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## “A progressive alternative to the austerity mainstream“

Diskussionsbeitrag von Joachim Poß, MdB, für das Deutsch-Britische Forum am  
5.11.2015 in Berlin

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### I. Introduction

The **refugee crisis**, as part of a migration crisis, adds another dimension to the already existing European crisis. The **euro crisis** with its economic, political and social dimensions, has to a certain extent undermined social justice in Europe already. And not less importantly, it has **damaged the image of Europe**.

The European crisis poses the threat that social democratic parties in the member states could be further weakened in the face of **growing nationalist and populist forces**. This is true for populists both from the left and the right political spectrum – be it Podemos in Spain, Syriza in Greece, or Front National in France.

The **economic debate** worldwide and in Europe about the right response to the crisis is often falsely framed along **wrong contrasts: either austerity or growth**.

But in fact, it was our party family, in the European Parliament and in the member states, which fought for a **viable policy mix** that consists of **investment, structural reforms** and appropriate, **growth-friendly consolidation**. We should not forget this.

### II. Greece

We had too much **austerity in Greece** in the first program. But we have to acknowledge that Greece is in reality a **dysfunctional state**, some would say, a ‘failed state’.

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Hence, it is important to underline that **Greece is the exception, not the rule**. Only Greece saw this massive buildup of public debt against the background of a corrupt and ineffective state. This is, as Jörg Asmussen put it, a distinct chapter in the short history of the Eurozone.

Other countries' crisis were to a far greater extent driven by the **shortcomings of the Eurozone architecture**, by housing bubbles and financial turmoil.

Still, I think that the case of Greece underlines the need for the right policy mix in Europe.

The **social democratic model** is right: we need more investment, growth-friendly consolidation and structural reforms.

For Greece the latter does not necessarily mean labor market reforms, but most importantly reforms which break the system of nepotism, clientelism, tax fraud and corruption.

**A functioning state is vital to new growth and stability for Greece. Only the wealthy can afford weak and corrupt states.**

### III. New Leadership of Labour

You have to avoid to fall into the trap of Cameron and the tabloids.  
**We need a strong labour party in favor of keeping the UK in the EU.**

Apparently, many British don't feel addressed by politics anymore. That is why **Jeremy Corbyn** was successful in the party-elections: he **filled a gap**.

This shows that Cameron does not address the rising economic and social inequality in the UK and the world. Yet **economic inequality jeopardizes growth**, not only social cohesion.

Apart from party-politics, Corbyn's program has a certain appeal to many because it aims to provide answers to prevailing injustices.

**We need Europe to tackle growing inequality.** Hence, we have to make sure that the British left stays in the framework of European integration and the transatlantic security system.

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And we social democrats should not forget to acknowledge that there was **already a shift from Barroso's austerity approach towards a focus on flexibility and growth by the Juncker-Commission**. This was **driven by European Social Democrats** over the last years.

### IV. SPD

**I don't think that inequality is sufficiently addressed by the SPD. But, the SPD is without doubt the engine of the grand coalition.**

As we dominated the coalition negotiations, **we were able to set the right projects**: the minimum wage, a better social infrastructure, child care, easing the burden of social spending for municipalities. We have every right to state that we work in the interest of the people. **Millions of workers, especially women, profit** from these measures.

Yet we cannot help but notice that this is neither reflected in the minds of the voters nor in the polls. **Clear successes are not associated with the SPD on the federal level**. On the regional level we are a lot more successful.

The SPD has also to consider that along with all its successes, which do fight inequality to an extent, we are at the beginning of a development and there is a lot to be fixed.

We also have to consider this when preparing our manifesto for the next elections. **We should not leave out redistributive measures just because some associate them with our disappointing result in the last elections.**

We need to be the party that provides answers to those people who have a lot of responsibility in taking care of their families and in their jobs. Yet we also have to openly address deficits in social justice.

**We need a broad political profile which reflects both aspects: the right mix of economic drive and social justice.**

Corbyn's impulse can be of value here. In my view as a distant observer, it seems to me that he failed to prevent the impression that he is as much focused on the national level as are Syriza and others.

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Corbyn should notice that already a lot has changed within Europe and that we are still changing. But this cannot mean that we go after left-wing populism. This is no solid foundation for social democracy.

**We have to realize our social democratic vision within a European framework.** The national level is necessary but not sufficient. Particularly so in the face of the refugee crisis and the rise of populist forces which oppose the European project.

**Our project of a just Europe is endangered by populists from the right, but to some extent also by left-wing populist tendencies.**

Ultimately, Brexit is a project of British nationalism.