

German ruling elite reacts nervously to Corbyn election in UK

Ulrich Rippert
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The election of Jeremy Corbyn as leader of the British Labour Party has provoked strong and hostile reactions in the German media. They are not directed at Corbyn himself, who has been benevolently termed a “lovable man.” Rather, they are directed against the vote by the members and sympathizers of the Labour Party, just under 60 percent of whom rejected the policies of New Labour with their vote for Corbyn.

The German elite has considerable experience with “left” social democrats and members of the German Left Party, whose loyalty in political office they can count on. What they are afraid of in this case is the left-wing sentiment of broad layers of the population. The fact that in the primary election a large majority voted “for nationalisation, against NATO, against austerity and for the unlimited expansion of social programs” (*Süddeutsche Zeitung*) has enraged many politicians and commentators.

Nikolaus Piper, chief economics commentator for the *Süddeutsche Zeitung*, expressed his indignation freely: “Just 25 years after the end of the Cold War, socialism is chic again,” he fumed. The Corbyn election has “something bizarre” about it, and Corbyn’s program is backward-looking and grotesque. The Labour Party is moving toward a “crashing defeat” in the House of Commons elections, Piper claimed.

Piper found especially repulsive the idea that tax revenue and credits from the central bank should be used for social projects and services. He drew attention to the idea of “People’s Quantitative Easing” in Corbyn’s economic program, saying it is “especially significant.” In practice, People’s Quantitative Easing means “that the Bank of England should print money in order to build residences, railways and roads.” Such an “inflationary program is obviously similar to the plans of the failed Greek Finance Minister Yanis Varoufakis” and will lead directly to ruin, he claimed.

Piper was economics correspondent for the *Süddeutsche Zeitung* in New York between 2007 and 2014—i.e., during the international financial crisis. In numerous articles, he

supported the policies of the US government and central bank, which made available hundreds of billions of dollars for financing criminal speculation and the rescue of Wall Street.

Piper advocates an American form of quantitative easing in which cheap credit is made available for the speculative ventures of a super rich financial oligarchy. What he finds perverse, indeed socialistic, is cheap state credit for the financing of “residences, railways and roads,” and perhaps also education and the improvement of social programs.

Piper warns: “In many countries outside of Great Britain as well, a new, aggressive left wing is establishing itself beyond social democracy.” It is “against ‘austerity’, that is, against the state savings and against free trade, against the rich and against the ‘corporations’.” The fact that in the United States a “self-avowed socialist” is also running for president makes it clear that the Corbyn election is part of an international phenomenon.

“Anyone on the left who has sympathy for Corbyn and Sanders (both are quite agreeable men),” Piper writes, should remember the “winter of discontent” in Great Britain in 1978 and 1979. “Brutal strikes” paralyzed the country, he said, and Margaret Thatcher came to power “as a reaction to the abuse of power by the unions.”

Before Piper began his career at the *Süddeutsche Zeitung*, he wrote for *Vorwärts*, the central organ of the Social Democratic Party (SPD). He recently warned the leadership of the SPD at its headquarters in Berlin: “Centrist politicians in Berlin and elsewhere have every reason to look at Great Britain with concern.”

The Corbyn election has in fact left the SPD leadership speechless. The SPD had been prepared for Corbyn’s victory, but not the landslide that took place. Above all, the utter defeat of the Blair wing, with which the SPD leadership is closely allied, is viewed as a threat.

“After the election of a new Labour head, insecurity prevails in the SPD,” *Die Welt* wrote. “In the SPD, one does not really know how one should react to the landslide victory of the left-winger.” Party head Sigmar Gabriel

himself had still not said anything 24 hours after the result was announced. “The publication of well wishes, actually usual in such situations? None at all,” said the newspaper.

Even the SPD “leftist” and deputy chairman Ralf Stegner has avoided any sort of “Hurrah rhetoric”. He has remained “unusually vague” when talking about the advance of the “leftist enfant terrible” in the Labour Party.

“Conservative social democrats are horrified,” wrote *Die Welt*, quoting Michael Roth, a close associate of Foreign Minister Frank-Walter Steinmeier. Roth declared: “Evidently not only in Britain but throughout Europe there is a diffuse yearning for distinctive characters in politics who, until now, squeezed between the constraints of facts and pragmatism, have appeared rather dull.”

In a second article in *Die Welt*, the SPD state chairman of Baden-Württemberg, Nils Schmid, puts forward his opinion. Schmid is a Tony Blair man and currently financial and economic minister of the SPD-Green Party state government in Stuttgart. He speaks for a layer of free-marketers in the SPD. Under the headline “Corbyn leading British Labour Party into nirvana,” he accuses Corbyn and his followers of “turning their back on reality”. The result of “this political escapism” is a “long march into insignificance.”

Schmid is clearly angry about the humiliating blow dealt to his friends among the Blair supporters in the Labour Party. Even the analysis of the electoral defeat of the Labour Party in May by Corbyn’s supporters is completely illogical, he claims. A left candidate with a leftist program had lost heavily to a conservative. The conclusion drawn by “Corbyn’s disciples” is that the party was not left enough. “This is navigation by someone on the wrong side of the motorway,” Schmid proclaims.

“The Corbyn principle” therefore was “no blueprint for other countries,” but rather “the disastrous example of a party on its way to political nirvana.”

For its part, the *Handelsblatt* writes of a “System Shock” that will change the British political landscape for years. “New Labour is dead,” the business paper mourns. “The party of Tony Blair and Peter Mandelson, which was concerned with power, compromises and winning elections” had always been a thorn in the side of the “old socialists”. Now the “Red Flag” battle song is once again being sung with gusto.

Labour now belong to a coalition of “hard-nosed trade unionists” whose militancy is in reverse proportion to their support in society, “and a post-crisis generation that sees itself marginalized by austerity policies, globalisation and growing inequality”. This generation of the marginalised is thrilled “that Corbyn has appointed a man as economic spokesman who describes his hobby as ‘the overthrow of capitalism’.”

However, it is premature to “to see the beginning of an epochal shift to the left in the country of Margaret Thatcher”, *Handelsblatt* writes, and calls upon Blair supporters not to throw in the towel. Instead, “the remains of the modern Labour Party” must re-assemble and “gather strength in internal exile for the inevitable coup.”

The German Institute for International and Security Affairs (SWP), which provides advice on foreign and security policy to the German government and for the past one-and-a-half years has promoted a stronger German role in Europe and the world, is worried about the foreign policy implications of Corbyn’s election.

The change in direction indicated by “Corbyn in foreign, security and European policy,” is very important from a European perspective, it states. Especially in relation to these questions Corbyn represents a break with the legacy of Blair. Corbyn has announced that he would apologise for British participation in the Iraq war and is a longtime critic of NATO, “making the transatlantic alliance and the EU partly responsible for the conflict in Ukraine, and who describes the eastward expansion of NATO as a mistake.”

Corbyn does not oppose the EU as such, but he is far more critical of it than the previous Labour leadership, the institute worries. He pursues a “completely different direction towards EU reform as British Prime Minister David Cameron”. In 1975 Corbyn voted in the first British referendum against Britain remaining in the EU, and in 2009 he voted against the ratification of the Lisbon Treaty.

The SWP summarizes the impact of Corbyn’s election as follows: “With Corbyn Labour now has a leadership that is expected to be ambivalent in the referendum [on the EU]. If Cameron prevails with his liberal market reform agenda, then, in the worst case scenario, Corbyn supporters in the party and trade unions could actively agitate for an exit. The political earthquake in the Labour Party is therefore likely to reach far beyond the UK.”

In order to limit the repercussions of such a political earthquake, the *Süddeutsche Zeitung* advises the SPD to shift a modicum to the left. There is also opposition in the party to the “Third Way” of Blair and Schröder which had created major difficulties in elections. “The SPD could dare a bit more Corbyn” the paper says at the end of its article. “In fact it should do so.”



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