

# The Fate of an Impasse: Europe, Year 2015

**CLAUS OFFE**

interviewed by William Callison, Jonathan Klein, and Johann Szeus

The year 2015 was revelatory of the current state of European politics, but exactly what it revealed about the path ahead remains a matter of perspective. From one angle, it exposed the true depth of the European Union's impasse – its “unsustainable” commitment to undemocratic institutions and to a fiscal and monetary framework predicated on interminable austerity – from which no escape is in sight. From another angle, the year 2015 represented a kind of rupture, as the sovereign debt and refugee “crises” came together and as emergent parties and social movements (from the left as well as the right) contested the EU's chosen course of austerity and technocratic rule.

In his recently published book, *Europe Entrapped*, Claus Offe assesses the predicament of a Europe split into winners and losers – a split that runs between a German-dominated “center” and a southern “periphery,” between the proponents and the skeptics of deeper integration, between technocrats and populists. According to Offe's diagnosis, Europe is suffering from a fundamental crisis of “crisis management.” While the technocrats in Brussels and at the ECB do not have a democratic mandate, the national governments of its member-states are committed to goals other than the common good of Europe. An economic and monetary union of “ever closer integration” has failed to achieve the kind of “balance” that it forecasted for itself. The self-imposed rules and sanctions it continues to enforce – specifically, the austerity measures imposed on its peripheral members subjected to accumulated debt and speculative financial markets – have resulted in unnecessary suffering and legitimate doubt about its future. The predicament in which the EU finds itself can thus only be resolved through radical institutional democratization and forms of shared economic and social policy, even as the discursive tools and political alliances that could affect these changes appear hidden on the anticipatory horizon.

As 2015 came to a close, we met with Claus Offe in Frankfurt to ask him about the year's developments, their meaning for the current impasse, and their potential implications for Europe's fate in the near future.

**Q:** In a 2013 article that foreshadowed the central arguments of your recently published book, *Europe Entrapped*,<sup>1</sup> you argued that, “in the end, it will depend on the protests and resistance of those who have been hit the hardest by the crisis. Perhaps this resistance can force the elites to steer toward a more productive course. At the moment, their ever more frantic efforts are buying ever less time, on credit.”<sup>2</sup> Was Syriza – the leftist movement and party elected in January 2015 to govern Greece, one of the hardest-hit countries on Europe's so-called periphery – an expression of such a protest?

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1. Claus Offe, *Europe Entrapped* (Cambridge: Polity Press, 2015).

2. Claus Offe, “Europa in der Falle,” *Blätter für deutsche und internationale Politik* (1/2013). An English translation can be found here: <https://www.blaetter.de/archiv/autoren/claus-offe>

**CO:** It's hard to find a lot of inspiring news here, given the austerity deal that Syriza was forced to sign last summer. For me, there's the encouraging push toward a kind of internationalization, insofar as Syriza in Greece led to Podemos in Spain. In Portugal there have also been some very interesting and promising developments of resistance to austerity policies. But there's no mistaking that the trend in Europe is moving toward the right – both in the market-liberal, austerity version of the right and in the nationalist-populist version of the right. This is happening not only in the streets, but also in the national parliaments. In France, the United Kingdom, Austria, and the Scandinavian countries (without even speaking of Eastern Europe), we're experiencing a strong presence of right wing populism – an anti-European and increasingly authoritarian, right wing populism inspired by the role models of Putin, Erdoğan or Orbán.

On the one hand, this is very worrisome. On the other hand, perhaps it allows for a cautious hope that the EU and the EU elites will now be forced to act. The political forces determining larger dynamics are now in a three-fold crisis – the Euro-crisis, the refugee crisis, and the terror crisis – and thus they're very ambivalent. From the perspective of future historians, I think that the years of 2015 and 2016 will be seen as a turning point for the European Union.

**Q:** *Do you think that, at the very least, the resistance of the Syriza government succeeded in challenging the hegemonic discourses at the level of the EU?*

**CO:** Yes, to be sure. The protagonists of the hegemonic discourse have begun to have second thoughts. In a country like Greece, it's all about political stability. The radical right wing political party Golden Dawn is now the third-largest party in Greece – that's very dangerous. In a situation like this, something could go very wrong. Looking above all at Greece's history, this much is clear: in 1967 there was an authoritarian regime change, which took place under the protection of the Americans.

I also think that German Finance Minister Wolfgang Schäuble would admit in a private conversation that a certain self-limitation is necessary in this disciplinary prosecution against the Greek economy. Yet it's certainly also the case that the French and above all the Germans really want to use this example of Greece and to send a clear warning: a leftist government shouldn't be allowed to pass through with what's seen as an irresponsible incursion of debt.

It's clear that the relative immiseration that one sees – not only in parts of the Greek population, but also in parts of the Portuguese, Italian, Spanish, Irish and also British populations – will not continue without potentially destabilizing political consequences. It will lead to a reordering of political forces, and many of these forces are unconventional in the highest degree.

A distinction that I once found quite useful is the distinction between political parties that aim to take governmental responsibility and to play a role in parliaments, on the one hand, and pure protest parties that don't share this ambition or that don't have the prospects to attain it, on the other hand. But in some countries, parties that emerge out of protest movements can achieve a

fusion of both sides of the coin. These are at once protest parties and parties that actually can partake in governing their countries. One example would be Italy's Berlusconi and the Lega Nord Party, while the Freedom Party in Austria would also belong to this form of politics – on the one hand, socially protectionist concerning its own clientele and, on the other hand, xenophobic, anti-liberal, and anti-European.

**Q:** *How would you account for what one might call the “populism” of these kinds of parties?*

**CO:** The concept of populism is of interest because it refers to how an allegedly homogenous “we” can form by setting itself against a closed-off block perceived as the “other.” In other words, it's us against the others. It's a “we” at the bottom who are directed against those “others” at the top, the “establishment” or the upper “one percent.” This is the “upward-looking” version of populism. But there's also a “downward-looking” version: It claims that the foreigners, the migrants, the underclass, the minorities, etc. are making illegitimate demands on “our” resources and our capacity for recognition. What we see in the USA's Tea Party is a combination of both. They are against “Washington,” for example, because for them “Washington” means the universalization of health care reform and the liberalization of immigration policy: the liberal establishment that benefits the undeserving in order to “buy” their support and allegiance.

Populism always opens up a wide front and uses assumptions of homogeneity: “We, the People.” I travel quite often to the states in Eastern Germany where there are other cases of how this works. One formula that is unbelievably catchy, that is easy to grasp, and that is repeated over and over again is this one: “We're foreigners in our own country. We were thus robbed of something that belongs to us. We were robbed by foreigners who are here illegitimately, and the government is betraying us as allows them access in irresponsible ways.” This is an obsession that one needs to reckon with. The CSU (the conservative Christian Social Union party in Bavaria) is currently attempting to link itself up with this kind of populism, while the CDU (Christian Democratic Union) is rather attempting to manage it. This is where the split between the two parties lies – parties who are nevertheless (and for the time being) part of the same federal government.

The SDP (Social Democratic Party) also doesn't know what to do. It's a party that hasn't been able to get rid of a “comrade” like Thilo Sarrazin and that has allegedly lost, as a consequence, around a hundred of its top intellectuals. The Social Democrats apparently can't expel him because parts of its own base think the same way that he does. Sarrazin's three amazingly successful books effectively articulated the three central themes of the radical right wing AfD party (Alternative for Germany): rejection of migration, rejection of the EU's monetary union, and rejection of liberal standards of political correctness. This is the situation right now, unbelievable as it may be. There's a thoroughgoing xenophobia among craftsmen and skilled workers, which forms part of the electoral core of the Social Democrats. As we know, legal and political liberalism as well as

cosmopolitan internationalism are clearly not entrenched in the genetic code of the working class – neither in Germany nor elsewhere.

**Q:** *At the level of the EU, what do you currently see as the key strategies for crisis management?*

**CO:** As far as I can tell, the prevailing strategy at the moment is the relatively mild strategy of bringing interest rates down, delaying the repayment of debt or the conditionalization of repayment by tying it to the rates of economic growth performance of indebted member states. Governing elites in Germany are apparently beginning to understand that their reputation will be damaged by a confrontation that is too harsh, even though Schäuble is obviously committed to sticking to this path. But maybe this is a case of the classic division of labor between “good cop” and “bad cop,” between Merkel and Schäuble.

But I also think that, from what I can judge at the moment, the strategy of even a weakened conditionalism is hopeless. Christina Lagarde, the chairwoman of the IMF, was completely right: There has to be a “haircut” to lower the amount of debt payments, and indeed a significantly large one; additionally, there needs to be a transnational program for redistribution. In other words: a Marshal Plan for Greece. But even in the case of an investment initiative of a significantly large order, we need to get used to the fact that in Europe – like in other advanced regions of the world – the difference between regional growth poles and stagnating regions or sectors is growing, with overall economic growth curves turning flat, as much of the current literature on “secular stagnation” suggests.

If we think, for example, about the trade between the *Länder* of Mecklenburg-Vorpommern in the north of Germany and of Bavaria in the south of Germany: the deficit here is presumably at least as large as the foreign trade between Germany and Greece. Within a federal nation-state, this is normal and is balanced out by the federal government according to the constitutional norm of an “equivalence” of living conditions within one country, which is a political accomplishment. We have this principle in the German constitution, but since Europe isn’t a federation, the EU doesn’t have it in the same way; at best, it is only through bureaucratic discretion. We nonetheless should follow such a principle of equivalence so that the entire periphery of the EU can be prevented from falling into accelerating decline.

The question remaining here is what the growth industries of the future should actually consist of. Will it be in solar energy? Will it be in pharmaceutical research? Should it be in electronics or in the shipbuilding industry? Should it be in the service industry, such as in banking? One must decide on a strategy if one wants to conceptualize a growth strategy for the European periphery. Eventually the core of Europe will need to pay for this strategy. The alternative would have economic and especially political consequences that would unavoidably lead to the disintegration of the EU.

**Q:** *How do you see these problems linking up with the EU refugee crisis?*

**CO:** I don't have a clear answer to this question. It's a new situation. The European Court of Human Rights decided – against the letter of the Dublin accord – that migrants who arrive in Greece first cannot be sent back to Greece by other countries because the housing and living conditions there constitute a violation of human rights. There were bulldozers that cleared out the refugee camp in Patras. Although there were still people there, the bulldozers piled through and everyone only had five minutes to flee. The terrible pictures from this scene are well known. Since then German officials aren't allowed to send back refugees who have documents showing that they came through Greece, even though that's specified in Dublin directives. The refugee crisis is, as I said, a new situation. It's surely also a bargaining chip for the Greeks, since they can say: We are hit the hardest, so subsidize us for the accommodations of refugees according to your own standards. The political leverage that Greece has lost in the debt crisis may well be recovered in the refugee crisis. Eventually, this may result in a major deal in which the EU not only forgives Greece's debt but also compensates Greece for the cost of adequately coping with at least parts of the refugee problem.

**Q:** *The Greek state is often depicted in public discourse as the “guilty” party (als “schuldiger” Staat) of the sovereign debt negotiations. In your view, how does this framing device function politically?*

**CO:** The winners and the more powerful parties in the debt crisis adopt an actor-centered model by rhetorically establishing the view that whatever happens must be attributed to the intentional acts of particular actors – actors who enjoy the freedom to act otherwise than they actually do. Once this cognitive frame is established, everything falls into place: Greek politicians run excessive budget deficits because they want to please their voters and buy support, and because they are opportunistic or corrupt; in doing so, they go to extremes, whether it be on the left or the right. According to this frame, “we” don't want to have anything to do with these people but, unfortunately, we're stuck in the same boat with them and so we want to use all means available to prevent them from rocking the boat, since that would get us all wet. This kind of argument is sometimes even more cautiously formulated: For example, “We want Greece to stay in the EU, and to achieve this we're ready to make sacrifices.” That's Chancellor Merkel. Or for a more direct example, Thomas Strobl, a prominent CDU politician, put it this way: *Der Grieche nervt* (“The Greeks have been getting on our nerves for far too long now”). It all boils down to a matter of character deficiencies of agents who need to be corrected through the administration of negative sanctions. In contrast, losers tend to use a language of material and institutional constraints and of pressing needs that together make up the driving forces of their action in which choice is severely limited. According to the losers, what is to be blamed is not the character deficiencies of agents, but rather the misconstrual and malfunctioning of institutions that lead to irremediable resources constraints.

**Q:** *The dominant discourse is largely marked by a binary schema: either for Europe or against Europe. Rarely does a third position appear as an option: for a different Europe. Similarly, debates mostly revolve around two standpoints: either for reforms or against reforms; either “rational politics” or “populism.” How do you understand the operation and role of such binary logics?*

**CO:** Yes, such simplifying dualisms are both an indispensable means to organize discourses and a distorting limitation of their fruitfulness. Let me add another binary schematization of the current situation, which would go like this: we either need a federal or quasi-federal European state that is also mandated and capable of major redistributive measures (and reasonably immune from nationalist backlashes opposing them) or we need to move backwards to renationalization and forget about “ever closer integration.” This is the alternative that I actually see at the moment. Whoever opts for the latter is, however, taking a short-sighted and dangerous road toward the regressive disintegration of Europe, in both a political and an economic sense. Either things are going to get much better through a robust solution to the current accumulation of crises, or they are going to get much worse. That is to say: the status quo is not an option. That would be my schematization, but I have to admit that this way of posing the problem is not widely agreed upon. Instead most representative actors tend to think in geographic categories: center vs. periphery, “rational people” vs. “irrational spending,” North vs. South, East vs. West, etc. It ultimately is all about the framing of these kinds of oppositional pairs.

**Q:** *What might a thoroughgoing integration of Europe look like? What kinds of institutional frameworks would need to be changed such that the deepening of European integration would not mean the intensification of austerity politics? What conditions are necessary to open up new avenues for progressive alternatives?*

**CO:** That is precisely the question. I think that there's a difference here between what's being thought and discussed behind closed doors and what's actually being said in public debate. I believe there are a lot of people in Brussels – such as Laszlo Andor, former Commissioner for Employment, Social Affairs, Skills and Labor Mobility – who say that, without the socialization of labor insurance and its costs, nothing is going to work in Europe. Intentions, proposals, and visions like these would create a different Europe.

The other axis is of course comprised not only the executive, but also of the parliamentary bodies. For example, Mario Draghi has demanded a European finance minister – supposedly, one who is not just a supervisory agent with policing power to enforce fiscal rectitude. But this is a failing proposition because a finance minister, when deciding on serious matters such as taxation, spending and debt, needs legitimate budgetary authority – that is, if we don't want to fall back into the times of “taxation without representation.” Budgets are, after all, laws. Laws are drafted by ministries and made by parliaments. Yet there isn't any parliamentary foundation in the EU, only a very weak one with the power of the purse, which could be strengthened by a European finance

minister – if one existed. The EU has regulatory powers, not taxing powers. For the latter, it would need its own democratic mandate to tax and spend. Taxes and dues are painful to those who have to pay them; hence the vote of a law-making body would be necessary in order to make these pains tolerable.

**Q:** *What are the mechanisms preventing this much-needed public discussion concerning a way forward?*

**CO:** My friend and sparring partner, the ever-combative Wolfgang Streeck, has argued that democracy needs a state and a democratic state needs borders. True enough. Europe is not a state, however, and so it's also not a democracy; moreover, its borders keep changing and are partly contested. But the concept of the state entails borders. Unlike the states in the USA, Europeans have not grown accustomed to conceptualizing their political identity as being part of larger political whole. Given their history of international wars, they are reluctant to do so. There is no equivalent to what emerged after the US Civil War – namely, a union with a Constitution, with a president, with clearly drawn borders, which, taken together, represent a large political community. This process didn't take place in Europe and so there's also always the danger that it will reduce itself to smaller political entities. The enduring weight of conflictual national histories and the absence of a revolutionary, founding act: These are historical obstacles Europe faces in comparison to the history of the USA. If the cold war had only lasted a little longer, perhaps there would have been a chance to merge Europe together into a political union. But this was ultimately unsuccessful. Instead an economic union was established – indeed, in an economic zone that was fully inadequate for such a union and, as it turns out, even for a consistent and reliable trajectory of an “ever closer union” of ever more member-states.

**Q:** *Around what set of demands could different European states come together to form an alternative political movement? It appears that, in the contemporary constellation, the deployment and the role of political concepts have become less clear. Political demands are often made beyond the positions of right and left. There is the option of returning to particular left signifiers, like Syriza. Or, somewhat like Podemos, there is the option of distancing oneself from leftist parties and instead trying to invent a new political vocabulary. This raises the related question: What kind of conceptual scaffolding is required to create new forms of international solidarity in Europe?*

**CO:** You cannot possibly believe that I have a ready-made, conclusive, and valid answer to this grandiose question. But I'm watching with great interest, like everyone else, to see which actors emerge, together with their alliances and programmatic objectives. The very latest on the scene is this: Europe as community fighting against terrorism. I doubt that this fear-driven idea can serve as the basis for actual community formation, of course. It won't solve any European problem.

One thought that is well known from the Stern Report on climate change (2005) is this: “the sooner we get ourselves to do something, the cheaper it will be.” By implication, the longer we wait, the more expensive it will be, and at some point prohibitively so. If a large investment program for Greece had been started in 2010, we would have saved a lot of money as well as, arguably, a lot of suffering.

The most important political questions are questions of “framing.” For example, the framing of time horizons: if we were able to get the framing right, such that the logic of timeliness would follow, a lot would be gained from this. We act rationally insofar as we encounter “now,” rather than defer, foreseeable dangers. Up until this point, a politics of small steps and solutions has dominated, as if we had unlimited time.

So the answer to your question is: the political forces that could directly provoke such changes are hard to find at the moment. But one has to be able to imagine such forces; otherwise it won’t work at all. We will find ourselves in a creeping decay if we aren’t able to act right now. The time to act is now. This is easier to see with the refugee question and the terror question than with the most decisive of all – the economic question.

It’s agonizing that I can’t give a more optimistic answer to the question of what exactly needs to happen. But I think the dimension of time is very important. The year 2015 is a turning point. At the end of 2015, one needs to push for an answer of what needs to happen – indeed, at the institutional level of the European Union. Irresponsible waiting is an activity that turns out, at least in retrospect, to be prohibitively costly – which is not to deny that democratic will-formation, coalition-building, the gathering and dissemination of information and deliberation can be enormously time consuming processes.

**Q:** *But couldn’t this dimension of time be characterized in a different way? Particular relations and structures of power carry their own logic of inherent necessity, which can rob us of a sense of the possible. Determinate necessities appear to dominate, and perhaps we need to sharpen our sense for other possibilities and to point to potential alternatives.*

**CO:** Niklas Luhmann speaks of “the urgency of the short-term” (die Vordringlichkeit des Befristeten). Following a more critical perspective, this is to say: politics has lost the vision and the capacity to keep its eye on the future. We’re living from day to day without a long-term vision or plan for problems of climate, energy, and security.

This is indeed the same critique: we shouldn’t just do something for tomorrow; we have to do something for the days after tomorrow. We need to do something now, because doing something the day after tomorrow is going to be far too expensive. That is an exponentially increasing rate of cost: every passing year doubles, triples, quadruples the costs. At some point it then becomes unaffordable.

**Q:** *In this regard, how do you understand the relationship between time, power, and debt? Indebtedness also has a political dimension since it comes to dominate the temporal conditions and possibilities of political action.*

**CO:** Yes, the debtor needs to pay the next installment until a fixed date. Sure, those who don't need to pay off any debts have more freedom at their disposal. The disposal of future income is already determined if you have debt; you need to pay the installment and the interest. This is surely also a form of shackling, a form of constraining action. But the avoidance of debt is of course also a form of shackling. The deadweight of debt accumulated in the past precludes choices concerning the future. Yet it is true that only by taking on debt can you "invest" in the future, as creative entrepreneurs supposedly do. So the courage to take on debt is also an impetus for economic creativity.

**Q:** *After Syriza surrendered to its creditors and was then nevertheless successfully reelected by the Greek citizenry in September 2015, what do you make of the political prospects for anti-austerity movements? Might we be able to expect a "swing to the left" in Europe?*

**CO:** The problem is that there aren't many alliances, and above all there aren't many alliances between political parties. Central parties for this kind of alliance would be the Greens and the Social Democrats. There's the strategic cooperation between Podemos and Syriza, a pair of parties with reciprocal bonding. But these are weak signs for the possibility of supranational alliances of political parties. The party alliances in the European parliament are very weakly qualified for this task. In Europe we vote according to national electoral laws. So I see a diffuse and fragmented arena of political actors, which is to say: there are hardly any visible or recognizable alliances being formed across state borders. I just can't see them. I think I would see them if they existed.

How did Greece become isolated? Why didn't a southern alliance form and threaten with the creation of a southern currency, a "Seuro," if you will? Since May 2015 the score was 18-1 against Greece: not a single nation said, "enough is enough," with the exception of this famous quote from Italy's Prime Minister Matteo Renzi, who said it on the morning of July 13, after the defeat and blackmail of Greece.

Your question is absolutely the central question. But I don't see a constructive and inspiring answer, at least if the answer is to be found somewhere in political parties, the media and university research. An idea would need to be developed around which such a transnational European left-alliance could crystallize itself. The current state of Europe is not sustainable. But who is going to change it and which institutional reforms will be successful – all of this must be answered in the (hopefully near) future.

*Translated by William Callison*

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