



The Global Leftist Revolt: Expectations and Realities

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Introduction

Since establishing the Global Alternatives research programme in 2015, the Valdai Discussion Club has been paying significant attention to the activities of leftist political parties and leaders in both the West and the wider world. This effort has resulted in a number of analytical materials dedicated to the issues, such as papers by Dimitris Konstantakopoulos on the Greek SYRIZA party and Alexis Tsipras, Richard Sakwa on Jeremy Corbyn, Francine Mestrum on public goods vs neoliberalism, Radhika Desai on leftist geopolitical economy, Boris Kagarlitsky on Marxism's role in the 21st century, Telma Luzzani on the leftist turn in Latin America, and others.

However, political events in 2016 (Brexit and the election of Donald Trump in particular) shifted the focus from left to right. The Valdai Club's annual report, drafted around the time of Trump's election in the United States, used the concepts of 'global revolt' and 'world revolutionary situation' to analyse the developments. The Club then tasked itself with preparing two new reports on the 'global rightist revolt' and the 'global leftist revolt' that would analyse not political ups and downs, but the ideology and socioeconomic foundation of leftist and rightist turns away from the neo-liberal mainstream. In mid-2017, the Club published a report devoted to the ideology of Trumpism and an analysis of the global rightist revolt. Now Valdai experts present their report on the leftist revolt.

- What are the objective socioeconomic reasons for the public to view the 'leftist turn' favourably?
- Can leftist political discourse and practices be adapted to the neo-liberal mainstream and its narratives? How effective is this adaptation likely to be?
- Has the leftist revolt in Europe and elsewhere run out of steam yet since its heyday at the turn of the 2000s and the 2010s? Or should we refer to it in the past tense?
- If the leftist revolt is still alive and has the potential to move forward, what are the main political forces and leaders that can drive its resurgence?
- What are the main trends in the evolution of society's social (including class) structure, which can entrench the demand for a leftist turn in the long term?
- Finally, is it possible to claim that the events in 2008–2009 and later in 2016–2017 demonstrate that we face a systemic crisis of the neo-liberal economic model and that this crisis already has its impact on the political process?

The Leftist Revolt in Europe and America?

The 2008–2009 economic crisis is the starting point in the evolution of the current global leftist revolt. It is the crisis that gave birth to many popular movements in the West, including the prominent Occupy Wall Street movement in New York, where Slavoj Žižek famously declared that ‘the marriage between democracy and capitalism is over’.

At the early stage of the crisis, there was a worldwide surge of expectations of change. A leftist turn in politics was considered likely. Left-wing Keynesians and Marxists as well as neo-Keynesians formed a choir of critics of neo-liberalism, and the majority of their critical forecasts were borne out, as noted by Joseph Stiglitz, Paul Krugman, Walden Bello, and Susan George. Moreover, the first stages of the crisis followed exactly the course outlined by the Keynesians: the first ten months closely followed their predictions. The basic patterns governing these processes were described by Hyman Philip Minsky back in the early 1980s. Initial responses by governments, regardless of ideological leanings, also seemed to herald the start of a leftist turn. These included nationalizations and measures to prop up demand, domestic markets and employment. This was the case even in the United States where there was a retreat from hard-line monetarist policies with the implementation of the Quantitative Easing.

In this way, it would be logical to assume that power would flow to politicians who are more in tune with the new economic trend and new economic needs. But it was precisely at that moment that traditional social democracy demonstrated its absolute helplessness, and it became clear that moderate left forces and the left as such had been taken hostage by neo-liberalism.

Eventually, a vacuum of alternatives results, creating an opening for more radical politicians, who may in fact moderate once in power. Actually, left radical slogans may be a smokescreen for what is sooner a social democratic project, or even more vigorous than most.

At the same time, the leftist turn is underway in Latin America. Developments in that part of the world could be read as the beginning of a more general global process. Here the neo-liberal model was implemented

in a more radical form than in Europe and its introduction began earlier. It is not surprising therefore that a revolt against these policies began earlier and was larger in scale, bringing to power a number of leftist governments (e.g. in Venezuela, Bolivia, and Ecuador). Governments that are more moderate were formed in Brazil and Argentina. Again, these governments were not so radical in practice. However, all of them, with the exception of Brazil, positioned themselves to the left of social democracy, if we judge them by their rhetoric.

A few years later, however, the leftist turn failed to materialize in Europe, and even in Latin America the left were in retreat. Yes, there were new parties, but none of them came up with a more or less coherent political project carried out by a practical coalition of social forces.

It became clear that the leftists were unable and unwilling to engage in politics, if politics means using power in practice to implement large-scale social change rather than sloganeering or academic work at conferences, where respectable talks, corroborated by real-life examples, are given.

Meanwhile, the neo-liberal ruling circles, having recovered from the first shock, are undertaking an effort to shape an anti-crisis agenda of their own, which paradoxically involves using the crisis for the benefit of the existing order and intensifying the very reforms that have bred the current hardships. Here we see that good old mantra at work: it is not the reforms that are the problem, but the fact that they are insufficiently radical.

There is some logic in this approach. While the crisis really is deepening in the long run, tough and aggressive moves of this sort, paradoxically, offer certain solutions in the short term. Governments seek to overcome the crisis at the expense of the working people and a portion of the middle class.

Ultimately, austerity and the neoliberal offensive contrasted sharply with the political helplessness of the leftists, who had been sidelined from practical politics for approximately 15 years and found themselves at a loss, when suddenly they stumbled upon a political windfall. The blows have fallen mostly on the middle class, particularly on what is known as the lower middle class, which is growing increasingly radicalized at the moment. But its radicalism does not necessarily mean that it leans left. And this is precisely the reason why we are witnessing simultaneous leftist and rightist revolts. For the attack on the middle class presents it with both options.

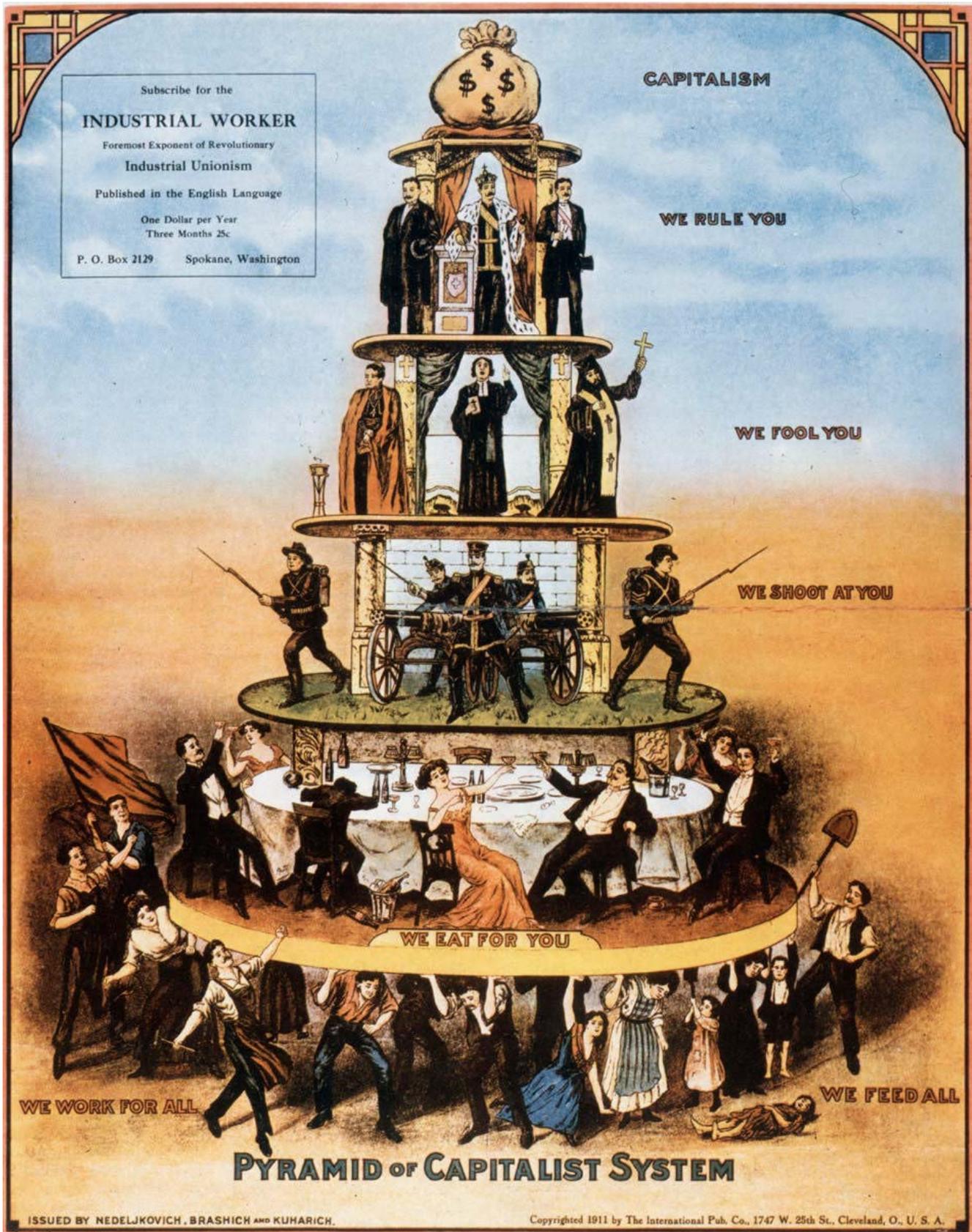


Illustration in the Industrial Worker, 1911

The choice appears to have come down mostly to a confluence of circumstances that do not always occur by chance, although they are not absolutely determined either. The middle class is more angry and disoriented than consolidated and conscious of its common goals and class interests. It is being rapidly demoralized and is coming down in the world. Thus, we are witnessing leftist and rightist revolts happening at the same time, it is just that the leftists have proved politically incompetent. Even in cases, when they won elections (e.g. SYRIZA in Greece), they were absolutely unprepared neither for power, nor for coming to grips with the real problems facing every party that assumes power in a critical situation.

This combination of radical rhetoric and rather moderate and pragmatic (or even opportunistic) programmes creates a political paradox of sorts. This is not to say that more is promised than can be delivered on, or that a radical programme is not implemented (as was often the case with the leftists in parliamentary democracies earlier). Rather, what is happening is that an extremely moderate programme is presented (and accepted by the public) as something quite radical and totally revolutionary. And yet, even this goes unimplemented.

The opposite is often needed in a crisis environment. This means that those who come to power and want to effect real change while staying in the saddle should use moderate rhetoric to win over the broadest possible base of support. They must also be prepared to adopt much more radical practical measures than planned due to the severity of a crisis requiring resolve and large-scale transformations.

But resolve is precisely what Western leftists are lacking. For this reason, they will be unable to implement even a very moderate programme, despite the fact that the crisis is deepening and the demand for radicalism is on the rise – note, radicalism of action, not of rhetoric. Meanwhile, leftists are afraid to act and are stoking the fires of rhetoric instead.

To change the situation, they will have to mobilize political support, which will be directed at practical economic and social transformations with an initially unclear outcome. No one knows what the outcome will be, and it could well be negative. The political situation calls for taking risks. In fact, those who are capable of taking risks and decisive, consequential action are more likely to thrive in a crisis.

On the contrary, the leftists have demonstrated quite the opposite across the board. While there is a surge of leftist sentiment to match the one on the right, rightists have shown greater ability to consolidate their gains, at least at times, whereas the leftists, even where they do consolidate gains, like in the case of Greece, tend to destroy their own project by what they do subsequently.

It is a stroke of luck for the leftists that SYRIZA's failure did not end up in a Europe-wide or even worldwide disaster, but was localized in southern Europe. Yet, what happened to the Podemos party in Spain, where a movement similar to SYRIZA should have come to power, but failed to do so, is closely linked to the outcome in Greece. Since Greece was a few months ahead of Spain both politically and economically, the Spanish were able to watch the Greek experiment unfold, and decided not to replicate it at home, which resulted in the rapid decline of Podemos' popularity.

Podemos consciously identified itself with SYRIZA and attempted to emulate its successes, but ultimately emulated its defeat and betrayal. As a result, a party that seemed destined to win the next election before the Greek epic began has sunk to the level of a marginal factor in Spanish politics, even though it continues to strengthen its hand. This is a party which the Spanish voter does not want to entrust with power. Instead of a leftist turn, Spanish politics has been consumed by Catalan separatism.

This is happening against the background of the crisis of left-wing governments in Latin America. The governments of Venezuela, Bolivia and Ecuador, which have been in power for a long time, have had to bear the brunt of the global crisis. After all, the crisis is hitting all governments, both left and right. But it is also revealing the shortcomings and weaknesses of the model that has existed in Latin America in general and specifically its leftist variety. It is quite useful in this sense to read Edgardo Lander, a Venezuelan researcher, who has shown that the crisis of the Venezuelan model of 'extractivism' (an economy based on the extraction of natural resources for the world market) began even before Chavez, and was only mollified by the Chavez administration. Under Nicolas Maduro, the crisis has become aggravated again. In other words, the leftists did not reform the economic system, but acted as a conservative force that enabled this decaying system to hold out longer. 'Extractivism' has been accepted as a fact by other Latin American governments, including those in Bolivia and Ecuador, which are attempting to carry out social modernization on its basis

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time**

instead of moving beyond it. While previously this economic model benefitted a very small oligarchic elite, the leftist turn in Latin America has redistributed resources in favour of the poorer strata. It made the economy appear more just and legitimate to the population at large, but failed to solve a single structural problem, thereby extending the lifetime of what is a patently doomed model.

At the next stage, the crisis predictably led the model to a gradual collapse – a result of external markets being glutted and domestic markets failing to become a driving force for the economy. Regional integration might have worked but, firstly, it has been blocked by Brazil (also considered a country with a left-wing government in the 2000s) and, secondly, the structural tasks of integration have been neither formulated, nor implemented. Practical development goals have been replaced with rhetoric.

The leftists in Latin America should have made a wholesale change in development models instead of diverting resources away from the existing model. But this is precisely what the leftists have failed to do. The collapse of Latin American integration is entirely the result of policies pursued by the leftist governments, which paid lip service to it, but were reluctant to implement it in practice due to their local interests.

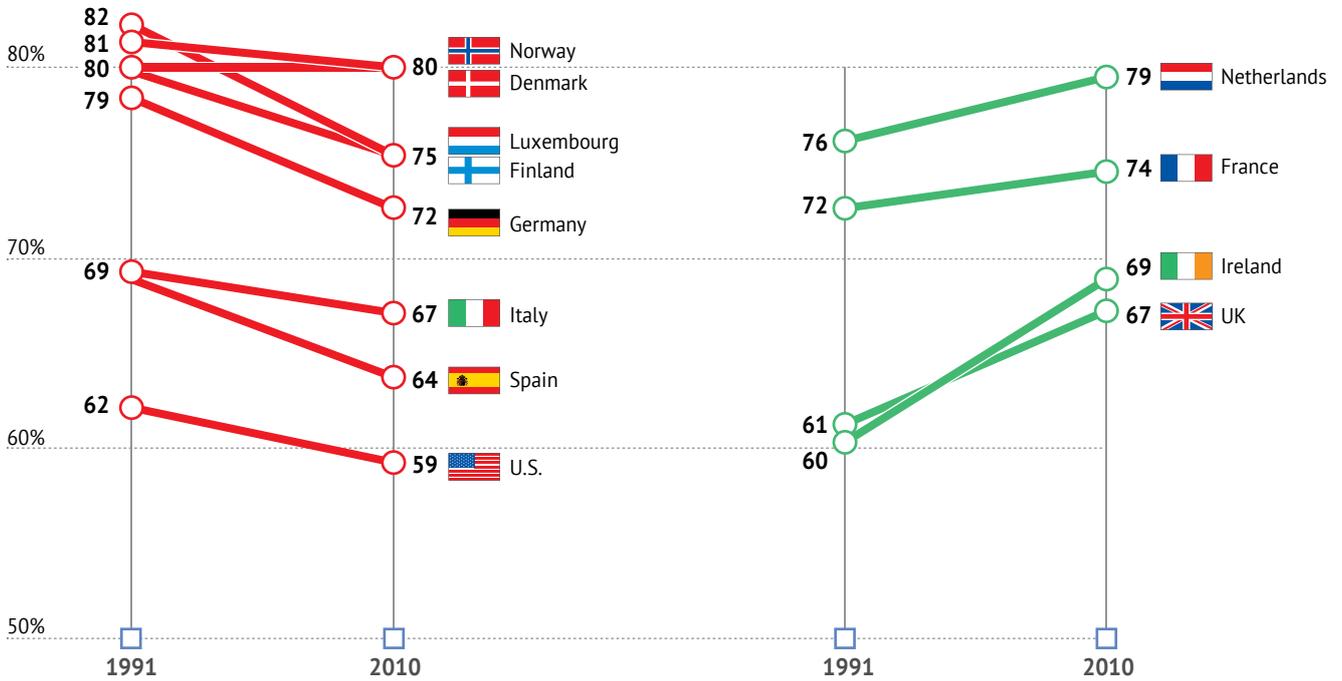
If in the 2000s, the leftists in Latin America had launched structural reforms, it would perhaps have been more difficult for them initially to maintain the loyalty of the masses that were expecting redistribution. Resources should have been used for structural reform in the economy and for investment. In that case, they would have been ready for the crisis and would not have been hit so hard. Incidentally, the international experts who insisted on this option, like the Venezuelans themselves, were excluded from decision-making. Some other party prevailed. We can say that the Venezuelan ‘Bukharins’ defeated the local ‘Trotskys’ and ‘Stalins’. This was a kind of retro-experiment, with a lamentable result.

The crisis of the leftist project in Latin America is very indicative. As is only natural, it has rebounded on West Europe and the entire Third World, where the leftists had long tried to exploit the Latin American romance. As a result, the agenda of the revolt is being steered by populists on the right, not the left.

The success of the rightist revolt is largely due to the fact that it is beginning to co-opt the leftists’ social agenda, which they were not bold enough to implement themselves. Most graphically, this is seen in France, where Marine

THE SHARES OF ADULTS LIVING IN MIDDLE-INCOME HOUSEHOLDS FELL IN MANY COUNTRIES IN WESTERN EUROPE

% of adults living in middle-income households in 1991 and 2010



Source: Pew Research Center analysis of data from the Cross-National Data Centre in Luxembourg (LIS).

Le Pen is hiring experts who have abandoned the leftist movement for her National Front. They are attempting to recast the right-wing National Front as a populist party. In fact, they are pushing it to the left, while preserving conservative traditions. At the ideological level, they are taking the party from Vichism to Gaullism, Left Gaullism.

Donald Trump, as we know, has also come to power on the working class vote, as well as on the strength of a number of promises, which none other than Tom Frank, a well-known US sociologist and political analyst, has described as a consistently leftist discourse. Frank says without mincing words that Trump has borrowed their rhetoric, their ideas and their agenda. Yet, Tom Frank asserts that Trump will be unable to implement it all, and he seems correct so far. Bernie Sanders, who positioned himself as the leader of the leftist revolt and seemed ready to more consistently pursue change from the White House, proved less consistent and resolute than Trump, and lost.

Against this background, the failure of Die Linke party in Germany seems quite logical. It has taken a different path, doing nothing at all. This is a very

good way to weather the crisis. As the main opposition party in the Bundestag, they remained inactive for four years. They did not lose a single vote, but neither did they gain any, while protest voters have defected to the right populist Alternative for Germany party.

As a result, it is becoming increasingly clear that the rightists are borrowing much of the leftist agenda, which the leftists themselves stubbornly refuse to acknowledge. Moreover, they are categorically against reading the right populists' literature or engaging with what is written there. Neither do they want to talk to their own voters, who have left them for the right populists. Instead, they are sticking their heads in the sand.

An opposing trend is gaining strength against the background of failures and frustrations among the Western leftists. They are not only unwilling to challenge neo-liberalism, but are actually turning into defenders of this model, which seems to them a 'lesser evil' than the right-wing populism. As right-wing populists are echoing their slogans and ideas more and more, leftists are becoming ever more vigilant defenders of the status quo, acting essentially as allies of the neo-liberal establishment.

New Hopes for a Leftist Revolt: Corbyn and Mélenchon

It may appear that the leftist revolt has fizzled out before it even started. Luckily, it is not quite that simple. There are at least two bright spots amid the general backdrop of failure, which gradually begin to throw light on the rest of the picture. We are referring to the left-wing Labour project by Jeremy Corbyn and the sudden rise of Jean-Luc Mélenchon.

The question is to what extent both these politicians are relying on the trajectory of the leftist movement that came before them, and to what extent they are changing it, consciously or unconsciously. Notably, leftist intellectuals in Britain embraced Corbyn, albeit with reservations, because there was no alternative, and his success was so obvious, sudden, and striking that no one was able to formulate any objections. Whereas Mélenchon was, from day one, accused of populism, nationalism, autocracy and every other sinful '-ism' one can come up with.

Nevertheless, left-wing criticism of Corbyn is mounting in proportion to his actual successes. Leftist intellectuals are particularly annoyed and disapproving of precisely those aspects of Corbyn's politics and rhetoric that make him truly popular with the masses and reflect the genuine sentiments of a significant portion of British society, especially its lower classes. Increasing reliance on electoral support from workers, rank-and-file voters, and the lower middle class is not welcomed. It is seen as giving in to populism, or even renunciation of left-wing values. Ironically, what they believe to be left-wing values are, in fact, the values of liberalism, which the left have assimilated to such a degree that they see them as their own.

A classic example is the horror that Corbyn's success in Scotland caused in Britain. Why? Because Corbyn's success led to a major decline in Scottish nationalism. In fact, we are well aware that many people who voted for Scottish nationalists did so out of spite to hurt London, not because they completely share the ideology of Scottish nationalism. However, in London, Scottish nationalism has met with enthusiasm among left-wing intellectuals who have no connection to Scotland. They say that defending the nationalism of a small nation against an 'imperial state' under any circumstances is a matter of principle.

Classes have not gone anywhere, but they are different today compared with those in the 1900s

A minority should always be supported and protected. This is the main principle of liberalism adopted by leftist British intellectuals. The class nature of Scottish nationalism, its substantive programme, or its impact on the situation of the working people in Scotland and England do not matter. In other words, the left must work for a project pursued by small-town bourgeoisie and bureaucracy, while deceiving and disorienting working people.

All of that is far from harmless. If we crunch the numbers, we will see that Corbyn needs the votes of Scots in order to win in the UK. So, he must win Scotland over. Furthermore, if the left fail to win Scotland over, and if Scotland does not regain its status as an important factor in British politics (which is working for the left), then the left will simply have no chance to win at the national level. The left-wing intellectuals (or rather, left-liberal) are not at all interested in practical politics and the future of their own country, since any upheaval only creates new reasons for convenient 'criticism'.

A similar story happened with Mélenchon, who began to do with the National Front what the National Front used to do with the left. Precisely,

he began to co-opt the National Front's agenda and bend it to the purposes of the leftist agenda. Mélenchon is good at it, because originally it was a classically left agenda. He is starting to return to classical leftist politics. This approach is a hallmark of Corbyn's politics as well. The central idea promoted both by Mélenchon and Corbyn is a return to the classical leftist politics. The left-wing intellectuals are frightened by this, because this spells the end of their ideological monopoly and marks an attempt to reign in their ability to manipulate politics by controlling the discourse. However, this works for both Corbyn and Mélenchon, so the intellectuals will have to put up with it.

What differentiates these movements in the long run? First, the fact that they are trying to cement a certain social coalition around themselves and aim to compete for power. Not for ministerial seats, but for power as a way to control certain processes. Power in the interests of a certain social coalition. Second, without directly breaking from the logic and ideology of political correctness, they are nonetheless trying to distance themselves from it. Leaders like Corbyn and Mélenchon are trying to take the discussion to a different plane altogether. Third, they are trying to reformulate the notion of solidarity and class struggle, building on the changed classes of bourgeois society. Classes have not gone anywhere, but they are different today compared with those in the 1900s.

After Donald Trump wasted the entire year failing to enact any major changes in the interests of his constituents, after Marin Le Pen failed to win the presidential election in France, and the right-wing populists suffered a series of setbacks in elections in Western Europe, the situation has started to change. It appears now that the rightist revolt is running out of steam.

Owing to its specific social and ideological configuration, the right-wing populist coalition is unable to convert its slogans into action. To do so, it must to large extent break with bourgeois interests and principles. However, in this case, it will cease to be rightist and become leftist instead.

Unlike previously, when the left were accused of lacking a constructive approach and substituting discourse for practical solutions, an opposing trend has gradually started to take shape. The right wing has been blamed for it. A new approach has surfaced then, an attempt by the left to present themselves as 'constructive rebels'. To reiterate, the combination of radical rhetoric with moderate proposals is not a good response in a crisis. The

opposite approach is more likely to be effective: a combination of relatively moderate rhetoric addressed to wide audiences, which are truly interested in change, and readiness for more radical action. Whether or not this position will prevail is anyone's guess (neither Corbyn, nor Mélenchon are in power yet), but a completely new perspective is opening up, and the process will only accelerate over the next few years.

Corbyn's Programme

Focusing on the details, the Labour programme, a document of over 100 pages with the telling name 'For the Many, Not the Few', played a major role in the activities of the party under Corbyn. The idea that the economy is not working for everyone and benefits a minority instead is a common thread that runs through it. On the contrary, they want the economy to work for the majority. They want society to be structured in a way that benefits everyone, not just the elite that enjoys the greatest amount of power.

The programme covers many topics. It begins with an acknowledgment that the prescriptions are fairly moderate and informed by a belief that the well-being of society depends on everyone, including employers, investors, the state and employees, but! This is not the last 'but' that criticizes the previous policy. European integration falls under criticism as well. They say that globalization has destroyed local communities. It has destroyed local labour markets and local communities, because trade and production chains, and all the related businesses and such, have been dismantled.

The programme calls for radical infrastructure modernization for Great Britain, such as building new high-speed rails throughout the country. It also calls for the creation of an investment fund to invest some £250 billion within a decade to reform the energy system, to provide universal and affordable 4G and 5G broadband coverage, etc.

A more advanced healthcare system is in the centre of Corbyn's programme. They also argue for absolutely free higher education pointing out that Northern Europe has already had it, so why haven't we? Why is it that British students are already saddled with £40,000 of debt on average upon graduation? That is wrong. We do not want it to be that way, nor should we tolerate such a society.

The property issue is another compelling one. They are for private property, of course, but the spread of private property brought nothing but problems for Britain as they claim. We (that is, the Labour) are for nationalization. For example, we partially privatized water supply. What happened? The quality went down and the prices went up. We partially privatized the energy industry. What happened? The quality went down and the prices went up. We partially privatized the railway. What happened? The quality went down and the prices went up. And so on and so forth. Partial privatization of postal services has begun. Same thing. The quality of services deteriorates, their cost increases. Therefore, they say, our goal is to expand the public sector, stop privatization, or revoke it and re-nationalize everything. This is a major turnaround.

To be sure, Corbyn's programme includes a section on migrants, which says that they are not saying no to refugees, or anyone else for that matter, but migrants must be integrated into British society. If the British society keeps on advancing, if the economy keeps advancing and creating new jobs, then everything will be fine. No one will have any issues with migrants, etc. This is a sensible approach that precludes arriving migrants from being essentially barred from the formal economy and, in general, from the cultural and civic life of the British society.

The programme also makes some overtures to voters beyond Labour's base, such as support for a balanced budget and warnings against amassing too much debt. In fact, public debt is not a problem. If it is a relatively independent area, it is always possible to issue more currency. Moreover, issuing additional currency, again for investment purposes, will not be a problem if it is backed by an increase in production of goods and services.

All the above-mentioned points are fairly typical. If we take Theresa May, who is even called the leader of the Red Tories, as an example, this discourse is becoming more popular even among the conservatives. For example, if you listen to May, she says that there is a need for free education, albeit not entirely free, but that should be made much more affordable, and so on.

As a result, the attitude towards the role of the state is undergoing fundamental changes. No one is any longer asserting to take the state out of the picture and let things take care of themselves. Thus, Corbyn has already managed to effect a major left turn in political thinking in the UK at least in the ideological sense.

New Class Interests?

As noted earlier, the leftist movement is on the verge of a new, very serious split. The social processes at work show that the current crisis must be overcome by renouncing the liberal-progressive discourse in the name of a politics of new class interests. This is already more or less understood, but a turn to class-based politics is frequently practiced simply as a feint. The word 'class' is used constantly, but superficially. For instance, there is talk of 'class ecologism' or the 'class-based LGBT movement', but the role of class is reduced to a slight adjustment of rhetoric.

Needless to say, this is not the way out. A new politics of class interests cannot be practiced in the language of political correctness, left-wing liberalism and radical postmodernism in the spirit of Michael Hardt and Antonio Negri. All this will have to be renounced for good for the new politics to succeed. However, no success will be achieved via Comintern-style Marxism or classic social democracy either, because modern socio-class structures have changed.

Public capital is returning as a means of resolving specific problems

In the 1920s, classical Marxism was a political mainstream and, thus, the language of the masses and people in power. Now it is the language of marginalized groups. It is essential to understand that if you speak such a language nowadays, the working class will not understand it.

The language and concept of class struggle should be reformulated in the light of current contradictions, problems and needs of the working class. We are witnessing a return to class as a central category of politics, a return to Marx and class-based rhetoric. However, this return to a class-specific agenda should be grounded on the revision of current class interests. And this is what is taking place to a certain extent.

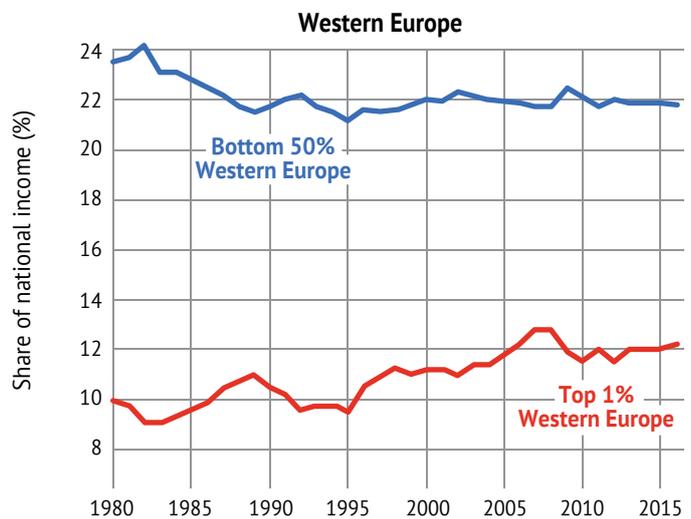
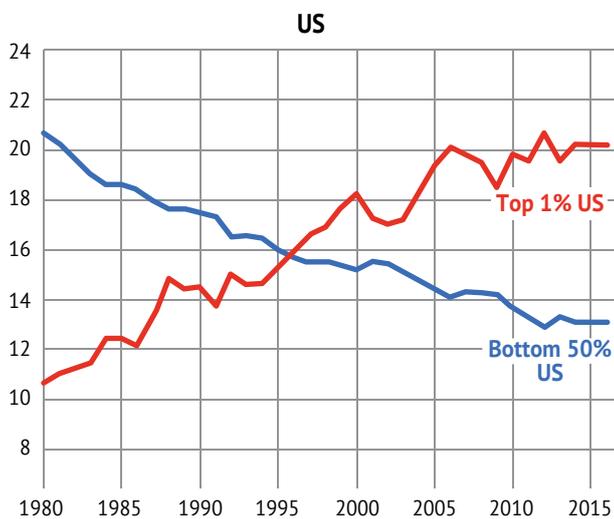
Solidarity, public capital, socialization of investment and support for production are becoming key issues in this context. Moreover, public capital is returning as a means of resolving specific problems. It is possible to speak about transportation and infrastructure, public goods and investment in science. The purpose is not nationalization for the sake of nationalization or assertion of some abstract principle, on the basis of which we will build

an entirely new society. No, nationalization is suggested as a mechanism for resolving specific issues where market fails.

Paradoxically as it sounds for classical left-wing discourse, in this case we should proceed, not from Lenin, but from Joseph Schumpeter and respond to market failures. Or, to be more precise, we are interested in Lenin the practitioner of 1918–1921, as opposed to Lenin the ideologist. Leftists praise Lenin the ideologist who wrote ‘The State and Revolution’, but Lenin the practitioner who ruled the state is much less to their liking – he is blunt, pragmatic, and authoritarian. However, the failure of the first phase of the left turn suggests that practice takes precedence over theory.

Therefore, the new leftists should push for the public sector to step in wherever there is a real market failure. This will be supported not only by socialists and communists, but by all people who are facing the crisis of privatized water utilities, the impotence of neo-liberal reforms in science or education, high transit fees, housing shortages, etc.

TOP 1% VS. BOTTOM 50% NATIONAL INCOME SHARES IN THE US AND WESTERN EUROPE, 1980-2016



Source: World Inequality Report 2018.

Evolution of the Working Class: Small Owners Working for Hire vs Migrants as the New Proletariat

The working class is one of the key issues in the current leftist discourse. If modern society were on the threshold of communism now, it would be burdened with a huge amount of private property. Today's working class differs radically from the working class of the 1920s. It either owns considerable property (flats, cars, and, in the case of Russia, dachas) or is in the process of acquiring this. It is also weighed down by mortgages, which are a major burden, but offer a means of material progress.

In other words, if modern society were on the verge of this transition to a new social system now, it would not be a society of oppressed people in chains, but small owners working for hire. The current political environment is unique because working people in Europe, North America, and even Asia either already own or plan to acquire property.

The current leftist and rightist revolts (or grumbling), as grassroots movements, for example in the United States, are evidence of social discontent of these small owners/consumers working for hire. Contrary to classical Marxist theory, these people do not think that they have nothing to lose except for their chains. They have much more to lose than that. The 2008 economic crisis not only slashed real incomes of hired labour in the majority of countries, but also provoked a spate of neo-liberal policies, as we mentioned above. In the past, the authorities urged people to acquire property, while now they seek to increase the tax burden on individual property, especially the property of those who earn a living by selling their labour.

In this context, some neo-liberal economists have proposed returning workers to their previous status. The capitalist views property as something superfluous and capable of protecting workers from managers' pressure ('I'd rather sell my car than accept this job') aimed to step up the exploitation of workers, including through increased intensity of work. At the same time, a hired worker's proprietary status requires that he or she spend time to manage their property, for example, to solve problems with the car or housing. The capitalist is using the state to discourage workers from excessive ownership and shift

onto the working class more taxes and costs of maintaining the malfunctioning bureaucratic machinery.

The bother this provokes infuriates the small owner, yet failing to discourage their yen for accumulation that selfsame liberals used to extoll. This is what provokes the 'leftist revolt', which often takes the form of conservative or even radical patriotic protests that are interpreted as the rightist revolt.

As is only natural, this creates particularly high tensions, because the new working class already owns property and is unwilling to lose it. This situation has little in common with the period of the Paris Commune (1871), when the jobless proletarians pawned their mattresses and no longer had money or anything else, not even coffee or bread, literally nothing except the rags they stood in. The current situation is radically different. Despite the growing discontent, people are wary of acting rashly. Occasionally, what looks like a formidable revolt fades into paralysis, like in the case of Greece and the Coalition of the Radical Left (SYRIZA).

The example of Greece is very important because since 2008 it has been a laboratory of 'neo-liberal anti-crisis policy' in Europe. The economic growth of the 1980s through the 2000s led to the emergence of a fairly prosperous working class in that country, who were shocked when liberal European officials said, 'So, you have property? What taxes do you pay on it? What taxes do you pay on housing? You are spending a lot on certain items. Report all your expenses at the supermarket. Do you keep your receipts? You will have to keep all of them and live in fear that you will be charged with tax evasion.'

At the peak of the crisis, the European Union prescribed to Greece stringent austerity that undermined the prosperity of the working class and the property at its foundation. The Greeks were scared. They suddenly had to keep receipts for all purchases just in case the tax authorities wanted to check them out. Naturally, people have not been subjected to any shakedowns, but the threat remains at least for the time being, and this has put the Greeks in a bad mood that has become further aggravated by new taxes.

Property tax is probably the main problem for working people. In Russia, people are still far from realizing this because of the modest, trial size of the tax. Later on, it will be perceived as a problem. This will lead to the following line of thinking: people work, save money, repay loans, pay interest to banks, and finally buy a home, at which point officials approach them and demand

taxes on property that was purchased with income, on which all taxes have already been paid. As a result, they come to the conclusion that the tax is unfair. Housing or other property is a source of objectively necessary expenses, but the state wants more taxes to be paid on it.

This creates an important component of the leftist revolt. It is also important that the state avoids levying taxes on empty or rented housing. It follows the path of least resistance by taxing everything that is easy to calculate. It is telling that liberal economists drafting new measures do not ponder the political significance of direct taxes. People feel the unfairness of having to hand over their directly earned income. This feeling is particularly strong when social services are being privatized, because people have to spend extra money out of pocket, making them more sensitive to all kinds of useless expenses such as direct taxes.

The situation is aggravated by declining real and nominal wages of working people. Loans do not make up for it. During the global crisis, the EU faced declining nominal wages and the euro losing ground to the dollar in the last few years. Powerful devaluations took place in Russia and the CIS, and nominal wages in many areas went down. The Americans experienced a reduction in income, estimated at 30 percent in 2008–2018. It would have been inconvenient to reflect these changes in official statistics, but this could not stop the maturation of the leftist revolt that is largely petty bourgeois in spirit and character.

They are petty bourgeois for a reason other than earning money as small business operators. They have property that they perceive as a counterbalance to exploitation. They mostly sell their labour, but they do so in the pursuit of a more comfortable and eye-catching everyday life (conspicuous consumption). They consider the possession of a number of different types of property to be essential and normal. They are all the more prone to accumulation as they watch the arrival of new proletarians (migrants) into their countries, because their own supposed lack of flexibility displeases capital.

Property and savings replace trade unions, as it were. However, this individual shield becomes vulnerable, which first breeds discontent (revolt in the extreme form) and later on brings them together in a new political movement.

Employers' grievances with the old working class (that ceased to be the proletariat consisting of destitute workers) are understandable. How

do representatives of the old working class act on the market? How do they perform their jobs? They are no longer afraid to lose jobs as they were before and no longer as obedient and absorbed in their work as when chains were the only thing they had. They behave this way not only because they are engrossed in upgrading their apartments or summer houses. Birth of children also creates a lot of problems for parents. Liberal reforms have amplified them incredibly. For capital, the solution is to bring in new workers – proletarians from poor countries. They have the same chains that were noticed even before Marx and the iron need to survive in a world, in which they have essentially no property to speak of.

In the opinion of the bourgeoisie, the old working class is spoiled, among other things, by social and labour security ensured by laws, democratic systems and strong trade unions in countries that have them, and so neo-liberal reforms are aimed to bring the working class back to its original status. However, this should not suggest that the well-off hired workers intend to enlist in a war on capitalism. When a similar group of workers (the working aristocracy, to use a Marxist term) gained the right to vote in England in the 1860s because they owned a home, they revealed reformist rather than revolutionary leanings.

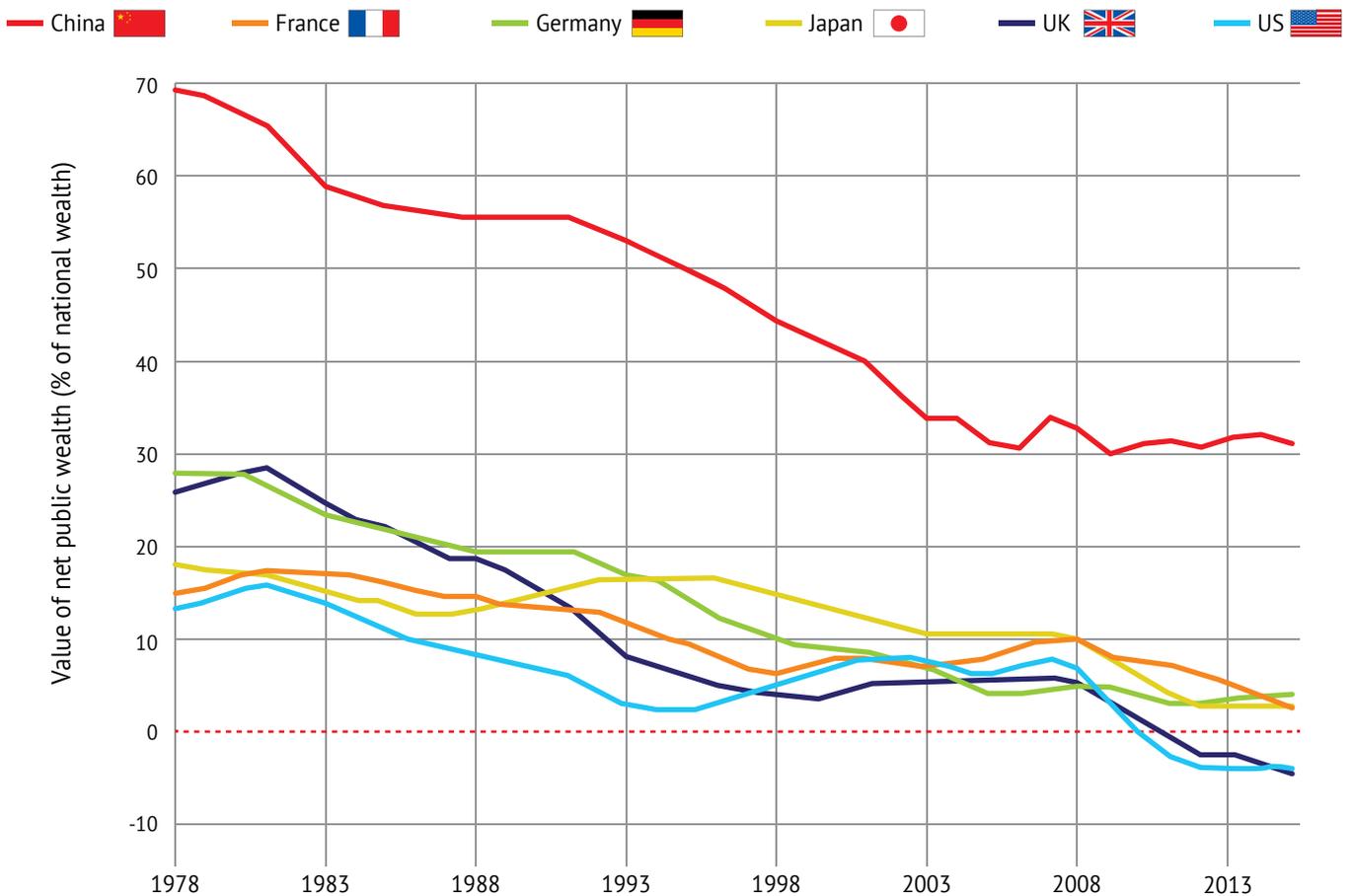
The second parliamentary reform in England in 1867 granted the right to vote to men with basically high salaries or income from craftwork or trade. Initially this benefitted the Liberal Party electorally, but later on votes were siphoned away by the Conservatives advocating social compromise. This group of the population (the demos that is the foundation for democracy, according to the classical thought) perceived itself differently as compared with the poor masses of the working class. It is also important that ownership of property and relative prosperity fostered patriotic feelings. However, this was also linked with the ability of people born into such families to rise higher than their parents on the social ladder by realizing their potential in the military, administrative, commercial, and other professional spheres. All of this made the state stronger and healthier.

A similar, but larger social group is under mounting pressure from the bourgeois elite in current conditions. Represented by neo-liberal politicians, this elite is trying to push down the social stratum that has broken through. This obstruction, mandatory spending on healthcare, education, and other state 'services' as well as tax pressure are reducing the living standards of this stratum, essentially ruining the entire middle class as the core consumer group in the economy.

The resulting anger is taking on both leftist and patriotic tint because these are seen as encroachments on liberties and rights, and on the dignity of the homeland itself. This is exactly why there was crossover support for social democrat Bernie Sanders, on the Democratic side, and renegade Republican Donald Trump, despite the demagoguery on social issues unleashed by Hillary Clinton, the candidate of big business.

All of this points to the serious problem of using cultural signifiers to define left and right. In the meantime, the material interests of one's class are primarily what finds expression in political representation. The classical left and liberal left (discursive, dismissive of the interests of workers) are different. The liberal left are nothing more than the left wing of a broad neo-liberal party.

THE DECLINE OF PUBLIC CAPITAL, 1970-2016



In 2015, the share of public wealth in national wealth in France was 3%, compared to 17% in 1980.

Source: World Inequality Report 2018.

The classical left have an orthodox, doctrinaire strain that disregards reality, as well as the demands and interests of the class that they claim to represent politically.

The liberal left do not consider all these problems serious. They are interested in defending the rights of minorities and uniting the efforts of these groups. In their opinion, the working class is decaying or has already lost its importance. The liberal left are talking about some abstract better society, the interests of groups and individuals. They are trying to avoid the issues of national interests and the interests of the working class. At any rate, they do not talk about them like the traditional left did before the start of the neo-liberal era in the 1980s.

In large Russian cities, many representatives of the old working class (in the aforementioned meaning) used the economic boom to become rent-seekers. They bought housing under construction and rented it, following the example of their English or other foreign cohorts, who try to rent out even an extra room. The success of this model of embourgeoisement worked particularly well in Moscow, with the inheritance of privatized apartments from grandmothers and grandfathers playing a big role. Taxes did not prevent hired labour from becoming rent-seekers. The growth of the corporate system, as well as service, trade and other companies, created an enormous number of office jobs. These jobs were occupied by Russians, which, in turn, allowed foreign workers to fill the vacant niche.

In the West, similar processes took place much earlier than in Russia. They were completed by the beginning of the 2000s. A mass of young people were left without prospects and pushed towards the 'leftist revolt', meaning conscientious resistance to the neo-liberal policies of the EU, the United States or the administration of some other state. Importantly, in Europe and North America, capitalism pushed the young generation to lower levels, where they received lower pay, while the higher levels were left occupied by the older generation.

In Europe and North America, the liberal left address issues of individual rights and rights of minorities. Renunciation of war and revolution and denunciation of violence in general are typical features of the modern liberal left engendered by the neo-liberal era (1982–2008) that made part of the neo-liberal agenda. However, overall they have nothing to offer to people that feel compelled to organize around general socioeconomic issues in politics.

With the start of the global crisis in 2008, neo-liberals began to withdraw social guarantees and material benefits from the working class. While the extent varies from country to country, it has been a common 'anti-crisis' measure. It boils down to reducing the costs of companies and the state (that often is deep in debt) and forcing employees to accept worse working conditions. The growth of consumer loans and mortgages only papers over the miserable position of the middle class and poorer workers, who are driven to both left-wing and right-wing political forces as a result.

The liberal left are nothing more than the left wing of a broad neo-liberal party

Culture was accepted as a political identifier in the era of neo-liberal globalization. For example, the left were identified not as supporters of the working class, but as those who valued humanism and tolerance, protected the interests of suffering minorities, opposed environmental pollution and cruelty towards animals. The right, meanwhile, were not represented by advocates of policies that benefit big business (liberals), but those that upheld national traditions and interests (interpreted conservatively for the most part) and opposed unlimited migration from backward countries. Regardless of their attitude to fascism, they were easily marked as neo-fascists.

In this system, neo-liberals positioned themselves as centrists, whereas in reality they were on the right. This followed from their policies that were anti-social and hostile to the development of national production in the majority of states. Therefore, criticism of neo-liberals came both from the left and from nationalist conservatives. In response, these critics were labelled as irresponsible leftists, who had failed in the 20th century, and as right-wing reactionaries and enemies of progress understood as globalization, the dictates of the free market, deregulation, and curtailing of social and labour rights. Neo-liberals always saw these rights as excessive, turning ordinary people into unmotivated parasites.

Thus, the neo-liberal rule for separating left from right distorted the picture and helped the authors of this rule present their party in a better light as supposedly moderate and progressive. The classic division does not create such an advantage for neo-liberals. According to it, Marine Le Pen's National Front is a leftist-conservative party because it represents the interests of the working class and is by no means a far-right neo-fascist structure. However, this example does not mean that all European nationalists may be considered left-wing. It is rather an exception pointing to the falsity of the markers imposed by the liberals. Indicatively, the nationalist orientation of a segment of the anti-liberal dissent (especially in the EU) points, not to intrinsic racism, chauvinism

or similar vices, but represents a response to the neo-liberal assault on the nation state and social and labour rights that had been won in its borders.

However, this does not change the fact demonstrated in Europe and North America (probably with the exception of Britain) in the last few years – that the left are not ready to carry out a radical programme to end the social and economic crisis. This is exactly why it is possible to describe many left-wing protests as a ‘revolt’, which implies extreme indignation and simultaneously lack of understanding of how to resolve the challenges facing society. Lack of power was demonstrated not only by SYRIZA’s betrayal of voters in Greece by completely surrendering to the European Central Bank, the EU and the IMF, but to a greater extent by Bernie Sanders’ submission to the entrenched right-wing leadership of the US Democratic Party in 2016. He supported Hillary Clinton not only because of the pressure in left-liberal circles, but probably also because he did not believe in the historical success of his programme.

As a result, the events in the Democratic Party appeared to be a left-wing revolt, but not a revolution. It was characterized by inconsistency of leaders and activists, who did not understand how to move on from recognizing the need for change (being ready to fight for it) and expressing discontent. This revolt was staged by the middle strata (the working class and small owners). It was a far cry from the anarchic street excesses of anti-globalists, which were typical of the previous political era (before 2008). Similar indignation at the Labour Party produced a different result. Despite all the mistakes, Jeremy Corbyn’s team has begun to adapt ideologically and tactically to the new conditions.

The Cyclical Global Economy: The fall of the Neo-Liberal Era and the Rise of a New Economics?

It was noted above that various economic policies were introduced during the first wave of the 2007–2008 crisis. They are described quite aptly by the term ‘bastard Keynesianism’, which is popular in finance journalism. This concept emerged as a result of a process, in which Keynesian ideas were gradually incorporated into the ideological and practical mainstream. Only a few policies and tools necessary to overcome the fallout of crisis periods were adopted from

the entire concept. Note that Keynes's big idea was the need for a countercyclical policy. In other words, Keynes recognized that the economy developed in cycles, so the state should also adapt its policies depending on the phase of the cycle. For example, it should hold back unreasonable investment in an uptrend and prevent mass panic and steep declines in demand during downtrends. These principles were not implemented in practice as consistently as possible.

The growing popularity of the Levy Institute amid the 2007–2008 crisis is notable. It is a centre that was founded by the above-mentioned Hyman Minsky as part of Bard College. It is one of those centres that champion leftist economic ideas, with Joseph Stiglitz and Yanis Varoufakis among former collaborators.

Without going too deep into the nuances of Minsky and his students' constructs, we can say that the crisis that started in 2007–2008 is exactly the crisis of financial capitalism described in classic leftist Keynesian articles and books back in the 1980s. Works like 'Stabilizing an Unstable Economy' were published at that time, explaining in detail what needs to be done to avoid crisis ramifications, so that capitalism, now in its financial phase, does not engage in reckless investment, which will ultimately fail no matter what. The behaviour of market participants is such that, while observing positive dynamics, they pay less attention to the soundness of their next investment. Sooner or later, this leads to the accumulation of excessive, speculative capital, which gets wasted when various kinds of bubbles burst. On the contrary, when it happens, investors abruptly switch to the most conservative strategy, thus squeezing the already depressed demand even further.

Here we can make an important point, and take a look, not at the alternating left and right policies, but general economic macrocycles. Not only governments and specific ideologies change in the wake of these cycles. The self-conception of society changes, especially the attitude towards the role of the state. The last of these cycles, which started at the turn of the 1970s–1980s (the so-called 'neo-liberal cycle'), was fairly interesting, because it was accompanied by an ideological shift, where the state was portrayed, by and large, as the source of all problems. The prescriptions were to embrace more personal freedoms and private initiative, cutting excessive government regulation, and ending redistribution.

Here it is important to clarify who benefits from such deregulation, which brings us into the realm of practical neo-liberalism, where specific transformations have always been

**The neo-liberal system
entered a period of crisis
in 2008**

carried out in the interests of individual groups, economic sectors or groups of influence. Of course, financial capital has benefited the most from these transformations.

Interestingly, the left and right have also changed places within the framework of this macrocycle. The right have become much more radical. They demanded that reforms be carried out in the most rigorous, ambitious and consistent manner possible. The left, if we take American Democrats or British Labour as an example, also joined the process and became increasingly 'centrist'. No one dared to question the general discourse. The only significant criticism was (and still is) inclusiveness for minorities.

However, the goal of changing society as such is not on the agenda. Things would be fine, but the neo-liberal system entered a period of crisis in 2008. Perhaps, we are on the verge of a new cycle, in part economic, where the role of the state as a tool for resolving problems will increase significantly again. In this case, the new left policies mentioned above will come in handy and may even become mainstream.

Conclusion

The economic crisis, whose first wave struck in 2008–2009, has led to a dramatic increase in civic discontent with the political and economic status quo in both Europe and America. Typologically similar protest movements emerged in different countries of the world, which were demanding an end to the elite's alienation from society and their efforts to curtail the public sector (and the welfare state), and to the hollowing out of democratic norms. In combination, these movements can be called progressive, or left-progressive. For the first time in recent history, they have involved a truly broad cross-section of society, particularly in Europe (unlike the essentially narrow and marginalized anti-globalism protests witnessed earlier). The reason is clearly due to the decline in the economy, and therefore it would not be an exaggeration to say that the crisis has ruined the once serene consumer society of the West, paradoxically turning the current generation of consumers into citizens in the process.

Civic protests have animated new political forces, whose programme was initially amorphous and negativist and actually took the anarchic position of 'against everything' (e.g. the Five Star Movement in Italy). In many cases, these

protest forces rapidly developed a clearly leftist ideology and vector (e.g. SYRIZA in Greece, Podemos in Spain, etc.). They were distinguished by extremely radical rhetoric and revulsion towards the social democratic parties of the traditional left. As a result of this process, SYRIZA came to power in Greece and other similar parties gained a high share of votes.

However, SYRIZA disappointed many supporters of the leftist turn: its leaders were deft at combining radical rhetoric with opportunistic actual policies. As a result, the attempt to reverse the neo-liberal course in Greece largely failed. This prompted voters to flee from the left-turn parties both in Greece and elsewhere, which bolsters the claim that the leftist revolt proved unviable and was quickly absorbed by the old neo-liberal mainstream.

That said, the civic discontent with neo-liberalism has not vanished, and it started being exploited in 2016, with much greater efficiency, by political outsiders on the right (or right-wing populists). This process culminated in Donald Trump's victory in the US presidential election.

However, the rightist revolt in its pure form proved short-lived as well. During his first year in office, Trump largely failed to enact any of the more radical components of his agenda. As a result, Trumpism as a rightist protest ideology (presented in consolidated form in his Gettysburg and inaugural addresses) proved, according to many, as much of an illusion as the protest ideology of the progressive left in years past.

Despite all this, Western society's demand for a leftist turn has not vanished, as evidenced by political developments in 2017 (the presidential election in France and the parliamentary elections in the UK), which strengthened the positions of two political leaders – Jeremy Corbyn and Jean-Luc Mélenchon – who represent the leftist turn in the West more than any other figures. While Corbyn's election as Labour leader in 2015 was not taken seriously by many, he managed to strengthen his party in Parliament perceptibly following the June 2017 elections, while his programme, 'For the Many, Not the Few', started a discussion of quite serious matters related to renationalizing public goods with guaranteed free access for citizens. This unabashedly leftist agenda (without any hint of the left-liberal 'Third Way' of the Blair period) showed that the new wave of the leftist turn had a clear radical programme.

At the same time, the socioeconomic situation in Western society has long helped to transform Marx's and Lenin's 'classical proletariat', which has

nothing to lose but its chains, into a social stratum/class of small owners/consumers, who work for hire. This, in turn, has led to an evolution of the social democratic parties of the traditional left, their incorporation in the neo-liberal semantic field, alienation of the leftist intellectual discourse from real political practice, the 'Third Way', etc.

At the moment when the crisis turned these consumers into citizens for the first time, their protest was at first anarchic, as mentioned, negativist and often naive in nature. But in the process it transpired that these small owners who worked for hire had much to lose in the face of radical changes: houses, cars, mortgages, bank accounts, etc. Even the slightest hint of a bank crisis in Greece and Cyprus (and now a hint of economic problems involved in the secession of Catalonia) quickly suppressed the appetite for protest. They were not ready to tighten belts for the sake of pulling down the neo-liberal system. But the smouldering discontent has not disappeared.

In this environment, the ground was prepared for acceptance of both leftist and rightist ideas. The leftist agenda is built on expanded access to public goods (as clearly emphasized by Corbyn), while the rightist agenda seeks protection for the national labour market (from migrants) and the commodity market (from transnational corporations), coupled with protection from Brussels' diktat and Euroscepticism in the case of Europe. As a result, political expectations of this broad stratum of small owners and consumers who work for hire call for a right/left synthesis. In this way, the rightist revolt and the leftist revolt may merge in this social group's perception.

We could witness this in practice in the political events of the last few years. The Valdai Club report on Trumpism identified a great number of essentially leftist ideas that Trump had used in his election campaign, where they intersected with the Sanders programme. We saw the same in France, where first the National Front was poaching many leftist slogans and then Mélenchon reclaimed them from the National Front. It is not accidental in this context that French intellectuals of the traditional liberal left, entrenched in their university and media ivory towers, accused Mélenchon of populism and acceptance of the rightist agenda. But the success of Trump and the relative success of Mélenchon (against the background of the precipitous decline in Emmanuel Macron's ratings) show that the right/left ideas synthesis (and the rightist/leftist revolt) is what meets the aspirations of this social stratum of small owners/consumers.

But for all this, Western society still has a stratum of classical (in the Marxian sense) proletariat that has nothing to lose but its chains – that is migrant labour. And here we essentially see a vacuum of political representation and a niche no one has filled. Neither the traditional social democrats, nor the new progressive left movements are burning with desire to protect migrants' interests (although it is here that we see space for classical left-wing policies). More than that, many leftist parties, both old and new, directly or indirectly pursue a rightist-protectionist course in this regard, thus confirming the left-right synthesis of their voting base's expectations. This vacuum of representation is responsible, among other things, for their radicalization as the result of the lack of ways to really integrate into host societies. Given that increasingly more migrants are receiving residence permits, which in Europe normally entitles them to vote in local elections, and later full citizenship, the leftist parties' alienation from them threatens to erode the stability of the entire political system down the line.

Generally, it can be surmised that there is still potential for a leftist turn in Western societies. It became obvious in 2017 that many leaders and programmes enjoyed electoral support. Therefore, civic discontent with the neo-liberal mainstream has not disappeared.

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