector, apart from the Francoist autarky, were transferred into the public sector. Already in 1982 I campaigned on the platform that the public sector should build roads and the private sector should build the cars that you use to drive on those roads. After that conversation Kissinger and I worked together in a group called the International Bipartisan Foundation, formed to analyze the threat of international terrorism which began in the previous October with the invasion of Iraq.

JP: Did you talk to Kissinger about NATO?

FG: Of course. Kissinger had the common sense to think that holding

a referendum on NATO was nonsense. The United States was terrified that a referendum on NATO would further destabilize Southern Europe. They were especially worried about Papandreu, who had promised to hold a referendum on NATO as well as Greece’s membership in the EU. With Spain, the US proposal conditioned everything on bilateral agreements. These were all agreements I wanted to revise in order to regain sovereignty. Their approach was always the same: we’re doing you a favor by being here. At the 1983 CSE NATO conference in Madrid, Lord Carrington and Secretary Shultz spoke about the “hunting down” of Manuel Noriega. They asked me if I knew him, and I told them I knew him well. This is before they intervened in Panama to bring him down. They asked me if I had an opinion on him. I told them I did, but that it was different from theirs, and it would age differently over the course of history.

The Americans were also, of course, involved with the formation of the EU. We had to decide about NATO, and we had to decide about our diplomatic relationship to Israel. Despite conventional wisdom, neither of these things were related to the entry in the EU. Actually, I did not finish either of these negotiations until I was sure that Spain was a member of the EU. In June of 1985 we signed the treaty, and on January 1, 1986, we fully joined the EU. After that, I signed the relationship with Israel with Shimon Peres in late January at the Hague, and we voted on NATO in March. We didn’t really acknowledge the condition that without joining NATO we wouldn’t enter the EU.

JP: What made you change your mind about NATO?

FG: It was very clearly related to changing public opinion. Our program was very nuanced, the campaign against NATO was intended to prevent Calvo Sotelo from making a majoritarian decision in a transitional government. The campaign was about entry, and once entry took place, our program called for a referendum on permanence. Then there was a question regarding the “ethics of responsibility,” about the approach we should take.

José María Maravall: You said something very telling, “Never getting married is not the same as getting divorced.”

FG: Not entering is not the same as leaving. The consequences of never entering were different than those of leaving. People reproached me for saying I would bear the consequences. I knew that it was just advisory—if I lost the referendum, someone else would have to manage the rejection by the citizens.

MA: I’m interested in the long term relationship between the trade union UGT and the PSOE. How did your relationship change with the 1988 general strike?

FG: Our relationship with the UGT changed the moment we entered government. They believed they had the right to decide who was going to be in charge of employment and social affairs. Similarly, the bank thought that they had the right to make decisions about industry and finance. I operated according to the notion that the government should act in a manner which preserves the general interest and advances the

autonomy of the public; that it could encourage discussion between the two parties but it could not depend on the interests of any group, no matter how open the dialogue was. I also thought, and this I made clear the month I entered government, that things were governed “in Moncloa and not in Ferraz,” which was the party headquarters. That was the place to discuss party strategy, have debates, and so on. But the government ought to take decisions in Moncloa.

From the beginning, the UGT didn’t understand this. Everyone looks at the general strike of 1988, but the UGT had already called for a general strike in 1985, which CCOO did not join, when we adopted pension reforms. I wanted to make sure that the pension system was sustainable in the long run, we introduced universal pensions that were available to those who weren’t eligible for a pension through their job. We turned it into a right, not a gift, and because there was so much tension around it they called a general strike. It was also the first time that there was a vote against a law we had put forward from one of our deputies in the congress, Nicolás Redondo. The law included a temporary provision which gave workers who were about to retire the option of switching to the new system. And of course, no one chose to stay in the old system, including those who had called for the strike.

The 1988 strike was the only real general strike that ever took place in Spain, and it paralyzed the country. It was highly politicized, but interestingly the workers unions and the employer federations agreed. Employers had other reasons to resist the government after six years, related especially to the increased tax burden. It wasn’t necessarily what we did, but our ability to make independent decisions that irritated the UGT. They had good reasons to constrain the power of the govern-

ment, and the general strike was one avenue to do this.

Last year, we witnessed massive mobilizations in Chile and in Brazil. In both cases, the trigger was the increased cost of public transportation. There's no direct correlation between the triggering issue and the magnitude of the mobilizations. It was the same with the general strike; it electrified the issue of vocational training and the reforms to the system that we were attempting. A contractual system of vocational training through employers, this is the system which I advocated and which the unions, and, paradoxically, the employers associations, rejected. This was despite the fact that both the employers and the unions agreed afterwards that our vocational training system is one of the weakest aspects of our economy. But at that moment they decided to attack my proposal.

JP: I wonder if you could tell us a bit about the universalization of public education.

FG: In politics there are two levels of power. Democratic politics, as democratic as they may be, always act like an iceberg, with some undemocratic forces operating underneath the surface. That is to say, that there is a layer of political relations that we can readily see, and a layer which is always hidden. So, what happened in Spain? It's pretty easy to analyze on the surface. But today when we see a crisis in liberal democracy around the world, it is hard to get to the root.

With respect to education, everything was in plain sight: where we were, and what could we do. But to explain what happened I'll tell you about the concept, rather than the background. Modern, free, public

education was established in France in the nineteenth century. In Spain, the right to education was established only in 1984. We had a fragile public system alongside a private system which was controlled by the Catholic Church, which was difficult to finance for more than a small portion of the population. With universalization, we established a public system and a coordinated private one, and outside of this, there was the actually private system, which wanted to remain entirely independent. In the coordinated private schools (*concertada*), we established rules. The moment they agreed to public money they also agreed that they could no longer pick their students.

If the public education system had been implemented strictly according to our design, it would not have resulted in a discriminatory system. But in practice, all who defend their rights exclusively do so at the expense of the others. Today, I see certain tendencies in the school system which exaggerate these contradictions—differences, for example, between the school systems on the peripheries of wealthy cities which cater to immigrants, and those who cater to people with higher incomes in the center. The geographical concentration of people of different demographic backgrounds creates completely distinct systems. The discrimination is compounded by the sorts of services and occupations that immigrants enter. Moreover, some schools have started to charge some of the activities that should be free, leading to unfair discriminations.

It didn't have to be like this. Apart from the Catholic Church, which was hugely important and shaping the education system, there were other organizations which didn't have the bias that is usually associated with the *concertada*. But nearly everyone ultimately complied with

the decisions which made the coordinated private system a privileged one. In a place like Madrid, for example, they give far more funding to the coordinated private system than the public one; they've completely neglected the public system.

JP: During this period of centralization, was there ever a moment within the PSOE in which you foresaw problems arising from the Basque country or from Catalonia? I'm especially interested in the debates within the left on the Economic Agreement of 1981. What were the different positions?

FG: It was contradictory to be in favor of self determination and separatism while remaining on the left in the name of solidarity and redistribution. I am in favor of political decentralization and against the centrifugation of power. Decentralization without guaranteeing institutional loyalty is subjecting the country to the rule of Taifas. The constitutional pact recognized "nationalities and regions," and guaranteed the right to pluralistic ideas. This is frequently lost in public discussion; when politicians say that Spain is a "pluralist country," they mean that it is a diverse country, but they forget the ideological significance of pluralism. Ideological pluralism is fundamental to democracy and the diversity in feelings of belonging. We planned the constitution to foster this, but much of the country was not worried about material inequality between regions.

Ultimately, they developed some kind of regulated autonomy over basic taxes. Whether we like it or not, this system creates tax competition, and it produces pseudo tax havens within our own country. I

would have never allowed this system for the following reason: I am not concerned with decentralizing power, but with ensuring a consistent citizenship package to people across the territory. And when people who say they are far to the left of me defend this idea, it's a contradiction in terms. It's impossible to support social democratic policies and, at the same time, argue against democracy when it comes to regional inequality.

JP: If you had to define yourself politically today, what kind of identity would you choose?

FG: Indalecio Prieto, during a debate with Fernando de los Ríos a century ago, said "I'm a socialist through liberalism. I want to see progress in equality through the foundations of democracy." Which is to say, I've never been a radical but a moderate. The only issue which turns me into a radical is the defense of representative democracy. In the face of a right-wing government, I am a companion to communists. But the moment in which the left leans into authoritarianism, I become a social traitor.

This is what I believe in: a market economy and not a market society. Because I think human beings are not merchandise, and for that reason we need to regulate and constrain the market economy. I believe in redistribution through direct and indirect taxes, to fight against inequality. Social democracy's major innovation was not about improving salaries, it was about redistributing wealth and creating the institutions required for social mobility. It was a complete system, with education, health, and pensions; with genuine redistributive mechanisms. Society

changed because of the technological revolution, which produced new social structures and new forms of stratification. There has not been an adjustment of social democracy to suit the realities of today. For example, we think many income inequalities are due to gender. But implicit in gender inequalities are the seventy percent of single parent households in which a mother has to feed two children on her own and meets a thousand difficulties on the way.

The movements for social democracy today resemble what Fernando Henrique so accurately termed “regressive utopianism.” We want to go back to the moment in which we were happiest. But how can the past be the future? What worries me is that to some degree social democracy died of success. It died because it couldn’t understand that the society that it had helped create was not the society which existed when it started.

An Interview with Begoña San José

Begoña San José is a feminist activist and trade union leader.

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Maya Adereth: Tell us about your introduction to political activism and feminism.

Begoña San José: I had a religious upbringing and went to school at a convent when I was very young. The first movement I participated in was around the Second Vatican Council, which was about renewing the commitment to working people and the poor. When I left my parents' house at the age of eighteen, I started working as a house cleaner, and in 1970 I was hired by OSRAM, a multinational company producing light bulbs and lamps. Even before I started working, I wanted to join the CCOO. I knew priests who were involved with it, and I knew about meetings held in Orcasitas, a working-class neighborhood in Madrid. But union operations were clandestine, and I had to join the ORT, a Maoist organization, in order to join the union.

I finally joined the CCOO in 1971, when a collective agreement was being negotiated at my factory. In 1973 I got arrested during a CCOO meeting and imprisoned without a trial. Shortly before entering prison I joined the PCE, and after I was released I continued working for the same firm. In 1974 I was arrested again and this time I was fired from the factory. In prison, I met members of a feminist organization called the Democratic Movement of Women. They worked closely with the PCE to organize solidarity efforts for political prisoners; they brought us books, clothes, and food. In 1975, Franco died and the feminist

movement erupted. A common platform was developed, demanding equal access to employment, universal access to early childhood education, the legalization of contraceptives, and the elimination of sex-differentiated criminal sentences. I was active in this through the CCOO. We would meet exactly at the location where the Atocha massacre occurred in 1977, and after one of these meetings I was invited to a DMW meeting. My boss, a man, said I shouldn't go, and that is what drove me to attend.

That was the first feminist meeting I attended in my life. I vividly remember watching the wives of trade union leaders and politicians criticize their husbands for defending democracy in the street and ignoring it in their homes. This feminist call for equality and democracy in the home hugely impacted me. One or two years later, the CCOO created a Department of Women, and I became an active member in 1976. I've been active in the Spanish feminist movement ever since.

MA: Can you give some more details about your participation?

BSJ: With respect to contraceptives, I knew workers who were working in factories that were producing them and distributing them secretly. So, with these workers, the feminist movement called for legalization of this medicine and medical supervision of its production. There were pharmacies, very far away, which sold contraceptives without requiring a prescription, and there were also gynecologists who would secretly provide them. Once Franco died there was a moment of enormous political opportunity. The PCE was legalized in 1977, and we were capable of pushing reforms not only in economic and electoral policy,

but policy around contraceptives, marriage, education, and so on. There were two congresswomen, one from the socialist party and the other from the communist party, who proposed to legalize contraceptives and dispense them through the public healthcare system. It was one of the only laws that were adopted during those constituent elections, and it was revolutionary. In every village across the country, family planning services were opened.

MA: How did unions respond to the introduction of women to the workplace?

BSJ: There were many debates surrounding the creation of the Department of Women in the CCOO. Some argued that the DoW should be autonomous from the union, while others wanted it to operate entirely under the union. The difference is in how decisions would get made—whether they would come from the members, or whether they would be decided by union officials. Ultimately the latter was adopted. There were people in the union who wanted us to be what the Feminine Section was to Franco's regime, that is, that we would approve everything the leadership said and get female dominated factories to sign on. But we didn't want to be women loyal to the union, we wanted to bring the feminist movement into the union, and the union movement into feminism. This position meant that I was too feminist for the union, and too much of a trade unionist for the feminists. In both places, I was a minority.

One interesting moment was with respect to abortion. At a certain point, many people grew comfortable with the idea of contraceptives,

but there was still silence on abortion. In the 80s, the feminist organization in Bilbao began mobilizing against an abortion trial. There were six women there who had had an abortion, as well as the woman who had carried them out. The women all came from working class backgrounds and had several other children to care for. At that moment people in the labor movement began to realize that women didn't have abortions for fun. The mobilization turned abortion into a political issue, and the feminists within the CCOO asked the union to defend it as a right. But the union leaders insisted that it was not an issue of the labor movement. To us, abortion was a worker's issue. Working women needed access to abortion in order to maintain their jobs and their economic independence. Finally, in the first congress of CCOO the demand for abortion rights was passed.

We struggled a lot against the feminized stereotypes of the Franco regime: of women's vulnerability and fragility. On the one hand, we didn't want to call attention to issues of health and pregnancy which made us vulnerable. But on the other hand, we recognized that pregnancy needed to become an issue in the workplace. We knew many women who had miscarriages because of their working conditions. So these issues were deeply related: women should be able to work as well as carry their pregnancy to term.

Another complicating element was the fact that many women entered the labor market just as the oil crisis hit and unemployment soared. When companies sought to minimize their workforce, women were the first to go. Employers argued that women mostly worked so that they could buy clothes; that women were taking jobs away from family men. This tied into another one of our enormous battles:

Divorce! The struggle for divorce involved a confrontation with the Church that almost dissolved the government. The feminists presented a bill defending the right to divorce and we also argued that adultery should no longer be considered a crime. So there was a lot of change in a very short period of time.

MA: What was your relationship to the PSOE like?

BSJ: Felipe González's Minister of the Interior came from UGT, his name was José Luis Corcuera. Once the PSOE was in power, we actively agitated against the discrimination of women in the workplace. At one meeting Corcuera came and told us that defending women's right to employment is destabilizing the democracy. He said we all had to make sacrifices for democracy to survive, and that women had to sacrifice employment until the situation improved.

But the PSOE had a group named "Women and Socialism," of which Carlota Bustelo was a member. She was also a member of the Women's Liberation Front, which was a group of highly educated professional women. So while the minister was saying that women should sacrifice the right to work to preserve democracy, there was this congresswoman arguing that without gender equality there was no democracy to begin with. Between us and the socialist feminist movement there was a culture of dialogue and unity. Though we were in competing parties, we coordinated closely over feminist issues. This was also true of parties to the left of the PCE; there was a unity of action. We all went into an action to demand that the constitution included women's rights. During the Bilbao trial of 1979, we demonstrated for the right to abortion together.

Later on, there were feminist socialist leaders who were brought up in the party and didn't have a relationship to the movement. That is when the alliance started to fall apart.

MA: Were there differences in the ways that the parties approached this issue?

BSJ: The differences for me were largely rooted in the relationship of the parties to Franco's regime. While the PCE resisted Franco, the PSOE was hardly visible. All of the people whom I loved and respected were in the CCOO and the PCE, and that's where I wanted to be too.

In 1980, there were tensions between the PCE and the CCOO over labor legislation. The party primarily sought to reach an electoral consensus, while the union cared primarily about advocating for job security. Notably, domestic workers were excluded from the worker's statute (this persists to this day, forty years later). We in the CCOO argued that domestic workers should be entitled to the same rights as all other workers: they should be paid above a certain minimum wage, should not work longer than a certain number of weekly hours, and should receive holidays and benefits. In that moment the CCOO was clearly more radical than the PSOE or the PCE. I was comfortable in the PCE not because of feminism, but because it was on the whole the more radical party.

But with democracy, many organizations, including the unions and the Democratic Movement of Women, gained a new life. They slowly broke from the party because they had the possibility to serve new social functions. And between these organizations there also emerged

contradictory interests: that which was a priority for feminism wasn't necessarily the same as that which was a priority for the union. For example, we launched a campaign around this benefit which was given exclusively to the male "head of the household." We argued that there is no reason why the man should be the head of the household. But just as the union gave in on abortion, they denied us on this issue. They told us that we lived in a patriarchal country, and it was unrealistic to make women the heads of the household. Of course, that was the reality, but that is exactly why we wanted to change it.

JP: Were there any differences between the leaders in exile, regarding these issues, and the party members in Spain?

BSJ: Definitely within the PCE. At the time of the 1977 elections, there was no one over the age of fifty running for candidacy. Some people thought there wasn't enough recognition for those who had lived through the civil war—the exiles like Simón Sánchez Montero, Marcelino Camacho and Tranquilino Sánchez. What happened with Santiago Carrillo was very complicated. He was correct in some way, because thanks to the Moncloa Pacts the Constitution got approved. But the manner in which he began doing politics generated a lot of resistance from the base. You can't ask your supporters, who are on strike, to stop just because you reached an agreement that you believe is more important.

JP: What was your assessment of Felipe González's program as a member of the PCE at the time?

BSJ: Some changes started to take place immediately after Franco's death; in 1976 nursery schools were created and women weren't forced to leave their job upon getting married. From my perspective as a union member, democracy was a new world. But social reality never changes as quickly as the law. In laws we express some element of public will, but in our day to day life we continue to recreate behaviors out of inertia. Ultimately I think we achieved many things during the transition. The PSOE was pretty coherent on women's issues after the 1982 elections. But you can't separate women's issues from economic issues more broadly. The emphasis on increasing interest rates, on cutting the public debt and prioritizing banks over public services—these things have been devastating, and they have been devastating for women too. Because if the state doesn't provide care, health, services for the elderly and the disabled, women do it. That is the issue with the economic policy of the PSOE.

JP: How do you define yourself today?

BSJ: I am a feminist of the left. All of my activity in recent decades has looked for the convergence of these two elements. What this means is that I think feminists should prioritize the struggle over distribution and ownership in order to defend social equality. To this end, I think the feminist movement must always seek alliances with other movements for social equality—labor rights, the rights of racial and ethnic minorities, and so on. At the end of the day, the question for me is: what do you have to do in order to eat?

An Interview with Hector Maravall

Hector Maravall is a long time member of the PCE, a labor lawyer, and a leader of the Comisiones Obreras, the largest trade union in Spain.

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Maya Adereth: Tell us about your political experiences at university. Who were your ideological influences at the time?

Hector Maravall: When I started university in 1966 at the Universidad de Madrid, it was the most politicized school in Spain. And yet, those who participated in anti-Franco activities were a minority. At the Faculty of Law we had fifty or sixty members of anti-Franco organizations out of 5,000 students. Many students had a desire for freedom and democracy, but few were willing to endanger themselves to get it.

The most important political organization at the height of the resistance to the Francoist Union was Partido Comunista de España (PCE). Although it had been powerfully repressed, it had rebuilt a cultural and intellectual presence. After the PCE was the Frente de Liberación Popular, which started as a Marxist-Christian organization similar to liberation theology, but ultimately developed currents influenced by Che Guevara and heterodox communism like that of Yugoslavia. Outside of the PCE and FLP were small anarchist groups, Maoists, and others. The socialists barely had a presence among the students.

Javier Padilla: Tell us about the Francoist student union.

HM: The union, named SEU (Sindicato Español Universitario), was

created during the war by the falangists. During the 1960s, there was a movement to reform the fascist union through elections. The left ran for elections and won, forming a new union named Sindicato Democrático de Estudiantes de la Universidad de Madrid (SDEU). In 1967–68, the union was given some paralegal structures; they were tolerated but not legally recognized. This is the context in which May 1968 took place.

MA: On a personal level, why did you become interested in the PCE?

HM: I came from a right-wing bourgeois family. My father had been a member of the falange movement during the war; he had been imprisoned by communists, but he had a social position of concern for workers. In the falange, as in Italian fascism and German Nazism, there was a labor component that appealed to many. The founder of the Spanish falange himself, José Antonio Primo de Rivera, who came from aristocracy, had a workerist discourse. My father was one of those convinced by that discourse.

Once Franco was in power, my father distanced himself and came closer to what was called “social doctrine of the Church”, a progressive reading of the Catholic Church associated with Cuadernos Para el Diálogo, a legal publication that brought together some progressive Christians, socialists, progressive monarchists, and also some communists. My father became a founding partner of the magazine and I started reading it when I was thirteen or fourteen years old. When I got to university I already had social concerns about justice and freedom. There was so much left wing propaganda circulating, about Marxism, Che Guevara, Fidel Castro. There were plays by Bertolt Brecht being

performed, and concerts of American protest songs (Bob Dylan was a favorite). This culture, which also overlapped with progressive cinema in Italy, English, and France, really appealed to me.

My first year of university was spent absorbing all of these new things. By the second year, I began looking for political commitment and I joined the Frente de Liberación Popular (FLP), a clandestine anti-Francoist opposition group. I chose the FLP over the PCE because in those days Cuba and Algeria attracted me far more than Czechoslovakia or Russia.

MA: The FLP was pro-democracy but against electoral politics. What was your understanding of democracy?

HM: Neither Cuba nor Algeria had what we called “bourgeois democracy.” We were far more interested in the economic and social system than we were in the political or electoral one. We were most excited about bank nationalizations, firm nationalizations, and agrarian reform. There were moments in which things developed very quickly—at a certain point, the FLP attempted guerilla warfare with the aid of Yugoslavia. When that failed, we developed a more moderate position. But all of these changes meant that the long term objective was not clearly defined. In the short run, we wanted an end to the Franco regime. In the long run, we wanted revolution. But this was all very vague.

JP: How did May 1968 impact your political views?

HM: It exerted three important influences. First, it demonstrated that students could play a revolutionary role, alongside or even before the working class. Second, it abolished the idea that revolutionary politics were reserved for the Third World, that Western Europe was entrenched under the influence of the US. Third, it convinced us that the PCE was reformist, and thus that it was not reliable.

The frustration of May 1968 radicalized the FLP and the left more broadly. The FLP called for a debate on transitioning into a revolutionary communist party, without clearly defining what that is. In its propaganda, the FLP starts using the hammer and sickle. Due to the Trotskyist influence, there was an emphasis on drawing out the contradictions from inside the regime.

MA: Can you tell us about some of the actions?

HM: During the months leading up to and after May, there were many mobilizations at the university. When Che Guevara was killed there were massive demonstrations, about 40,000 people came. The district where I lived was constantly surveilled by a police helicopter because we had ongoing smaller demonstrations called comandos: groups of fifteen or twenty people who attacked banks or well-known multinational firms. We shut traffic down, broke glasses, threw propaganda, painted everything red—and we had to do it in less than three minutes before the police arrived. But the regime’s reaction was harsh. Throwing Molotov cocktails was different from handing out pamphlets. And eventually the comandos stopped taking place.

MA: I wonder if you could tell us about the disintegration of the FLP and the formation of the Communist League.

HM: The transformation within the FLP was not very clear. The organization dissolved very suddenly and dramatically, and gave way to three new tendencies: the Communist League, which included the leaders of the FLP (one of them was Jaime Pastor, who today is in the anti-capitalist wing of Podemos); the Partido Comunista de España Internacional (PCEI), which I joined and which was a pro-Chinese split; and the PCE, which became the largest one. The League never grew that much but for a moment it was linked to the Euskadi Ta Askatasuna (ETA), a Basque separatist group, and afterwards Izquierda Unida (IU), a leftist political coalition.

By the 1970s, I was in the PCEI which was also undergoing a process of radicalization. We held rallies in solidarity with the struggle in Yemen and the massacre of Indonesian Communists. We were directly financed by the newspaper of the Chinese Communist Party, the *Rénmín Rìbào*. To avoid recognition we worked undercover in different departments: people switched from the department of Law to that of Philosophy and vice versa. But the repression was still very intense, and ultimately our influence diminished entirely.

MA: When did you enter the PCE?

HM: In 1969, I spent three months in prison during a state of emergency. I realized that all of the workers held in prison were either members or supporters of the PCE. After the invasion of Czechoslovakia the PCE

distanced itself from the Soviet Union and identified itself with the government of Popular Unity in Chile as well as the Eurocommunist Italian Communist party. All of this made them far more appealing.

JP: What was the relationship between people like Santiago Carrillo who were exiled and those who were in Spain?

HM: Like every communist party, the PCE's history is riddled with contradictions and tensions. When I joined, tensions weren't so high because the split between Fernando Claudín and Jorge Semprún had already taken place. In the eighth congress of 1972 the party adopted a revised manifesto and this generated some tensions. The process of selecting people to attend the congress, as well as the resolutions that were passed, was all very secret. And the people who were chosen, Margarita Suárez and Manuel López, did not represent the new generation of communists. So the expanded role of the party came into conflict with the very extreme internal hierarchy.

One moment which was of great importance was the 1973 Chilean coup. One faction suggested that the coup demonstrated that it was best to shift to the center. The other faction, of which I was a part, insisted that the coup demonstrated the failures of engaging with bourgeois democracy. This generated a lot of confusion: on the one hand, we saw mass mobilizations, on the other hand, we were increasingly suspicious of forming electoral coalitions in government.

MA: What was the relationship like between the party and the CCOO?

HM: The CCOO was founded in a very decentralized way, through one factory in Asturias, another one in Seville, and another in Madrid. It was born primarily through the initiative of communist cadres. Neither the PCE nor the CCOO thought of the relationship as one of control. But inevitably, the composition of leaders and militants were tied to each other. But both the PCE and the CCOO actively wanted to generate space for smaller leftist groups to participate in the union, partially as a way of confronting them.

JP: And the monarchy? How did the relationship there develop?

HM: Until 1976, the PCE was clearly anti-monarchist. PCE publications would mock Juan Carlos and caricaturize him; it was only afterwards that we found out that there were contacts between the leaders of the PCE and a circle of people close to the king Juan Carlos—intellectuals who influenced the king.

JP: Was that strategy widely accepted?

HM: Small groups of people were against it. I was in favor because I had the feeling that it was a tactical decision, so long as Juan Carlos wasn't an obstacle to democracy we would accept, and the moment he stopped cooperating we would fight against the monarchy. There were tensions around the transition to Eurocommunism, which was viewed as a moderation. But Eurocommunism was largely a response to the elections of June 15, in which we expected to sweep and we ended up with ten percent.

JP: How did you see the socialist party before the elections?

HM: The Partido Socialista Obrero Español (PSOE) entered the scene in 1974. In the congress of Suresnes, Felipe González captured the attention of national media. The Unión General de Trabajadores (UGT), the socialist party union, barely existed in the 1960s and early 1970s. At the time we were convinced that the media attention the PSOE was receiving was superficial. Its slogan was “A hundred years of history,” and we would joke, “A hundred years of history and forty of holidays.” They had disappeared from the beginning of the war until democracy. When the elections took place, the PCE had massive rallies and the PSOE had much smaller ones. We were convinced that we were going to win. When the PSOE got thirty-something percent and we got ten, it was truly devastating. When the recount was over people started declaring that the election was rigged, because we got fewer votes in the working class districts of Madrid.

Ultimately we began to reflect. One interpretation of the result was that we could simply no longer connect with the country. The PSOE presented a young Felipe González of thirty-two years, and we presented Carrillo who was sixty-something years old. There were some young congressmen, but most of them were linked to the civil war. We came to understand that people did not want to see civil war heroes. There were also those who had attributed the electoral failure to the fact that we had diluted, blurred, the communist essence; that we no longer differentiated ourselves considerably from the socialist party. The reflection many reached later on is that deep Spain—Castilles, Extremadura, Aragón—still had a profound anti-communist sentiment. Civil war

divisions reemerged; those regions which had been on the republican side—Catalonia, Valencia, Asturias, Madrid—were influenced by the left, and those who had been with Franco from the start still were very anticommunist. These reflections produced a split between the “renovators” and the “carrillistas.” The PCE became increasingly divided after that point.

MA: What did you think of Felipe González’s modernization program?

HM: I thought it was terrible. After the failed coup in 1981, Felipe had the support of the Unión de Centro Democrático (UCD), who actively pressured for more moderate economic reforms. I was a representative in the commission of CCOO, so I went to many public events with businesses and economists. Felipe’s emphasis on modernization was reassuring for them. He had to undertake an industrial conversion that the UCD didn’t have the guts to undertake, and he took us out of the discussion of NATO which the UCD had gotten us into. He had to build a democratic infrastructure which didn’t exist under very difficult circumstances. Despite the things I disagreed with, he industrialized the country, there is no doubt about that.

JP: Why did the unions weaken under PSOE?

HM: Firstly, because we were competitive with one another. And secondly, due to the industrial conversion. I wouldn’t say that the unions lost the fight over the conversion, but they certainly didn’t win. The unions defended the old pensions system and lost the battle, they

were unable to organize against layoffs that came with industrialization. That generated a lot of disappointment among workers, and the offensive by those in the media and on the right didn't help.

JP: What is your assessment of the transition González undertook looking back?

HM: Ultimately, I believe the transition went quite well. Franco became a general through a coup, but behind him was the support of much of the population. He represented half of the population who voted for the right in the elections of 1933 and 1936. The left has never had a majority in Spain. At our peak, we had slightly more support than the right, but we've never had a sweeping success outside of the 1982 election. Undertaking a transition when half of the public wasn't in favor of democracy was very difficult. When Franco died, hundreds of thousands went weeping to see him. So the transition had to be a compromise between elements of the left and right who didn't want another civil war. Ultimately, I think the left gained more than the right: expanded welfare measures, administrative reforms, an advanced constitution. For me the balance of the transition is positive, even though the gains were modest. Did Felipe go far enough? No. Should he have gotten us into NATO? No. Should he have given more boundaries to the Church? Yes. Should he have strengthened workers more? Yes. This is all true. But Spain in 1977 was behind economically, socially and politically. And when the PSOE left in 1994, Spain had changed.

JP: In a recent conversation, someone described you as “a communist,

in spite of it all.” The last question is: why?

HM: It means several things. On the one hand, the identification with a tradition that in spite of its error, in spite of its mistakes, of its confrontations, has been fighting for democracy and social progress throughout Spanish history. I identify far more strongly with Che Guevara than with Willy Brandt. I know what we did, the good and the bad. But damn, I've spent my whole life there, I'm not going to leave now.



Part III Reflections on the French Experience

Jonah Birch François Mitterrand's Austerity Turn: The Rise and Fall of the French Road to Socialism

The history of French socialism is filled with famous and heroic dates: 1789, 1848, 1871, 1936, 1968. But less well remembered is another date of great significance: 1981. It was in May of that year that the French left achieved its greatest electoral triumph of the postwar era, with the election of Socialist Party (PS) leader François Mitterrand as President of the Republic. That victory, which came after a quarter century of uninterrupted conservative rule, raised hopes for a new departure in French politics. Mitterrand's election manifesto, the 110 Propositions for France, embodied the sweeping reform agenda he had promised since ascending to the leadership of the PS a decade earlier, when he memorably capped his speech at the Party's 1971 Congress with a thunderous call for a "rupture" with capitalism. As head of the PS, Mitterrand's decision to pursue an electoral agreement with his long-time rivals from the Communist Party (PCF), which resulted in the 1972 "Common Program," was both a milestone for the postwar French left, and an important step in his own rise to the Elysees Palace.

Mitterrand's election in the spring of 1981, and the subsequent triumph of the left in parliamentary elections which followed immediately afterwards, led to the formation of a government under Prime Minister Pierre Mauroy that was more radical than any France had seen since Leon Blum's Popular Front in 1936. For the first time since the start of the Cold War, Mauroy's cabinet included four communist ministers. Once installed in office, the new government moved quickly to make on the left's campaign promises, introducing a dizzying array of reforms in the weeks and months that followed. Among these were an extensive series of nationalizations, which put dozens of major firms and numerous strategic industries (including the entire banking

sector) in the hands of the state; a 40 percent increase in the minimum wage; a reduction in the legal workweek to thirty-nine hours (with the promise of additional reductions to follow); a host of new powers and protections for French trade unions; welfare state expansion; the creation of thousands of additional public sector jobs employment; plus abolition of the death penalty, and reform of the legal code and education system.

In many ways, this reform agenda was indicative of the leftward turn of European social democracy during the 1970s. In the face of growing economic difficulties and widespread labor militancy across the region, left parties and trade unions throughout Western Europe adopted increasingly ambitious reform plans. In France, where the crisis was particularly acute, that radicalization was the backdrop to Mitterrand's rise during the 1970s, and continued to shape the outlook of his administration during its first year in office. In this initial, reformist phase, the government pursued an economic program which, though it may not quite have constituted the promised "French road to socialism" was at least a kind of augmented Keynesianism, in which wage and employment growth was prioritized, disposable income rose sharply, and the tools of state-led economic development that had long been central to French capitalism were turned toward a left-wing, pro-labor policy agenda.

Within a year, however, the government's efforts to find a reformist route out of the crisis began to collapse. In the face of growing economic problems, and significant pressures on the franc, Mitterrand put his economic agenda on pause. In June 1982, the government announced a spending and wage freeze, and moved to devalue the French franc

(which, under the terms of then-existing European Monetary System, was pegged to the German Deutschmark). The following spring, Mitterrand effectively turned this pause into a U-Turn. Facing calls from both foreign officials and leading voices within his own government for more drastic action to restore monetary stability, he relented. Despite objections from left-wingers in the cabinet, the President announced a further devaluation of the franc, along with more drastic austerity measures. For Mitterrand, this course reversal marked a new phase of his Presidency: by the end of 1984, the communist ministers were gone, and price stability, not employment, had been officially declared the government's top economic priority.

The fallout from these events continues to shape French politics today. Mitterrand's austerity turn embarked France on a now almost four-decade-long process of economic restructuring. Liberalizing reforms have been introduced by governments of both the right and the left. For the PS, the consequences have been dire. The political costs of this rightward drift can be seen in the electoral fall the party suffered in 2017. For the rest of the left, however, the impact has been even more catastrophic: for the Communist Party (PCF), long the dominant force in the left and labor movement, Mitterrand's election and subsequent U-Turn contributed to a long-term drop in membership and electoral support. The traditionally communist-led union confederation (the General Confederation of Labor, or CGT by its French initials), shrunk by more than half during the 1980s, and by the mid-1990s it had severed its links to the PCF. Conversely, the far right, which achieved its first electoral breakthrough in the 1984 European elections that followed on the heels of Mitterrand's austerity turn, has

managed to grow rapidly, in part by winning over voters in de-industrialized regions and working class communities that once were bastions of the socialist left. Today, far right leader Marine Le Pen has emerged as the leading opponent of incumbent President Emmanuel Macron and his primary competitor in the 2022 presidential election.

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The interviews published here offer a unique perspective on the early years of Mitterrand's Presidency, from three observers who witnessed them first hand. They include Anicet Le Pors, former PCF Senator and Minister of Civil Service and Administrative Reform in Mitterrand's first cabinet; François Morin, Professor Emeritus of Economics at the University of Toulouse-I-Capitol, and previously an adviser to Mitterrand's first Prime Minister, Pierre Mauroy, and Roger Martelli, a former member of the leadership of the French Communist Party, and now co-editor of the magazine *Regards*. What these interviews provide is not a full picture or detailed recounting of the period 1981–1983, but a fascinating picture of the trajectory of French socialism in the second half of the twentieth century.

The French left of this period was shaped by the tumultuous politics of the postwar decades: those decades began with high hopes, following France's liberation from Nazi rule, which soon gave way in the face of growing Cold War divisions. Throughout the 1950's, those divisions split labor and the left in France between a large and powerful, but politically isolated communist movement, and a smaller group of moderate parliamentary socialists, who competed with one another

to secure positions in the unstable coalitions that governed the Fourth Republic. More than just a political party, the communists controlled what Roger Martelli rightly calls a “galaxy of organizations” including France's biggest labor confederation, the CGT. In size and support, it far surpassed its counterparts on the moderate socialist left. But, in the context of the Cold War, its support for the Soviet Union made it an anathema in French politics, ensuring its total exclusion from national office.

In the 1950s, the political crisis that resulted from France's bloody, and ultimately unsuccessful, colonial wars in Indochina and Algeria, brought these tensions to a head, precipitating a coup which returned General de Gaulle to power in 1958. That coup led to the death of the Fourth Republic and the rise of a Fifth, with authority now vested in a strong President. During the 1960s, de Gaulle's stranglehold over the Presidency and the dominance of his brand of conservative nationalism over French politics kept the left in a position of permanent opposition. But the very success of the Gaullists in these years also set the stage for the unprecedented explosion of strikes and protests that marked the month of May 1968. Despite the defeat of that movement, and the crushing defeat de Gaulle handed the left in elections held later that June, the legacy of 1968 would continue to influence the direction of French politics: in the 1970s, its impact was felt in a series of major reforms to institutions like the welfare state, and in the enormous wage concessions won by French workers.

These developments were compounded by the emergence of growing economic difficulties in France in the decade before Mitterrand's election. In the 1970s, French capitalism was plagued by rising unem-

ployment and inflation. Falling growth rates, reflecting the declining competitiveness of French manufacturing industries, and the onset of rising joblessness signaled the end of the postwar *trente glorieuses*, the three decades of rapid economic expansion and full employment after WWII. In response, conservative governments of the 1970s alternated between austerity and expansionary economic policies, while attempting to use the traditional tools of France's state-led development model to restore the economy to health. This model had involved government directing economic development by means of "indicative planning" and support for priority industries and firms (known as "national champions"). While state-led development forged close ties between business and officials in the powerful national state, it largely excluded organized labor. Since the communists controlled the largest trade union confederation, government officials sought to limit the power and autonomy of labor, by making unions dependent on the state for recognition, financing and the extension of collective bargaining coverage.

The upshot was that France developed few of the institutions we associate with postwar social democracy elsewhere in Europe. It lacked the centralized trade unions, and encompassing wage bargaining systems that characterized Scandinavia, for instance. Instead, questions that elsewhere were settled through collective negotiation were determined by state officials. Meanwhile, the combination of full employment and widespread tensions between labor, on the one hand, and big business and state officials, on the other, pushed French trade unions toward greater militancy, particularly in manufacturing industries where the communist-led CGT was strong. The flip side of

this industrial militancy was the competition between the unions, who were forced to compete for members and influence in the same industries, due to the absence of the closed shop. As a consequence, high strike rates went hand-in-hand with the organizational fragmentation of labor, with the trade unions sharply divided along confederal lines.

During the *trente glorieuses*, these arrangements produced considerable levels of shopfloor conflict, and constant stop-go dynamics in the economy, which fluctuated between periods of rapid (but inflationary) growth and government-engineered slowdowns intended to curtail inflation. Mitterrand's election in 1981 marked both a continuation and a break with this pattern. On the one hand, the new government continued to expand the scope of state intervention via large-scale nationalizations and the extension of additional subsidies to business, as well as the further growth of the welfare state to buffer workers from the threat of joblessness. On the other hand, his Socialist Party was committed to bringing social democracy to France: for example, the new legal rights instituted by the government's Auroux Laws enshrined many of the trade unions rights and protections labor enjoyed in other parts of Western Europe.

The three interviews published here highlight the evolution of the French left after 1968, and specifically the changing relationship between the communist and socialist parties. Traditionally, that relationship had been marked by suspicion and hostility on both sides. In the years after WWII, when the PCF's dominance over the French left and labor movement was at its height, relations with the socialist left were particularly strained. But from the mid-1960s on, that began to change. While suspicions remained as deeply rooted as ever on

both sides, it became increasingly clear that neither the PCF nor the moderate non-communist left could challenge de Gaulle alone. Only a union between the two currents could win an electoral majority.

This convergence also reflected a change in the balance between the communist and non-communist left. In the aftermath of May 1968, French socialism's leftward turn helped set the stage for a rapid increase in the size and influence of the non-communist left. In the labor movement, these changes were reflected in the rise of the CFDT (French Democratic Confederation of Labor) as a left-wing competitor to the communist-led CGT. In the political arena, this process was given a major boost by the amalgamation of the reformist left into a unified Socialist Party in 1969. Joined by Mitterrand two years later, the newly-formed PS became the vehicle for Mitterrand's presidential ambitions (before winning in 1981, he ran unsuccessfully in 1965 and 1974). Mitterrand always hoped to supplant the communists as the leading force on the French left. But he understood that electoral success depended on an alliance with the PCF. Unlike the communists, he also understood that he would be the key figure in, and main beneficiary of, such an alliance.

In 1972, these considerations led to PCF and PS to negotiate an electoral agreement known as the Programme Commun, or Common Program. In retrospect, it's clear that Mitterrand and the socialists were the primary beneficiaries of this agreement. As Martelli notes, the Common Program was "the end of the Communist Party's dominance in the French left, but at the time we didn't know it." Politically, the Program reflected the left's radical reformist turn during the 1970s. That reformist turn did not necessarily imply a full-scale assault on

the foundations of capitalism, but a significant deepening of the institutional restraints on the market. Thus, while calling for a transition to socialism, the Common Program actually centers on a series of measures to modernize and restructure French capitalism, using many of the tools French planners had employed for decades. As Martelli points out, this was fundamentally a radical Keynesian program. It rested on a strategy which promised to use state intervention to maintain employment, and kickstart economic growth by increasing disposable income and thus consumer demand. Le Pors notes that the Program reflected the PCF's single-minded focus on nationalization as the cure for all of French capitalism's problems, of which he is highly critical. "The Socialists only agreed to nationalize because they saw it as a condition of preserving the Union of the Left," he says. "They were ideologically overpowered."

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The Common Program did not survive the growing tensions between the PCF and PS, whose alliance would collapse in acrimony in the late 1970s. But it would later become the template for Mitterrand's 1981 electoral manifesto. Introduced at a time when French capitalism was being devastated by another global economic slowdown, that manifesto laid the groundwork for a renewal of communist-socialist unity in 1981, on the basis of joint support for Mitterrand and a common electoral front for parliamentary elections. While the Keynesian program Mitterrand adopted during his first year in office prevented France from sinking into an even deeper recession, it also contributed to double-dig-

it inflation and a ballooning trade deficit. Mitterrand's reforms, which gave a substantial boost to real wages and household income, fueled the growth of prices and increased imports of everything from cars to household appliances. Meanwhile, rising public expenditures, driven, in large measure by the cost of subsidizing unprofitable firms, especially in the recently nationalized industries, exacerbated the state's fiscal problems.

By 1982, these considerations were leading influential voices within the administration to call for a retreat from Keynesianism. The interviews only briefly describe the battles this provoked inside the government, which pitted those who advocated continuing with the government's reform agenda, even at the cost of exiting the European Monetary System, against those who counseled restraint and the need for austerity to restore fiscal stability. Presented with the option of either reversing course or leaving the EMS, Mitterrand at first vacillated, and then decisively chose the former option.

Mitterrand's about-face inaugurated forty years of economic liberalization and trade union decline. After 1983, the government never quite recovered from the internal divisions or loss of public support that ensued. In subsequent years, a series of cabinet reshuffles would see the communist ministers and the left depart, and more moderate figures take their place. But these changes did not save it from suffering a defeat in the 1986 parliamentary elections, leading to two years of "cohabitation" between Mitterrand and his conservative Prime Minister, Jacques Chirac.

In many ways, the Mitterrand experience is a microcosm of the fate of the entire social democratic left in Western Europe since the 1970s.

As inheritors of this history, we are left wondering whether a different outcome was possible—in France and throughout the continent. None of the interviewees hold out much hope for the left to continue down the path of Mitterrand's first year in office. Martelli notes that timing of the government's election intensified its isolation: "At the very moment that the left gained power in France, it was defeated everywhere else." Economic globalization, and France's dependence on foreign trade for many essential goods, meant that this unfavorable political situation had very direct, material consequences. For instance, because the governments of the United States and West Germany refused to take steps to reduce the value of their currencies relative to the Franc, imports of items denominated in dollars and deutschmarks became increasingly costly.

Adding to these difficulties was the growing power of finance after the collapse of the Bretton Woods monetary system. Morin points out that "as long as global markets were able to attack the currency, we would not be able to carry out the reforms." By March 1983, Morin says, "the continued speculative attacks led the party to take budgetary measures to reign in public finances and regain monetary credibility in the eyes of the global economy." France's vulnerability to financial speculation was also compounded by its membership in the European Monetary System (EMS). By tying the value of the franc to the German deutschmark, the EMS limited the government's ability to steer domestic economic policy. Since they had to keep the value of the franc high enough to maintain the peg, French officials were under pressure to control the growth of wages and domestic consumption. All of this meant, Le Pors concludes, that "we were faced with a capitalism that

was so financially internationalized that we had no leverage to change the course of things. If you combine the influence of the US, UK, and Germany, there was not much France could do.”

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Fundamentally, however, it was not globalization that doomed Mitterrand’s Keynesian economic strategy. The underlying issue was that, no matter how many companies the government nationalized or how much it spent subsidizing ailing industries, French producers remained unprofitable and uncompetitive. Companies that had traditionally been highly-favored “national champions” now became a drag on the economy and a drain on the state’s coffers. As losses in the nationalized industries mounted, government officials struggled to manage their growing portfolio of state-owned enterprises. The lack of private investment, the high levels of unemployment, and the growing costs of social welfare all meant that the government had to do more with fewer resources. Mitterrand thus found himself in a bind: the weaknesses of French capitalism, which brought him to power on the basis of his left-wing reform program, also limited his ability to carry out that program.

In light of these realities, it is unsurprising that Mitterrand chose not to continue down the difficult and risky road of reformism. Under enormous pressure from forces inside and outside the government to reverse course, he abandoned the 110 Propositions for France in favor of austerity. Given the deep divisions within his government this was unavoidable. Whether or not he was correct, the experience of his ad-

ministration exemplifies both the fate of Europe’s social-democratic left in the 1970s, and more fundamentally, the inherent dilemmas of reformism within a shrinking economic pie.

Traditional demands for wage equality, full employment, a robust social safety net, and greater workplace democracy have always depended on the existence of a favorable economic climate. The problem, however, is that merely by pursuing its reform agenda, a left government can simultaneously undermine the conditions necessary for its own success. In part, this is due to the reforms themselves: nationalizing unprofitable firms, for instance, saves jobs and keeps important industries intact, but it also forces the state to bear the cost of financing them. It’s also due to the structure of power within our societies. Since business, regardless of how well organized or coordinated, can exert leverage over the state, merely by halting investment, it has an enormous political advantage over other groups.

The degree to which these constraints prevent structural reforms varies: not every country that elects a left government faces the same circumstances as France in 1981. What the Mitterrand experience demonstrates, however, is that the more ambitious the left’s reform plans, and the more dire the situation in which it takes power, the more quickly it will run up against the limits of what capital will accept. Overcoming those barriers requires a high level of organization and internal unity on the left, a strong social base, and the active support of labor. But it also requires the right circumstances—something that didn’t exist in France in the early 1980s.

At the same time, Mitterrand shows that if the path of radical reformism is challenging and uncertain, the alternative has been disas-

trous. The three interviews conclude on a pessimistic note about the future prospects for the French left. Despite sometimes impressive mobilizations over the past three and a half decades, it has never recovered from Mitterrand's course-reversal. In this sense, it is still paying for the failure of his brief experiment in radical social democracy.

An Interview with Anicet le Pors

Anicet le Pors is a French communist party politician who served as a member of the French Senate from 1977 to 1981, and Minister of Civil Service and Reforms from 1981 to 1984.

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Maya Adereth: Tell us about your early political development.

Anicet le Pors: I was born into a family from the north of Finistère, known as “the land of the priests.” It’s a region that has lived under the influence of Catholic Church for centuries. My parents emigrated to Paris in 1929, and I was born in 1931 in the 13th arrondissement. My early political involvements were deeply influenced by Catholicism; my first trade-union membership was at the CFTC (French Confederation of Christian Workers), and I subscribed to several magazines in the tradition of liberation theology. I joined the CGT, which in 1955 was the largest trade union in the country. In 1958 I joined the Communist Party, the day after Parliament endorsed the Gaullist Constitution of 1958. I did so in defiance, against the Constitution of the Fifth Republic.

I changed my profession precisely as the left was ascending to power. At that time the Communist Party came up with an ideological innovation headed by Professor Paul Boccara called State Monopoly Capitalism (Capitalisme Monopoliste d’État “CME”), which was a revival of Lenin’s idea of the integration of the state with monopolized capital. According to this theory, this integration is what enables capitalism to stave off the falling rate of profit. It was described at the time as over-accumulation-devaluation of capital.

This was an important ideological breakthrough in the mid-1960s which found its full expression in the 1970s. I was a well regarded economist in the Ministry of Finance and active in the Economic Section of the Central Committee of the French Communist Party. But these qualities made me “unusable” until the Communist Party had me elected Senator in 1977 in Hauts-de-Seine. Thereafter Georges Marchais asked me to work on his speeches directly with a view toward the 1981 presidential election. I sat on the Central Committee from 1979 to 1981, working with Georges Marchais and Charles Fiterman. The left won the elections of 1981 at the price of an internal rebalancing of the comparative political weights of the Communist Party and the Socialist Party. That is how François Mitterrand finally got elected—by weakening the Communist Party. Despite the unfavorable circumstances we carried on. We worked a lot on the Common Program of 1972, but there were tensions between the parties that were not easily resolved. The results of the 1981 presidential election were very contradictory: we were weakened at the very time when we were called to power. Those were the circumstances of the time.

With François Mitterrand in office, we had a smaller presence in the government than we were entitled to. We should have had six ministers, but we only got four: Charles Fiterman, myself, Jack Ralite for health and Marcel Rigout for vocational training. The euphoria lasted less than a year because Thatcher was elected in 1979, Reagan in 1980 and Helmut Kohl in 1982, meaning that the major developed capitalist countries had elected people with unquestionably liberal policies that cut across all the social democratic ambiguities that had existed before.

MA: What were the political divisions like within the Communist Party?

AP: The tensions within the party were between a small orthodox group linked to the Soviet Union who strongly opposed the Union of the Left. The main issue in the 1970s was nationalizations. I was in charge of the “Nationalizations and Industrial Policy” department and it’s true that we overplayed the issue of nationalizations. We argued that nationalizations, provided they reached a significant threshold, would allow us to structurally change our economic system. The socialists, opportunists that they often are, adopted our views. I had a friend who was having marital difficulties who was convinced that if the left came to power, her marriage would be fixed. This was the degree of people’s belief in politics.

My slogan was, “Where there is property, there is power.” And that is the primary idea which motivates me to this day. But at the time, we thought public property had a mythical capacity to change everything. The socialists only agreed to nationalize because they saw it as a condition of preserving the Union of the Left. They were ideologically overpowered. Internally, the debate was around the scale and the industries. The socialists were against, for example, nationalizing the banks and financial sector completely. They thought it was enough to nationalize 51 percent—just enough to give us the majority. But we insisted on 100 percent. And given the internal discussions, I was surprised with how far Mitterrand ultimately went.

Why didn’t it work out? Two reasons. By the spring of 1983, the goal of a voluntarist industrial policy had become irrelevant. We were inevitably dependent on the market. Secondly, workers were not actively

fighting for these issues. The Auroux laws were passed in 1982, but it was only four years later that they were enforced. By that time the economy was already liberalized, and there was little room for them to act. This was also the case with the Public Sector Democratization Act, which was only enforced in 1983. By the time the leverage and tools for mobilization became available, it was too late. At no time were workers called upon to mobilize in support of social transformation.

The conflict between the communist and socialist parties intensified after 1983. That year I spoke to a leader of the CGT at a funeral at Père-Lachaise and warned him that if Delors stops indexing wages to prices, as Brussels had instructed him to do, we would no longer be able to negotiate salaries in the public service. He told me, “Right now, we cannot choose you and discard Delors.”

This only worsened in June 1984. I invited Georges Marchais and his wife for lunch, and we agreed that we couldn’t stay in a government that was increasingly shifting right. We resolved to leave in the fall, when the budget was being discussed. We didn’t foresee that Alain Savary, the Minister of Education, would resign on July 12th. The next day, I was on an airplane with Pierre Mauroy flying to Lille. Since Savary left, he told me, he would leave too in order to “fall to the left.” Mauroy resigned on the 17th, and Marchais and I were forced to leave the government on the 19th. But even within the party, things were getting complicated. As I mentioned, there was a small group who were very loyal to the Soviet Union. Most people within the party weren’t sure whether they should stay or leave. Once we left, many people were extremely disappointed with the fracturing of the left. There was growing discontent in workplaces over wage de-indexation, but at the

same time there was a feeling of defeat around the failure of the Union of the Left.

MA: It sounds like you feel that the left was objectively constrained; in other words, that there wasn’t really a way out.

AP: Yes. We were faced with a capitalism that was so financially internationalized that we had no leverage to change the course of things. If you combine the influence of the US, UK, and Germany, there is not much France could do. Ignoring these very real constraints is not doing politics.

MA: Maybe we can go back to the history of the party, particularly in 1968. What was the relationship like between the student movement and the labor movement? And how did those conflicts play out in the party’s policy positions?

AP: Until 1968, the Communist Party was influential in the labor movement and among intellectuals. For the latter, the theory of state monopoly capitalism gave us a lot of intellectual capital. I remember getting a drink with Georges Séguéy and Georges Marchais right before the adoption of the Common Program, and Marchais informing us that the CGT had just recruited its three-millionth member. Today there are fewer than 300,000. So we had a lot of hope, but we were also distrustful of the socialists (due to their position on the Algerian War and the Suez Affair, among other things) at the same time as we sought a union with them. The events of 1968 bear the mark of these contradic-

tions. We participated in the events at the same time as we witnessed meetings between Mitterrand and Mendès-France and understood that the situation was hopeless. I remember once going to a meeting at the Place du Colonel Fabien and seeing the head of the Economic Section tearing up piles of paper, so as not to leave a trace in case the Gaullists retaliated.

There was also a cultural shift with the emergence of the so-called bohemian bourgeoisie, who pushed the boundaries of morality, sexuality, and so on. The communists didn't identify with that. Culturally, we were rigid: when you got married, you got married. You never bought your house, you always rented. If you bought a car, it was from Renault, because it was the national company.

When the Algerian war ended in 1962, there was room to move past some of the tensions. We published a book called *Changing Course*, in which we argued that we were not headed towards a revolution, but we should strongly break with the current system. That is where we first proposed the Common Program. In the beginning, it worked very well. We agreed with the socialists on the basis of the Program. But as things developed it became clear that the socialists were the main beneficiaries of the union and we were weakened electorally.

MA: What was the relationship like between the CGT and the Communist Party, and how did it change?

AP: When CGT members first saw Mitterrand arrive, they trusted him. But the number of CGT militants was declining, and we were declining electorally. There was a Professor of Law at Sciences-Po,

named Georges Lavaud, who argued that the Communist Party had two functions: publicly as a tribune for the people, and behind closed doors as an occupant in places of power. In an article titled "What's the use of the Communist Party?" I argued that there was also a theoretical function. I also demonstrated a very clear decline in the Party's three functions. The first time we were in government, between 1944 and 1947, we controlled 30 percent of cities larger than 9,000 inhabitants, CGT was practically the only trade union, and we had all of the greatest intellectuals. The second time we were in government was 1981–1984, the period we are concerned with. By this point we were largely a failure; electorally we fell from 26 percent in 1946 to 15 percent in 1981, nearly all the intellectuals were gone, but we remained a stronger tribune than the socialists. Our three functions were undoubtedly degraded, but they persisted. By 1997–2002, the plural left had totally collapsed in terms of numbers. We lost positions of power, and intellectually we ceased to play any kind of role. Things haven't improved since then. The question used to be: What is the use of the Communist Party? Now the question is: Does it even exist?

MA: What role did the collapse of the Soviet Union play in the decline of the Communist Party?

AP: I always say that the twentieth century was a Promethean century: we believed that with Marxism, we could become the masters of our destiny. But what was the result? Common ownership was reduced to statism and bureaucracy. This doesn't detract from the initial desire for emancipation. Prometheus takes the light and fire of the sun and

gives them to men, encouraging them to live differently. But Prometheus dies chained to a rock, eaten away by the eagles. Prometheus failed, but he remained our reference. That's why I don't mourn the twentieth century. In 2010 I wrote a book titled "In Defense of Failure." We undertook a great experiment, and now is the time to ask "what has happened" and "what can we do about it?" That is how I see my role today.

MA: What hope do we have of rebuilding an alternative economic vision today?

AP: It is only through major upheavals that we can generate new situations. Not through continuity, but through rupture. We must not make concessions on our principles in order to win. We need to put forward a coherent approach that represents our values. In the words of Goethe, the goal is the path.

An Interview with François Morin



François Morin was technical adviser to Jean le Garrec at the State Secretary for Public Sector Expansion from 1981–1982 and an adviser to Prime Minister Pierre Mauroy.

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Maya Adereth: What kind of society did you envision when you first became politically active?

François Morin: When I was finishing my PhD thesis in Algeria, I spent two years reading Capital. And to this day, I think Marx has many insights into the nature of power relations in contemporary society. But when I returned to France, my supervisor, Henri Bartoli, encouraged me to situate Marx's insights within a practical framework. I went to the Chambre Syndicale des Agents de Change, where I began studying the shareholder structure of large banking and financial enterprises. To my surprise, I understood nothing of what was in the files. So I spent years learning to penetrate this world of accounting and finance. In 1974, I published my first book, *The Financial Structure of French Capitalism*, which allowed me to participate in ideological debates surrounding the left's Common Program. When the left gained power in 1981, I was asked to advise Pierre Mauroy on bank nationalizations, and from 1985 to 1994, I served as an adviser and member of the Council of the Banque de France. In my new book, I recount the unique period between May and September of 1981 and the internal government debates which took place. On the one side were hardliners who advocated a strong break with liberal globalization and a nationalized

French economy. On the other hand were reformists who argued that it was necessary to account for the changing global context in which policies were being made. The reformists were more cautious about expanding the public sector through nationalizations.

MA: What were the characteristics of the French economy that you outlined, and how did they shape the contours of this early debate?

FM: The debate within the left was hardly rooted in the realities of the French economy. Structurally, the French economy had undergone significant transformations in the 1960s and 70s, primarily through the consolidation of large corporations. For some, this corporate consolidation represented an alliance of domestic capital that was necessary to prevent the advance of foreign capital, particularly from the United States. The employers alliance consisted of Paris-Bas and its allies in banking, industry, and nationalized insurance companies. On the other side was the Suez Group, also composed of banking and industry, which saw the prospect of an alliance with American capital as an enormous opportunity. This was the position of Giscard d'Estaing, then President of the Republic. The conflict between the Gaulish RPR and Giscard Republicans represented the divisions between the banking and financial elites in the country.

On the left, the issue was less about globalization, and more about increasing state influence over these consolidated corporations. These companies significantly shaped public life, and yet the public had no influence on them. This was the motivation behind nationalizations.

MA: Given that this was the view of the left, how do you explain the transformation of French industrial and financial policy between 1981 and 1983?

FM: In 1981 and 1982, we nationalized a large number of banking, financial, and industrial companies. Globally, this coincided with the rise of neoliberalism and globalization. We were operating against the current. In June 1982, and especially beginning in March 1983, there were a series of speculative attacks on the franc which destabilized the left from the moment we took power. Very soon these had repercussions on wages, and the continued speculative attacks led the party to take budgetary measures to reign in public finances and regain monetary credibility in the eyes of the global economy.

Financial liberalization began in the 1970s, and the strength of international monetary speculation continued to increase throughout the 1980s. As long as global markets were able to attack the currency, we would not be able to carry out the reforms. Something similar happened in 1993 during the Maastricht Treaty negotiations. American speculators, fearing their interests were at stake, initiated a financial crisis of incredible magnitude. Since the 1970s, we've been living in a global regime entirely beholden to financial interests.

MA: Do you think the left had a viable alternative in 1983? Is there any way that these threats—capital strike, speculative attacks—could have been overcome?

FM: What is instructive in the case of France is that both strategies, the hardline and reformist ones, were defeated. Those who advocated a hard rupture won initially: we nationalized 100 percent of parent companies in 1981, and strengthened workers rights with the Auroux laws in 1982. We passed a law democratizing public institutions through a tripartite board of directors and employee representation. And, between 1981 and 1986, there were union-led social movements which sought to expand these efforts. But the privatizations that were undertaken from 1986 onwards went well beyond the nationalized industries. So the hard rupture was defeated. But the reformists were also defeated, since even social democracy today is in a pitiful state. Both were defeated for the same reason: globalization, which gives finance a disproportionate role in determining social and political life. States have become largely powerless in the face of these international forces.

To some degree, the problem with nationalizations was that they were expected to resolve too many problems. The nationalization program muted and numbed social movements; in this period (and I would argue the same is true today) the unions ceased to be agents of political change. They defend the interests of employees, and they try to avoid political confrontation. But they have not fought for structural transformations. The latter is, I think, what political parties have been for. So in our case there was an attempt at an alternative between 1981 and 1985. But the unions did not push the boundaries of what was being proposed after 1983. From then until now we've seen a division between the protection of employees' interests and a more ambitious and far reaching political project. Codetermination—equal representation between financial stakeholders and employees—is the only issue

that has crossed between the political and trade union world, and today it is advocated by the CFDT as well as the left. For France, I think this idea could be crucial.

MA: What do you see as the main lessons we can draw today from the experience of the Mitterrand government from 1981–1985?

FM: As I've mentioned, my theoretical roots are in both Marx and Keynes. From a Keynesian approach, I think monetary questions are absolutely imperative. Neoliberalism presents currencies as nonpartisan, and places monetary policy in the hands of “independent” central banks. This means that nothing related to the issue of currencies, and therefore nothing related to the issue of credit, can be a matter of political power. But Keynes thought otherwise. Currency is created through loan allocation. When a central bank makes a loan, it creates currency. Loans are distributed based on the prioritization of needs. In this way private banks, and independent central banks, are determining which needs get addressed and which are left behind. If we understand currencies endogenously, as emerging out of our social needs, then we see that the allocation of credit is a very political act.

Neoliberals think that currency creation is too serious to leave to the whims of politicians. But at a moment in which we desperately need to finance the transition to a green economy, we have to powerfully oppose this notion. The European Central Bank, or even the Federal Reserve, must be able to free up resources for the financing of renewable energy. In the name of neutrality, we have given up the ability of central banks to make these crucial monetary interventions. For this reason, active

monetary policy is essential.

How should we understand the role of currencies today? They must be guided by some form of popular sovereignty. In Europe, the European Parliament should actively guide the policies of the ECB. At the moment, the ECB is not meant to intervene on behalf of any particular state. But let's imagine that tomorrow, in the face of a public health crisis, Italy develops an interest rate problem. The ECB and the European Commission would form a troika, not to help Italy by buying public debt (that would go against the notion of neutrality). But Italy is far bigger than Greece, and if we don't help Italy we are headed for massive and repeated crises. So this notion of neutrality is going to be hugely destructive in the long run. As far as ecological and welfare issues are concerned, it's clear that credit should be allocated in the service of public goods provision, like hospitals, schools, and green infrastructure. If we increase public investment without changing our monetary institutions, we will accumulate public debts and see skyrocketing interest rates. States will no longer be able to finance themselves through financial markets. We have to look towards a Keynesian monetary policy in order to resolve this contradiction.

The second institutional reform I propose is codetermination, to a greater extent than we've instituted in Germany or Scandinavia. I propose full parity codetermination—that is to say that not only a firm's deliberative bodies, but also its management should be decided equally by worker and employer representatives. That is how we can alter the structure of power relations within businesses. This applies both to companies and to banks. I anticipate that we will see a new approach to finance, production, and industrial relations if we institute policies of

codetermination across the board. The two proposals go hand in hand: it's about changing the form of consumption and production to meet public ends.

An Interview with Roger Martelli

Roger Martelli is an historian of the French Communist Party.

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Maya Adereth: What motivated you to join the Communist Party?

Roger Martelli: I officially joined the Communist Party in November 1969, but I became a communist in May 1968. I was in a preparatory class at the Lycée Thiers in Marseilles, and I made friends with communist militants when we occupied our lycée that summer. By the time the Common Program was signed in June 1972, I had been a member for three years, and my political experience revolved around the Organization of Communist Students. I was in the communist students directorate and was appointed member of the national board of the student's union, the Union Nationale des Étudiants de France (UNEF) in the spring of 1971. UNEF was split between the communists and the Trotskyists, so my appointment demonstrates the degree of democratic decision making we practiced at the time.

MA: What was the split over?

RM: At heart it was a question of who would control the organization. We hated the international communist organization—Youth Alliance for Socialism (which Jean-Luc Mélenchon participated in at the time). The Trotskyists had taken over UNEF so we set up another branch next door. At that time, I was mainly a militant in the youth organization of the Communist Party. When I joined I knew nothing at all,

neither about the Communist Party, nor about Marxism. I came from a leftist family, my father had been an active militant in the CGT, and for me, the Communist Party was quite simply the most left-wing and the most serious of all political organizations.

I had very few ideas about what a revolution could be, but at the university there was an atmosphere of revolution in the air. The party was proposing to build up majorities, both by taking to the streets and claiming voters. That combination—of the revolutionary idea with a drive towards getting a political majority—I found convincing. I identified with the description the Communist Party presented of French society, of the necessity of a radical transformation of that society and in the political construction that it proposed: the union of the left around a Common Program.

MA: As a historian of the party, how do you assess part leader Maurice Thorez's influence? How did things change after 1964?

RM: In 1964 when Maurice Thorez died, the Communist Party began to accelerate the movement of inner transformation that had begun in 1962. Up to 1961 the Communist Party, under Maurice Thorez's leadership, had denied Nikita Khrushchev's analysis of the Stalin era. Thorez was aware of Khrushchev's "secret speech," but he was very disturbed by it. Thorez objected to de-Stalinization until 1961.

In 1961, things changed. On the one hand, this was because Thorez became conscious that Nikita Khrushchev was strongly established at the head of the Communist Party of the Soviet Union, and on the other it was due to the Sino-Soviet split. Thorez agreed with Mao but

he strongly believed that the Soviet Union was to be the only international center for the communist movement. From that moment Mao considered Thorez to have betrayed him. Thorez had, in fact, betrayed him, and put himself behind Khrushchev.

At the same time, the Communist Party, which had initially been somewhat weakened by the coming to power of General de Gaulle during the Cold War, found itself in a favorable position. Between 1947 and 1958 political divisions were not so much between left and right, but rather between the East and the West. By 1958, however, the institutions of the Fifth Republic gave renewed salience to the left-right divide. A presidential candidate had to constitute a political majority in order to run in the second round and command a majority in Parliament. Particularly between 1958 and 1962, this generated a cleavage between the Gaullist right and the divided left. The socialists had originally sided with De Gaulle, which greatly weakened them by the 1960s and 1970s. Within the divided left, the Communist Party was therefore the most influential one.

In 1958 it had been decided that the President of the Republic would be elected not by direct universal suffrage but by an electoral college of 80,000 people representing the municipal councils. And in 1962 De Gaulle decided two things: the President of the Republic would be elected by universal suffrage, and only the two candidates with the highest percentage would progress to the second round. The change in procedure made it necessary to make political alliances that produced a majority. In 1962, de Gaulle dissolved the Assembly, legislative elections took place, and the Communist Party strengthened its position: it recovered part of the votes it had lost in 1958. And on the

left, it was the only one to do so. That is when Thorez encouraged the Communist Party to develop a new political strategy which would unite the left.

Thus was initiated a revisiting of what had been at the heart of the economic thinking of the Communist Party from 1964–65 onwards, the notion of monopolistic capitalism buttressed by the state. The issue was how to engage with the welfare state—the compromise between capital owners and the working class. On the social level, there was an attempt at opening up to the middle classes, and particularly to new categories of wage-earners outside the working class: engineers, technicians and managers.

The new line was based on the idea that a revolution was necessary, but that it could not happen all at once. Before the “dictatorship of the proletariat,” we would have to undergo an intermediate period of social change without a socialist state, allowing the French public to get used to a more socially oriented government. From this stage we would be able to shift from simple social democracy to socialist democracy, i.e. a develop a new type of power.

Between 1962 and 1972, the Socialist Party refused a Common Program. The program had been criticized both by the Socialist Party, who did not want it, and by the extreme left, which thought it was a betrayal. In the 1969 presidential election, the Socialist Party got 5 percent of the vote while the communists got 22 percent, and the socialists realized they had little choice. In 1972 they agreed to sign the Common Program; but only after they had undergone their own restructuring at the Congrès d'Épinay with François Mitterrand. The signing of the Program marked the end of the Communist Party's dominance

in the French Left, but at the time we didn't know it. Things became more complicated in the elections of March 1973: the Communist Party did better than it had 1968, but it still hadn't recovered the level it had between 1962 and 1967. And worse, the Socialist Party was catching up.

MA: What contributed to the decline of the PCF?

RM: Nothing was predetermined. The Communist Party was a political force and the question is whether it could adapt to reality. We should look at structural explanations, but we also have to look at contingent decisions which accelerated those structural changes. Among the elements which favored, for example, the PCF in the 1960s, was the fact that until 1975, France had experienced industrial growth, which went hand in hand with a growing working class. In these industries, workers were able to establish very strong organizations to advance their interests. The PCF also benefited from increased voting participation. The Common Program was in fact a Keynesian program. It accepted integration into the logic of the capitalist system. But Keynesian state intervention also has the capacity to change the structure of the economy. And the logic of the Common Program, being a radical variant of Keynesianism, was undeniably realistic. So, throughout the 1960s, the party benefited from both the growth of the working class, the realism of a radical Keynesian perspective and a growing electoral base.

Things change precisely from the moment the Common Program was signed because from 1973 onwards, we moved from the period of great growth to a more complex period of crisis. This period is char-

acterized by the rise in financial capitalism and the decline in industrial capitalism. From 1975 onwards, industrial employment declined and the traditional working class began to fall. But while the number of workers decreased, the number of employees increased. The shift to services broke the sort of alliances which formed the foundation of leftwing politics up to that point. So, the social base which was the basis of the expansion of the CP was retracting and splitting up.

From that point on, the logic of capitalism became financial. Up until the 1970s, industrial state investment translated into job growth. In the 1980s, it was reflected in the growth of financial assets and the pursuit of decentralization. Additionally, the Communist Party of the 1970s was dealing with a new Socialist Party which had a double face. In 1971, François Mitterrand declared that “He who is not anti-capitalist has no place in the Socialist Party.” The socialists also welcomed social movements like feminism, self-management, political ecology, which the communists viewed with distrust. This presented a form of competition internal to the left which the Communist Party was not able to overcome.

MA: I was surprised when we spoke to Anicet le Pors that he suggested the party didn’t have much of an alternative to protest the shift of 1983.

RM: The problem was the party’s organizational culture. The Communist Party has been able to renew elements of its discourse on several occasions: it gave up the dictatorship of the proletariat, it gave up Marxism-Leninism, it gave up its attachment to the Soviet Union. But what has never been questioned is the conception of the party, that

is to say a party which must be totally unified. While there could be discussions, at any given moment the party needed a line, and the line had to be followed. There is also a tradition in the PCF, which is distinctly Stalinist, in which whoever disagrees is seen to be moving away from communist purity. This made it very difficult for the party to adapt to a changing reality, and it also made it difficult to stage a stable opposition to the 1983–1984 reforms. By the time dissenters were able to be heard, the previous group of dissenters had already been expelled.

MA: What could Mitterrand have done differently in the 1980s?

RM: The recurrent problem with the left when it comes to power is a time lag. In 1981, most of the countries of the Western world were already experiencing the neoliberal counterrevolution. So, at the very moment that the left gained power in France, the left was defeated everywhere else. This makes the French experience a relatively isolated one in the European and global context. Mitterrand comes to power at a time when the left is dynamic but severely weakened. The CP, which is also taking up responsibilities, does so in a minority position. As early as 1982 a debate had started within socialist circles and the government: should we follow what some people at the time—such as Jean-Pierre Chevènement or, at the very beginning, Laurent Fabius—proposed and exit the European monetary snake? That would demonstrate a commitment to a policy that would be more nationally centered on the state taking control of the economic dynamics. Or, as Jacques Delors thought, should we adapt to the new position by curbing state influence, reducing industrial employment and constraining the budget. Mitter-

rand, who was first and foremost a politician, hesitated. In 1982–1983 he still left some room for debate within the government and he did not make a clear choice, but in 1983 he had made his decision: the deficit should not increase. France was in no position to keep the whole of its industries afloat, because a large part of the industrial apparatus was not competitive in a global context. Therefore, he advocated “industrial downsizing” Having started as an initially Keynesian logic, with nationalizations, social acts, and so on in view, the program became increasingly oriented towards limiting public expenditure and increasing market “flexibility.” That choice was made between 1982 and 1983, and in 1983 the communists were eventually entirely marginalized when it came to defining political options. For another year, between 1983 and 1984, they played a sort of balance game, that is, they remained in the government, they condoned major orientations and notably the National Budget, all the while distancing themselves more and more from the industrial choices that were being made, especially with regard to the steel industry.

In 1984, that balance game became impossible to carry on. This is when Mitterand put an end to the idea that the austerity policy was going to be temporary. And so, the CP found itself more and more out of its depth and out of a position to influence the government, especially if we consider the galaxy of organizations, including the trades unions, which were affiliated with the party.

And so, at the moment when the neoliberal inflection of French capitalism was taking place, the workers’ movement was weakened in comparison with the previous period. The network of popular associations that had hitherto been the stronghold of communism had

gradually disappeared. In spite of having been associated for decades with improving workers’ lives and wages, the the CP was unable to have an effect on the changes that were taking place.

Notes

Revolution, Reformism, and Resignation

1. Jean-Jacques Fiechter, *Le Socialisme français: De L'affaire Dreyfus à La Grande Guerre* (Genève: Droz, 1965), 163.
2. R. C. K. Ensor, *Modern Socialism as Set Forth by the Socialists in Their Speeches, Writings, and Programmes* (New York: Charles Scribner's Sons, 1907).
3. Willy Brandt, Bruno Kreisky, and Olof Palme, *La social-démocratie et l'avenir* (Paris: Gallimard, 1976).
4. Michael Bruno and Jeffrey Sachs, *Economics of Worldwide Stagflation* (Harvard University Press, 1985), Table 1.

Transitions: Four More Voices For the Chorus

1. On the labor movement, see: Xavier Domènech Sampere, "The Workers' Movement and Political Change in Spain, 1956-1977." *International Labor and Working-Class History*, no. 83 (2013); José Babiano and Javier Tébar, "El sindicalismo de clase de la transición a la democracia. Una perspectiva histórica de los cambios en el movimiento sindical en España." *Gaceta sindical: reflexión y debate*, no. 30, 2018. On the student movement, see: E. Hernández Sandioca, M Baldó, M. A. Ruiz Carnicer, *Estudiantes contra Franco (1939-1975)* (Madrid: La Esfera de los Libros, 2007); Alberto Carrillo-Linares, "La oposición política al franquismo en la Universidad." *CIAN*, vol. 23, no. 1 (2020). On feminism: Pilar González Ruiz, Carmen Martínez Ten, and Purificación Gutiérrez López, eds., *El movimiento feminista en España en los años 70* (Madrid: Cátedra, 2009); Silvia Gil, *Nuevos feminismos. Sentidos comunes en la dispersión* (Madrid: Traficantes de Sueños, 2011). On counterculture: Germán Labrador Méndez, *Culpables por*

la literatura (Madrid: AKAL, 2017).

2. On these presentist narratives: Josep Fontana, *La història dels homes* (Barcelona: Crítica, 2002).
3. On narratives of the transition, Pérez, J., “Historical experience and social construction of memory: the Spanish transition to democracy,” *Pasado y Memoria. Revista de Historia Contemporánea*, 3, (2004); François Godicheau, *Democracia inocua. Lo que el posfranquismo ha hecho de nosotros* (Madrid: Postmetropolis, 2015); Gonzalo Pasamar Alzuria, *La Transición española a la democracia ayer y hoy* (Madrid: Marcial Pons, 2019).
4. The reasons for this trajectory are developed in: Juan Andrade, *PCE and PSOE en (la) transition* (Madrid: Siglo XXI, 2012).
5. Karl Polanyi, *The Great Transformation* (Boston: Beacon Press, 2001).
6. Different readings of this period can be found in: Álvaro Soto Carmona and Abdón Mateos López, eds., *Historia de la época socialista España (1982-1996)* (Madrid: Silex, 2013); James Petras, “The Petras report. Dos generaciones de trabajadores españoles,” available at <http://www.inventati.org/ingobernables/textos/anarquistas/informe-petras.pdf>; and Vega, R. “Arden las calles Movilización radical y luchas por el empleo en Naval Gijón,” *Sociología del Trabajo*, 2017.
7. Gálvez, S., *La gran huelga general: El sindicalismo contra la «mod-*

ernización socialista» (Madrid, S. XXI, 2017).

8. Begoña San José, “Feminismo y sindicalismo durante la transición democrática española (1976-1982),” in *El movimiento feminista en España en los años 70* edited by Pilar González Ruiz, Carmen Martínez Ten, and Purificación Gutiérrez López. Madrid: Cátedra, 2009



Phenomenal World Volumes