

Britain's Blair and Germany's Schröder present a joint programme: "The Third Way/Neue Mitte"

Peter Schwarz
17 June 1999

In London on the eve of the European Elections German Chancellor Gerhard Schröder and his British counterpart Tony Blair, both leaders of their respective social democratic parties, presented a joint paper with the title "The Way Forward for Europe's Social Democrats".

The essential content of the paper is that the policy pursued by Blair for some time under the designation "The Third Way" should now be made the official content of Schröder's own course, dubbed "Die Neue Mitte" (the New Centre), which up to now has remained extremely vague. It represents an abrupt U-turn with respect to the existing programme of the German Social Democratic Party (SPD), which by and large bears the stamp of the party's previous chairman, Oscar Lafontaine.

Embellished with phrases borrowed from the world of advertising and terms such as "modern" and "innovation", the proposed programme could have come directly from the school of neo-Liberalism. The chairman of the German liberals (Free Democratic Party—FDP), until now the only party to unconditionally support such a programme, admitted this fact with a mixture of admiration and jealousy. Criticism of the "traditional social democratic path to social justice," according to Wolfgang Gerhardt, "could not have been better formulated by the Free Democrats themselves."

The new position paper is quite explicit. At the beginning of the first chapter it reads: In the past "the promotion of social justice was sometimes confused with the imposition of equality of outcome. The result was neglect of the importance of rewarding effort and responsibility, and the association of social democracy with conformity and mediocrity, rather than the celebration of creativity, diversity and excellence."

Here an opposition is established between social justice and social equality, entirely in line with the conceptions of the "better off", who regard as socially unjust the fact that they pay part of their income as tax to enable the state to help the poor. The following paragraph pursues this logic, speaking of the need to cut social costs and concluding: "social conscience cannot be measured by the level of public expenditure."

Along with this reconsideration of values the document offers remorseful self-criticism: "Values that are important to citizens, such as personal achievement and success, entrepreneurial spirit, individual responsibility and community spirit, were too often

subordinated to universal social safeguards."

Then a traditional theme of the conservatives is raised: "Too often rights were elevated above responsibilities, but the responsibility of the individual to his or her family, neighbourhood and society cannot be off-loaded on to the state. If the concept of mutual obligation is forgotten, the result is a decline in community spirit, lack of responsibility towards neighbours, rising crime and vandalism, and a legal system that cannot cope."

An interesting theme. Every social worker and all those concerned with social statistics can confirm the direct connection between growing petty crime and vandalism and growing poverty. But Schröder and Blair turn things upside down. Not the lack of public welfare, but rather its abundance is, in their opinion, the cause of the problem.

In order to clear away any remaining doubts about the planned course, the first chapter closes with an explicit recognition of the market: "The weaknesses of markets have been overstated and their strengths underestimated."

In the following chapters a list of social atrocities, which have become the standard repertoire of European economic, financial and social policy, is meticulously and approvingly catalogued. The authors take care to invoke every cliché: cuts in state expenditure; criteria of efficiency, competitiveness and performance for public services; adjustment of the social insurance system; encouragement of business; reductions in taxes on employers and property; flexibility ... and more flexibility: "Product, capital and labour markets must all be flexible."

In order to distance themselves from Lafontaine, who, at least in theory, argued for a demand-orientated, Keynesian policy, the authors of the paper have created the mantra: "A new supply-side agenda for the left". What is meant by "left" in this context remains a mystery when, at the very beginning, the document states quite clearly: "Most people have long since abandoned the world view represented by the dogmas of left and right. Social democrats must be able to speak to those people."

The chapter continues with the usual demands for dismantling the social security system and tax cuts.

On one issue Schröder and Blair deviate from their creed of economic liberalism: they encourage the active role of the state in introducing a cheap labour sector. Under the title: "An active labour market policy for the left", their statement reads, "Modern

social democrats want to transform the safety net of entitlements into a springboard to personal responsibility.”

All social and political means are to be employed to encourage individual responsibility. The system of taxation and social payments are to be revamped to “ensure that it works in the interests of the people”. Low-paid “probationary jobs” should be subsidised by the government and all those receiving social payments should be evaluated according to their ability to earn their own living. In short, the paper advocates massive state pressure to force the acceptance of low-wage jobs which, in turn, serve to drive down wages as a whole.

The paper makes the ludicrous claim that the New Centre and the Third Way approach issues “without ideological preconceptions” and search for practical solutions “through honest, well-constructed and pragmatic policies”. In fact the Schröder-Blair paper is “ideological” in the worst sense of the word: it ignores social reality and carefully masks the social interests which it champions.

The social situation in Europe, marked by a rapidly growing gulf between rich and poor, is never mentioned. Despite declining levels of unemployment in Blair's Britain, poverty is on the increase, while a minority, which is small in relation to society as a whole but nevertheless substantial in absolute terms, has enriched itself enormously. Last year alone the wealth of the thousand richest families in Britain increased by £10 billion, to a total of £108 billion. The number of sterling millionaires has climbed to 50,000 and is anticipated to rise to 150,000 over the next three years.

These are the layers “modern” social democracy has in mind when it says in the paper: “We want a society which encourages successful employers as much as successful artists and footballers.” The suggestion is that through “one's own efforts” and “outstanding performance” it is possible to rise to the top.

The reality, however, looks very different. The chances of a pop singer becoming a new Michael Jackson, a tennis player rising to the status of Boris Becker or a student of information studies becoming the next Bill Gates are about the same as winning top prize in the lotto. Connections, inheritances and the stock market are much more crucial for social advancement than “effort” and “performance”.

The bicycle courier, as an independent small businessman, risking life and limb in city traffic, and the student of information technology who works around the clock for a software giant, are just as dependent as the average worker—the only difference being that they are invariably not covered by social insurance, have no paid holidays and lack protection against redundancy.

The real business world bears little resemblance to the idealised market economy of Blair and Schröder—a sort of Fantasy Land where competition and performance work for the benefit of all. The real world is dominated by banks, large-scale investors and transnational concerns that tear down barriers all over the planet in their hunt for profit. As a consequence, whole continents and regions—such as Africa and Eastern Europe—have been plunged into the abyss as the living standards of working people are ruthlessly driven down.

For the German SPD the Schröder-Blair paper constitutes a

programmatic U-turn. Up to the present—at least in words—the party has proposed a programme of social reconciliation. For a long period of time, however, the party's practice has looked very different. In the communes, the German states and, since the last elections, on a national level the SPD has followed the very course of dismantling the social security system that is now elevated to the level of official party policy.

The Schröder paper also represents a turn-about in another respect. Up to now it was standard practice to discuss a new programme in the party bodies, and then submit it to a party conference. This time not even the executive committee of the party has been allowed to express its opinion. The new course has been imposed on the party from above.

The authors of the programme—Blair's advisor Peter Mandelson and the head of the Chancellor's Office Bodo Hombach—are political outsiders who command little support in their own parties and whose main base of support is in the business world. Both are regarded as experts in intrigue and are surrounded by the whiff of corruption. Mandelson was forced to resign last December as industry minister after it emerged that he had secretly accepted a 375,000 pound credit from a corrupt fellow minister. As for Hombach, there are persistent suspicions that he received partial financing for his villa in Mülheim from the Veba concern.

It is not a matter of idealising the extent of inner-party democracy which has existed up to now. The SPD long since gave up representing the interests of its voters, who by and large come from the ranks of the moderate- to low-paid. The SPD is a party of officials and functionaries occupying tens of thousands of posts in parliaments, governments, administrations, party bodies, trade unions and welfare organisations. The loyalty of this group to the party has far more to do with personal interests than any political principles.

Nevertheless, the complicated process of discussion inside the party has played an important role in reconciling conflicting social interests and strengthening social cohesion. To the extent that he has thoughtlessly trampled on the various party bodies, Schröder has effectively rendered such mechanisms redundant. In place of reconciliation, all that is left is confrontation.

With their joint paper, Schröder and Blair have taken the initiative to impose their line throughout Europe. To this end they propose in the last chapter, “Political Benchmarking in Europe”, the holding of regular meetings between ministers and leading political figures from the European countries. In addition, a network of experts, prominent politicians, political forums and discussions is to be set up to develop the concept of the New Centre and the Third Way.



To contact the WSW and the
Socialist Equality Party visit:

wsws.org/contact