Maria João Rodrigues
EU Economic Governance: the Choices Ahead

Christian Kellermann/Benjamin Mikfeld
European Questions, National Answers: Implications of the European Elections of 2014
A Conversation with Herfried Münkler
»We are not a nurturing great-aunt; we are an actor in power politics«

Anne Ulrich
The Quest for Authenticity. The Media’s Achilles Heel in War Reporting

Thomas Meyer
From Liberalism to Social Democracy. Remembering Ferdinand Lassalle on the 150th Anniversary of his Passing
Editorial

Maria João Rodrigues
EU Economic Governance: the Choices Ahead

Christian Kellermann/Benjamin Mikfeld
European Questions, National Answers: Implications of the European Elections of 2014

Stefan Beck/Christoph Scherrer
Welfare Gains versus Democracy? The planned Transatlantic Trade and Investment Partnership (TTIP) should not go forward without a society-wide debate.

A Conversation with Herfried Münkler
»We are not a nurturing great-aunt; we are an actor in power politics«

Anne Ulrich
The Quest for Authenticity. The Media’s Achilles Heel in War Reporting

Rudolf Traub-Merz/Felix Hett
Russia’s Role in the World – Ambitions and Opportunities

Gernot Erler
Russia, Ukraine, and the West: Grand Designs, Limited Capabilities

Thomas Meyer
From Liberalism to Social Democracy. Remembering Ferdinand Lassalle on the 150th Anniversary of his Passing
The crisis afflicting the European Union and its currency has been smoldering for years, but now it has become entangled with another one that has stunned most observers on this venerable continent by its ferocity and scale. The latter is, of course, the armed conflict between Russia and Ukraine, which has so far remained limited in scope, thank heavens. Not so long ago the continent’s order had seemed stable and its future secure in the wake of Willy Brandt’s détente policy, the democratic revolution in Eastern Europe, and the collapse of the Soviet Union. The EU’s strategic partnership with Russia, the much diminished heir of the one-time communist global power, was taken for granted as the framework for a broad spectrum of cooperative relations. This was so much the case that some European countries’ dependence on Russian energy supplies did not seem unduly worrying. Putin’s covert war in the eastern Ukraine has suddenly changed the entire situation. It is surely true that the EU committed a series of blunders, as it neglected to bring Russia fully into the talks about the future relations between the EU and Ukraine. But none of these mistakes was so serious that it could justify the way in which Russia participated in and in some sense even helped cause the devastating civil war in the eastern Ukraine. Nor did European conduct justify the brazen lies produced to deny facts that were obvious to everyone, falsehoods that destroyed the last remnants of trust. What is being practiced there, as the German expert Herfried Münkler explained in an interview with this journal, is nothing less than a new variation on hybrid warfare. This is particularly dangerous, because Russian participation in the conflict is cloaked in anonymity; hence, the country that should be on the receiving end of negotiations and talks disclaims any responsibility, which makes it far more difficult to find a solution to the conflict. Western sanctions have an effect similar to pinpricks that make a riled-up bear even more unpredictable. Even its goals are shrouded in uncertainty. Is the idea to draw a line in the sand so that the Eurasian Union project can be kept sharply distinct from the European Union? Or is it the beginning of an expansionary policy in the vicinity of Europe’s center, whereby the Russian world, meaning all areas with large Russian minorities, could be brought »home« into the fold of the Russian empire?

In addition to these topics, our articles also take up the matter of the TTIP, the planned free trade zone between the United States and the EU that has been in the works for years through secret negotiations. The central points of the pact as well as the secrecy that has accompanied it have been highly controversial in European public debates. We will return to that question.
Despite important policy developments since 2010 and despite some signs of recovery, we cannot say the Eurozone crisis is over. Many serious problems still remain unresolved, among them the following:

- an alarming trend toward recession or slow growth and rising unemployment, particularly among young people;
- recession and unsustainable debt levels in some member states;
- diverging levels of borrowing and investment costs among member states;
- delayed restructuring of banks;
- negative spillover effects on the global economy (i.e., the Eurozone crisis is creating problems worldwide);
- political opposition to more structural reforms, higher taxes, and spending cuts in some member states;
- political opposition to further European solidarity in other member states; and
- a widespread, generalized sense of a loss of democratic control over living conditions. Europe is now perceived by many of its citizens as strongly influencing their lives, but not being amenable to democratic controls that they, the citizen body, could employ.

In fact, these problems are now so deeply entrenched that they have become central issues in the politics of many member states. Hence, solutions to this crisis might determine the future not only of the Economic and Monetary Union (EMU), but also of the architecture of European integration.

According to the first version, the main problem has to do with the lack of fiscal discipline in certain peripheral countries, a deficiency that has led to unsustainable public debts there that ultimately have undermined the credibility of the euro itself. Thus, from that point of view, the logical solution would be to strengthen fiscal discipline and impose austerity in the fiscally shaky countries even at the cost of recession there.

Proponents of the second version also recognize the need to bolster fiscal responsibility, but they prefer a more comprehensive diagnosis. Some fiscal and macro-imbalances were already at work before the financial crisis, but that crisis certainly made them worse, leading eventually to a deep recession and high unemployment. Special public stimulus packages were necessary to avoid depression and to rescue failing banks, but they increased public deficits and debts. Although this shock affected the Eurozone as a whole, member states with less fiscal leeway and/or less reliance on exports to countries outside Europe had a much more difficult time recovering.

In this second interpretation of the fiscal and economic breakdown, there are two reasons for thinking that we face a systemic crisis of the Eurozone. First, while some differences in the spreads across member states can be accepted as normal, the current wide divergences are causing concern because they are evolving into divergences among investment conditions, growth and employment rates, and public debts and deficits. Second, these cumulative divergences are magnified by the interaction between sovereign debts and bank debts and the contagion risks. This has led to a fragmentation of the European banking system, which has ham-
pered the normal circulation of capital and access to credit in the Eurozone.

Over three years of intensive policy transformation, a new framework for EU economic governance has emerged to address key problems of the EMU. This new framework can be summarized as follows.

Regarding fiscal discipline (with new legislation to reform the Stability and Growth Pact and the new Inter-governmental Treaty on Stability, Coordination and Governance):

- a commitment to balanced budgets;
- a new focus on public debt, and not only deficits;
- reference to the structural deficit complementing the usual reference to the nominal deficit;
- tougher and more automatic sanctions;
- closer monitoring of member states that require financial assistance; and
- new commitments to structural reforms and spending cuts to be made by member states.

Regarding financial stability:

- new regulations for financial systems concerning capital requirements, hedge and equity funds, and some derivatives and bonuses;
- new European supervisory bodies and regular stress tests for banks;
- instruments to respond to any sovereign debt crisis (EFSF and ESM); and
- new roles for the ECB.

Regarding macroeconomic imbalances (with new legislation):

A new process of macroeconomic surveillance to monitor major problems of external and internal economic and social imbalances, with a more symmetrical approach between deficit and surplus countries.

Regarding governance (with legislation and a new Treaty):

- reorganization of the annual cycle to prepare national budgets and national reform programs with ex-ante European coordination, meaning more shared sovereignty (European Semester and Annual Growth Survey);
- regular Eurozone summits with a permanent President and leading team, including the President of the European Commission and the President of the Eurogroup – an inclusive approach toward the member states willing to join; and
- more systematic coordination of the EU with its international partners (the IMF and the G20).

There has always been some tension between these two different narratives, but so far the first narrative has had a dominant influence on policy responses to the Euro-zone crisis. Many new instruments were introduced (see table above) but the instruments for imposing balanced budgets and balanced current accounts are clearly more potent than the ones designed to foster growth, investment, and job creation. In many member states job creation has been replaced by a relentless «job destruction engine.» Growth potential, viable companies, viable jobs, and key skills are disappearing, for several reasons:

- firms lack access to credit at rates they can afford, so investment lags;
- export opportunities within the European single market are decreasing because of recession or low growth;
- internal demand is shrinking due to deep wage cuts, cuts in social services, and high tax increases; and
- public investment is also very limited, even to provide the co-financing for structural funds.

These problems have reached their most extreme expression in the «Troika» countries, because the harsh pace of fiscal consolidation there has deepening the recession. This also has led to a very counter-productive effect: The ratio of public debt to GDP has actually increased, making it harder for cash-strapped countries to repay their public debts.

The economic and social costs of a biased response
If the EMU flaws are not addressed, the most likely sequence of events is as follows. First, in the most vulnerable Eurozone countries, significant cuts in wages and social services will lead to several jobs losses and thus trigger a recessive spiral or hinder growth. High unemployment and uncontrolled emigration will most likely follow. Second, the other Eurozone countries will find that there is now increasing pressure on their social standards. The likelihood of so-called »social dumping« will increase. Finally, in the EU as a whole, there will be erosion of the existing instruments that provide social assistance, reduction of aggregate internal demand, and shrinkage of the internal market. These factors will exert systemic pressures inducing lower growth or recession.

It certainly may be advisable to make full use of already-existing social instruments such as the directive of posted workers. But current financial and economic pressures are so severe that those instruments will lose their effectiveness if they are not complemented by stronger measures that replace socio-economic divergences by (upward) socio-economic convergences.

To achieve this goal, the EMU should be completed by adding the missing instruments in the financial, fiscal, economic and social fields.

It is possible to identify some important flaws in the architecture of the Economic and Monetary Union that may be responsible for this systemic crisis. That is why a comparison with the available experience of monetary zones may also be relevant.

After two years of hesitation or low-key responses, the systemic nature of the crisis and the corresponding need for systemic solutions finally were recognized by the European Council and the European Parliament in 2012, when they started to discuss the document »Towards a Genuine EMU« coordinated by the President Van Rompuy and involving the Presidents of the European Commission, the Eurogroup, and the European Central Bank. Four basic frameworks were identified to complete the EMU: financial, economic, budgetary, and political.

In the financial framework, what is fundamentally at stake is to complete the monetary union with more European integration regarding financial supervision and regulation, in order to restore the conditions for normal circulation of capital and cross-national investment in the Eurozone and for more responsible lending and borrowing. Another crucial issue is how to wind down failed banks.

In the economic framework, the European strategy for a new growth model that is greener, smarter, and more inclusive should be translated into a more effective coordination of national policies involving reforms and investments. Better ways of following up and correcting macroeconomic imbalances among member states should also be built into this economic framework. Another central objective for deepening the economic union should be to improve economic, environmental and social performance by paving the way for more convergences rather than allowing more divergences to emerge among member states. This will be impossible to achieve if in the budgetary framework the rules for common fiscal discipline are not supplemented by a Eurozone budget based on European taxes and providing the conditions for macro-economic stabilization and a Eurozone Treasury to issue common debt via euro-bonds.

In order to reduce dangerous internal divergences, the EMU should be equipped with the appropriate fiscal capacity to cushion asymmetric shocks, whichever member states are affected by them, and promote catching-up and structural convergence among member states by focusing on capacity-building. The financial
resources to backstop this fiscal capacity (preferably its own resources) can provide the EMU with the means to float loans via euro-bonds in order to finance European investments, complementing national ones.

The current new instruments were forged in extreme situations, where the choice was between a collective abyss and patchwork solidarity. Now that the risk of a Eurozone breakup seems less dramatic while the crisis drags on, it is time to consider a more systemic and Community-oriented approach for a crisis that is itself systemic.

As outlined above, this approach can be extended logically by building on existing instruments in a step-by-step process:

1. All EU member states and a fortiori all Eurozone members should have the means to implement the EU strategy for a new and more sustainable growth model, one that is greener, smarter and more inclusive. This project requires a specific combination of investments and reforms that should be coordinated at the European level according to the new schedule defined by the so-called »European semester.« In practice, this means that, before national governments and parliaments adopt national policies, officials at the European level must make sure that those policies are consistent with European policies. This procedure should also be followed to identify the kind of European support that should be provided to complement the national effort.

2. A similar approach should be taken when it comes to the solutions chosen to address macro-economic imbalances. These should combine national efforts with support by a Eurozone budget, in case of asymmetric shocks. On top of this surveillance of national imbalances, a more general macro-economic coordination should be put in place to define the optimum policy mix for the Eurozone as a whole.

3. Procedures for fiscal coordination should supervise national efforts to achieve fiscal consolidation as well as identify possible needs for complementary European support.

4. European-level support for investment and structural convergence should be provided by the EU Community budget via Community programs or structural funds, to be aligned with the Europe 2020 Strategy.

5. European-level support for macro-economic stabilization, required to address specific problems within the Eurozone, should be provided by a complementary Eurozone budget based on Eurozone taxes and borrowing in the markets via euro-bonds issuance.

6. European-level support via the Community budget or via the Eurozone budget should be made conditional on whether national policies are properly aligned with EU priorities – assuming that the latter are defined in a balanced way.

7. The European Stability Mechanism should focus its activities on rescuing sovereign states. When requested to do so by a Eurozone member state, and assuming appropriate conditionality, it should also use its capacity of issuing euro-bonds to make purchases in public debt primary markets.

8. The European Council, the Council, the European Commission, and the European Parliament should reorganize themselves internally to deal with Eurozone issues more effectively. The national parliaments should also be more closely involved insofar as they frame the national governments’ positions at the European level.

We also assume that the ongoing process of constructing a banking union with a single supervisory system, a bank resolution mechanism, and a harmonized deposit guarantee will be completed soon, as this is a crucial pillar for overcoming the Eurozone crisis. Throughout this process, the ECB will also have to adopt a new role dealing more specifically with financial stability.
Of course, such an evolution of the Economic and Monetary Union should be based on a New Deal of sorts, whereby member states should accept the following terms:

- stronger European supervision on their banks, provided that a common bank resolution and deposit guarantee system has been put in place;
- stronger coordination of their economic and social policies and reforms, assuming that their fiscal capacity has been bolstered;
- stronger fiscal discipline and coordination of tax policy, if some instruments for joint debt management are adopted; and
- stronger sharing of sovereignty at the European level, but with the proviso that decision-making should be more democratic.

The upcoming European Commission meeting and the recently inaugurated Eurozone summit should start dealing with these issues, but they should also be accountable to the democratic impulses institutionalized in the European Parliament and national parliaments. Legitimate decisions on such matters as Eurozone budgets, European taxes, and European debt issuance can only proceed from a European democratic body representing the citizens of Europe and an elected European executive.

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The recent European elections were a mixed bag, suggesting that the balance of political power varies from one member state to another. The two major »party families« did rather well in some countries and poorly in others. The European Social Democratic bloc managed to add a few seats to its total, but failed to meet expectations. The Christian-conservative family was the clear loser, though it remains the strongest contingent in the European Parliament.

The big winners were parties on the political fringes. Their upsurge was the result of the dynamics of the economic crisis in some countries, together with dismay concerning the European policies adopted to deal with that crisis. Furthermore, the established parties in the middle of the political spectrum either have failed to come up with any answers to the crisis, or the answers they have proffered have seemed insufficient to many voters. Consequently, there has been a loss of confidence in the political center, which has dwindled in many countries.

As far as the Social Democrats are concerned, the outlook is mixed. There were some successes to offset their disappointing showings in certain countries. In the winners’ circle one finds the parties of Italy, Bulgaria, Romania, and Germany, to name a few. The outcome of the German elections was not the only one in which the vote tally mirrored the specific situation in the coun-

Christian Kellermann/Benjamin Mikfeld
European Questions, National Answers
Implications of the European Elections of 2014
try and the trends of the election campaign. For one thing, in Germany’s case, the candidacy of Martin Schulz, President of the European Parliament, gave the campaign a German-European as well as a personal flavor. For another, the presence of the Social Democrats in the campaign coincided with the somewhat higher profile of European topics in influencing voters’ decisions.

In this European election, national issues were once again more decisive in determining the outcome than were those involving European politics. Still, the two levels are aligned with one another; hence, there are increasingly solid reasons to question the argument that a European election is a »second-order« contest. Nevertheless, »national affairs« again had a powerful influence on the result, whereas Europe provided an ambivalent context for them.

Concerns about the economic situation were symptomatic of those trends; in fact, they were reminiscent of what happened in the federal elections that took place the previous year. In the weeks leading up to the election some encouraging economic data for Germany plus minimally positive prognoses for economic growth in the Euro-zone were announced. Even the unemployment rate declined, although only slightly. On the other hand, warning signs about »deceptive security« or »the calm before the storm« made people feel uneasy. In light of these factors, the majority of Germans indicated that they thought the »Euro-crisis« was not yet over.

It was much the same with the unemployment issue, which was given high priority by the German electorate in spite of relatively low (youth) unemployment in Germany. In particular, the SPD tried to capture the issue both on the level of values and in respect to European policies, relying on the slogan »save the youth, not the banks.« In this way, they hoped to shake the public’s confidence in the conservative parties’ competence to create jobs. Moreover, the issue of »war and peace« also received quite a bit of attention in the wake of the Ukrainian crisis. Shortly before the elections there were significant concerns about a new war in Europe, which overshadowed the usually-dominant role of national foreign policy.

The most crucial national issues were pension and minimum wage legislation. The conservative and liberal parties made a concerted effort to torpedo pension reform, even though the CDU/CSU, the »Union,« had co-sponsored it in the first place. Both legislative projects enjoyed widespread approval in opinion polls. In fact, both were sometimes supported prominently on the international level as part of an effort to create a more inclusive, balanced model of growth in Germany.

To sum up, European and European-influenced issues figured strongly in the election, although, with few exceptions, they were discussed from a national perspective. The most serious drawback for the Social Democrats was the fact that they lacked a European narrative in which they might have embedded their positions on individual issues.

Elections are not held in a vacuum. The discursive situation in politics – i.e., the established and competing interpretive schemes designed to make sense out of the economic and political situation – determines which issues and interpretations will »catch on.« In terms of the discursive situation concerning the European Union (in Germany), we think it is reasonable to distinguish between narrative discourses and those that are pre-occupied with current political issues.

Narrative discourses embed the EU in a broader historical context. Here we are talking about stories that are reproduced with ever-new variations. In essence, three narrative discourses can be identified:

- Historical achievements: Europe as a project of peace and open borders
- Europe as a project of technocrats

The discursive situation
and lobbyists in Brussels who operate far removed from the interests of ordinary citizens

* The self-confident political vision: Europe as the optimal model in global comparison

To be sure, no studies have been conducted about how these three narratives are sedimented in the consciousness of the populace. But if we consult polls about which qualities people attribute to the EU, then it turns out that the first two narratives, above all, are the most efficacious ones. In Germany around the time of the elections, only 25% of the respondents associated the EU with democracy, and only 6% with social security. By contrast, a notably larger number of citizens associate the EU with wasting money (46%), and bureaucracy (43%), but also peace (44%).

Political discourses revert to these narratives as background, but they are much more concrete and tightly situated. At the time the elections were held, political debates focused on the economic outlook in the EU as well as the state of European democracy. Five essentially competing interpretative schemes emerged:

National responsibility and the reinvention of the EU as a »stability union«: The CDU/CSU, in particular, linked its platform in the EU elections to the successful discourse it had employed during the previous federal election; namely, that the nation should »stay the course« and that the German government should insist on »reforms« in the debtor countries. But as this discursive strand has become increasingly polyphonic, it is also correspondingly less persuasive. On one hand, fingers were pointed at France as »Europe’s new problem child« and at allegedly »spend-thrift socialist governments« in Europe. On the other hand, the doctrine of pure austerity now has visible cracks, so the appropriate warning signals have been broadcast about negative rates of investment and their impact on (potential) growth in Europe-and therefore in Germany (see, for example, the article »Der Preis des Sparen« in *Handelsblatt*, March 12, 2014).

Against this backdrop, the discourse concerning sustainable growth plus capital-intensive investment in social Europe has gained traction, at least in the media: The SPD and the Greens have pledged their loyalty in principle to the EU, the internal market, and the euro while demanding social, ecological, and economic reforms.

Neo-liberal Europe is standing on its head and must be put back on its feet: The Party of the Left as well as some NGOs have characterized Europe as a »neo-liberal project« that basically must be »remade.« The planned free trade accord between the EU and the United States (the Transatlantic Trade and Investment Partnership or TTIP) mushroomed into a major issue during the election campaign and came to exemplify this discourse. The Greens and the Left, especially, deployed the discourse against the government in general and the SPD in particular.

Protect German funds and interests from Europe: The so-called Alternative für Deutschland (AfD or Alternative for Germany) especially, but also even the CDU at times have pinned their hopes on this Euro-critical and right-wing populist discourse. The latter deliberately adapted this narrative to the social sphere. The CSU attempted to outflank its competitor party, the AfD, on the right by sharp criticisms of alleged »social tourism.« However, this kind of welfare chauvinism made little headway against the broad discursive alliance between labor unions and business associations in respect to the free movement of labor.

Democratic Europe of European citizens: It was not so much the political parties but rather the public intellectuals, including Jürgen Habermas, Ulrich Beck, and Gesine Schwan, who demanded an all-embracing democratization of the EU »from below.« The debate initiated by Martin Schulz
The problems confronting German Social Democracy

in the Frankfurter Allgemeine Zeitung on fundamental digital rights constituted an incursion into this field of discourse.

Against the background of these competing discourses, Social Democracy in Germany faced several problems. First, it could not fall back on any narrative of its own. The dominant narratives (history and bureaucracy) were not such as to pay dividends for the Social Democrats. The story the party had told hitherto about a »social Europe« was so far remains little more than programmatic verbiage that does not really resonate with the citizenry. Second, the situation of political discourse in their own country was powerfully defined by the wish not to allow the EU to jeopardize German prosperity, while at the same time the economic situation was quite different-and being interpreted differently-abroad. The gap between German and foreign interpretative schemes made it, at the very least, far more difficult to mobilize citizens across Europe for social-democratic projects. Third, the SPD did indeed call for a »rethinking of Europe,« but had to soft-pedal that criticism because it had been so involved in the crisis-management and integration policies of past years. Finally, the comparatively scant interest in European elections evinced by many citizens as well as the legitimation problem affecting European institutions had a particularly negative impact on German Social Democracy, because such Euro-skeptical attitudes were more widely shared by the SPD’s electoral base than by some others.

The strategy chosen by the SPD of »personalizing« the election by putting Martin Schulz, the Party’s candidate for the presidency of the European Commission, in the limelight was correct when one considers all of these factors. It was the only way to attract attention and imbue the campaign with some emotion. On Election Day, Infratest dimap polled voters on the motivation behind their decisions. It turned out that SPD voters put the most emphasis on the candidate factor, with 27 % naming this as their chief motive, more than any other party’s voters. The flip side of the coin, however, is that the issues themselves were only decisive for 29 % of the SPD voters polled, the lowest score in cross-party comparisons.

This raises the question of what might be done in the future to position Social Democracy again as a political force that has specific competence in finding solutions to problems, including those with a transnational dimension. Two sets of questions arise in this context:

* Can the story of Europe as the most social and democratic model in the world become a progressive European story?
* How can we create awareness of shared problems and thereby strengthen European solidarity? Is there any way successfully to use the national dissatisfaction that has built up in certain countries for productive, Social-Democratic ends and thereby take the wind out of the sails of the populists?

Unless German and European Social Democracy want to confront similar problems again in the next European elections, the EU will have to be recognized and used as an arena for hashing out political conflicts on the boundaries of the great political camps. European Social Democracy needs (alongside political partners) a political project to be tested by conflict, one that enables it to be seen as an advocate for the majority of European citizens.
Currently the Commission of the European Union and the government of the United States of America are negotiating a Transatlantic Trade and Investment Partnership (TTIP). As its name suggests, the accord would not only eliminate remaining tariffs on trade in goods and services and reduce so-called non-tariff trade barriers. It would also facilitate investments in or with the relevant trading partner.

The planned accord is being promoted by pointing to the significant gains in welfare that would be realized through additional exports and employment growth. Critics, however, cite the dangers it would pose to democracy, consumer protection, and working conditions. With this disagreement in mind, we would like to evaluate the plausibility of the predictions being made specifically about jobs and more broadly about the other worries expressed by the accord’s critics.

In Germany two studies carried out by the ifo Institute in Munich in 2013 have been cited especially often: the ifo Study done at that time for the Federal Ministry for Economy and Technology (ifo-BMWi, Feldmayr et al.), and another for the Bertelsmann Foundation (ifo-Bertelsmann, Feldmayr et al.). In respect to the labor market, the ifo-BMWi study projected a »tariff scenario« in which all remaining duties would be completely eliminated. The study found that there would be no effect to speak of on employment levels. By contrast, the authors also postulated an »NTB« scenario in which non-tariff barriers were reduced by an additional 25%. In that case, around 25,000 new jobs would be created in Germany. Finally, the investigators supposed a still more far-reaching »internal market scenario« in which all effective bilateral trade barriers would be reduced to the level existing between Germany and the EU. If this were done, there would be employment gains of up to 110,000 jobs in Germany. The ifo-Bertelsmann study comes up with more optimistic estimates. Under the tariff scenario, it claims, Germany would gain barely 45,000 new jobs, whereas in the liberalization scenario (essentially equivalent to the internal market scenario of the other study) it would add 181,000 jobs.

Yet even 181,000 jobs are not quite one-half percent of total German employment, which stood at 41.8 million in 2012. Furthermore, questions linger concerning the relevant time frame in which those hoped-for employment gains would occur. The studies were explicitly designed to gauge long-term effects. The long term is specified thrice in the ifo-BMWi study, but each time a different figure is given: 5-8 quarters, 10-20 years, and 12 years. The longer the span of time postulated, the more likely it is that the effects being measured will have been influenced by other factors. These prognoses are based on data from previous (considerably less extensive) free trade agreements. Predictive models fashioned on the basis of data from the past have led to some bad experiences in the wake of the global financial crisis; hence, one has to ask whether it makes any sense to project past data so blithely into the future. Technical progress itself makes it more difficult to peer into the crystal ball. For example, the ifo-BMWi study determined that U.S. exports of petroleum and natural gas would increase only slightly. Yet because new fracking techniques have
made it possible to tap into deposits of shale oil and gas, the U.S. Department of Energy is now making much more upbeat predictions about the volume of exports.

The differing job prognoses offered by the two studies are a function of both the chosen level of aggregation (OECD countries instead of world regions) and assumptions about the fate of the workforce freed up as a result of trade liberalization. If the latter end up in more productive firms, the employment effect will be less than it would be if they found work in less productive sectors. It is not easy to ascertain which of these assumptions is correct. Certainly, the results of the studies are strongly influenced by their assumptions, but these are not fully disclosed.

In contrast to these optimistic predictions, we would not rule out serious impacts on different sectors in terms of both competition and employment policies. Among the latter we would include especially agriculture, the system of public procurement, and services, including especially public services. The elimination of tariffs and the homogenization of procedural standards in the agricultural sector would put considerable pressure on European farm operations, which tend to be quite a bit smaller. Likewise, when it comes to public procurement, there is a greater European interest in opening up the U.S. market than vice-versa, because it is considerably more closed to foreign bidders (e.g., via the »buy American« slogan), than European markets are. Nevertheless, if the threshold for open competitive bidding were reduced to the level that prevails in the EU’s internal market and procedural rules were aligned, there might be less opportunity for the public to influence, for example, labor and environmental standards.

A transatlantic accord is expected to have noteworthy effects on the trade in services as well. For example, one might expect to see greater trade effects on the information, communications, business, and financial services sectors. In the last of these areas, especially, it is assumed that U.S. corporations would have a competitive advantage. Moreover, we should not rule out impacts on labor policy in employment-intensive sectors such as health and social services. Liberalizations in the past have led, in part, to a lowering of standards and downward wage pressure, especially but not exclusively on positions requiring less training and skill.

The last observation also holds true of the provision of public services, particularly since they cannot always be defined unambiguously, and because the European Commission has a decided preference for framing a narrow definition of the public interest and initiating far-reaching commercialization and stricter regulations concerning competition policy. The treaty would use a »negative list approach« under which the areas not covered by the provisions of the accord must be named explicitly, while all other areas – even future ones – will automatically be included under those provisions and hence be subject to liberalization, mutual recognition principles, etc. In connection with the proposed negative list approach, there is thus no reason to rule out more ambitious efforts at deregulation, divestments, or privatizations.

Ever since the 1990s there has been a transatlantic dialogue on trade, albeit not a very successful one. The TTIP negotiations will try to move beyond that to eliminate the remaining, comparatively low tariffs and dismantle most non-tariff trade barriers and state regulations, while seeking a homogenization of regulatory and technical standards. The goal is to negotiate the removal of trade barriers horizontally (i.e., in a way that covers all sectors across the board), while

Risks to employment policy and for specific sectors of the economy

Do the negotiations harbor risks to regulation and democracy?
simultaneously concentrating on eliminating some sectors’ trade barriers in greater depth. This step could affect policies in many areas, including the environment, health care, social services, and finance. To be sure, the European Commission affirms that the point is not to weaken such standards, yet worries about weakened controls in all of these areas are well-founded.

From the point of view of democracy it is alarming that large corporations and their interest groups enjoy far greater access than other stakeholders to the negotiators, have the opportunity to help shape standards, and directly influence the outcome of the talks themselves. Equally disturbing is the predominantly free-trade orientation of the representatives who are negotiating the accord. Their primary criterion of success is whether they reach the goals of liberalization and the removal of «unnecessary» regulations, regardless of how imprecise and open to interpretation that formulation might be. Not only the EU’s traditional trade policies, but also the evolution of the European internal market give ample reason to worry that the priority given to opening up old or tapping into new markets will mean that standards are adjusted downward.

Furthermore, several of the negotiation’s goals suggest that the tendency to liberalize and deregulate markets will be graven in stone. For one thing, the turn to a negative list approach will make it much harder subsequently to expand the scope of the agreements, i.e., to issue regulations in spheres of activity that are not now explicitly exempted and in the future might become relevant areas for rule-making if the need should arise. For another, in the case of certain fields of economic activity or rule-making, negotiators have approved so-called standstill clauses which forbid any future re-regulation. The fact that the negotiations are mostly conducted in secret and parliaments have a right to help shape the outcome only after the talks have been concluded naturally reinforces the worries already mentioned.

As envisaged in the TTIP talks, the investor-to-state dispute settlement (ISDS) procedure, intended to protect investments, constitutes one of elements of the accords most harshly criticized by civil society spokespersons – and rightly so. In the context of the investor-to-state dispute settlement procedure, business enterprises have the option of suing states for damages before a (supposedly) impartial arbitration court if they think that state-initiated measures or regulations are contrary to investment protections agreed upon in the treaty. In conformity with the highest possible standards that the negotiations have striven to incorporate, investments are to be protected comprehensively against direct or indirect expropriation via unjustified or unreasonable regulations.

But the dispute settlement procedure not only will protect foreign investors across the board; it will simultaneously limit options for state-sponsored regulation, since states will not want to risk having to pay off high damage claims. The procedure begins with imprecise definitions of what constitutes a »legitimate« public interest or what can be considered an »indirect« expropriation. What is more, it is not held in public view and is often opaque, with arbitrators and attorneys not given legitimate status by any public authority. The majority of the attorneys are recruited from a short list of around twenty big international law firms that more or less alternate with one another and switch roles. Not only do they maintain close relations with major corporations; they also scan national politics and regulatory plans pro-actively to find promising cases for litigation, after which they submit the appropriate proposals, and refinance their lawsuits through the financial markets. Both their high fees
and their attraction to such a »market« for corporate lawsuits give rise to the suspicion that these law firms are also pursuing their own self-interest.

Because of the frequently high sums at stake in these disputes and the costs of adjudication, such procedures burden public budgets while at the same time strengthening the hand of investors at the expense of democratic decision-making processes. This imbalance can occur when governments, deterred by potential or threatened lawsuits, choose to dispense with regulations or political measures from the very outset.

Considering the expected or potential democratic, regulatory, social, environmental, and health risks of the Transatlantic Trade and Investment Partnership, it is worthwhile to take a closer look at the promised gains in welfare. Careful scrutiny of the ifo studies on the welfare effects of such an accord raises doubts about the certainty of their predictions. For one thing, they neglect the possible benefits of economic regulations as well as the treaty’s short- or medium-term negative effects upon employment in sectors of the economy that will be hit hard in the future by intensified competition from imports.

The econometric cross-section analyses, carried out without specifying the duration and depth of the trade accords, leave room for doubt concerning the precision that the studies claim to have achieved. Furthermore, questions remain about whether past data from other trade pacts are comparable or suitable for making predictions about the TTIP’s effects. It is especially irritating that the results calculated are presented as objective facts. The word »prognosis« never comes up in the studies. As is customary in scientific prognoses, the investigators do work with scenarios, yet these relate only to the extent of the liberalization that might be presumed to occur under the TTIP. There is a dearth of scenarios based on assumptions made in different models.

To sum up, the studies’ prognoses rest on dubious assumptions. Besides, the employment gains they project as a result of the TTIP will likely be much smaller than anticipated. At the same time, there are justified concerns about the accord’s impact on democracy, consumer protection, and job security. For all these reasons, the planned TTIP should not go forward without a society-wide debate.

(This article is based on a more extensive study on the TTIP [Beck/Scherrer 2014], which was sponsored by the Hans Böckler Foundation.)

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NG/FH: In respect to the issue of war we have a strange situation. For one thing, some books on the First World War have appeared recently that cast new light on its causes and, of course, its consequences as well. The causes no longer seem as straightforward as they once did. In fact, back then there were mechanisms that, under certain circumstances, could still be at work today. But at the same time a militarily-supported power politics emanating from Russia – at least if one considers the threats – has re-emerged suddenly in Europe, notably in Ukraine. Moreover, our Federal president, Joachim Gauck, recently made a speech with the message that Germany would have to redefine its role in the world in light of the present situation: less tentative, more deeply engaged in the most important things going on in the global arena. Are these events linked?

Herfried Münkler: I think they are. For example, when we read something today about the origins of the First World War, a warning question comes to mind right away: What should we avoid doing at all costs so that we do not get into situations in which escalating mistrust and a series of mischances ultimately cause matters to get out of hand? Having been sensitized in this manner, we observe the developments in Ukraine, which of course in many ways are bound up with the outcome of the First World War. In the aftermath of the dissolution of the Tsarist Empire, many new states were established such as Finland, the Baltic States, Poland, etc. Other parts of Tsardom, including Ukraine and Georgia, did not succeed in becoming independent states after 1918, but instead ended up as component republics of the USSR. It’s possible that this is what caused Ukraine, as a post-imperial territory, to face so many problems of internal coherence.

At the same time it is clear to us Europeans that military and police from Europe must be made available to this region of instability that, like the Balkans, forms a wedge protruding right into Europe. In addition, substantial amounts of money will have to be funneled into the region in order to buy off the option of violence.

There is a belt of instability that has emerged as a result of the First World War. To be precise, from the breakup of the great multiethnic empires of the East: the Austro-Hungarian (Danube) Monarchy, Tsarist Russia, and the Ottoman Empire. It begins in Ukraine and extends across the Caucasus into the Middle East. For example, what we are seeing in Iraq and Syria is the implosion of states that pretended to be nation-states but never really were. Lebanon long since has fallen apart internally. Even the Arab Spring has not turned out very well.

In other words, we are encountering a European periphery here that is highly dangerous for us, because problems there can arc over to our own region. In this respect Joachim Gauck’s speech also fits in.
However, in spite of the fact that we are presently preoccupied with the Ukraine crisis, the real challenges for Europeans in the twenty-first century are not tank or infantry divisions that might cross the border, but rather refugee flows from the areas we have been talking about, unless of course we succeed in helping to establish prosperity and stability there. The two tasks are interrelated.

NG/FH: On one hand there has been some ostentatious saber-rattling from Putin, whatever the reasons for it may have been. On the other hand we have President Gauck calling on us to be more deeply engaged. Are we experiencing something like a renaissance of war now, 100 years after the onset of the First World War, at least as a concept, an intellectual possibility, and a normal part of politics?

Münkler: Yes, perhaps in a modified form. Ernst Jünger of course criticized Bethmann-Hollweg for making the wrong speech on August 4, 1914, because the latter said, in effect: »Okay, we may be breaking treaties, we are violating international law, but we will make good all the damages we are causing« as German troops marched through Belgium. According to Jünger he should have said: »We are intervening to liberate the Flemish people, who are threatened by the French-speaking Walloons.«

That is also roughly the line that the Russians have chosen in Crimea and eastern Ukraine. They claim to be defending the Russian population of Ukraine or the people who would like to belong to Russia; at least this is the stage-managed version of events they offer the public. If one observes their actions, however, one sees that they have gone over to the offensive, even though the entire crisis has been presented and legitimized as a defensive measure. And since there are good reasons to think that defense is no longer confined to one’s own territory, but is also linked to legal claims such as human and civic rights, defensive measures take on an offensive character.

In principle, this scenario – offense disguised as defense – is not new. The history of the French Revolution from 1790 to the rise of Napoleon shows that the ambition to aid so-called refugees can slide over into an offensive policy. Right now we are balanced on a knife edge. No one can say what will happen next.

NG/FH: The two books on the First World War that have stirred up the liveliest public discussion are your Der Große Krieg and The Sleepwalkers: How Europe Went to War in 1914 by Christopher Clark. Despite some differences of detail, they make a similar argument: If we don’t watch out, a catastrophe like the First World War can menace us again. Or is the situation today fundamentally different?

Münkler: It is true that history does not repeat itself. But if one observes it attentively and looks for historical analogies in the fog of uncertainty in which politics – especially foreign policy – plays out, in order to grope toward reliable guideposts, the study of history can be pretty interesting. This is especially the case considering how densely interdependent the economies of 1914 were. So it is wrong to think that the high level of economic integration in today’s Europe is a dependable guarantee against an escalation of the crisis. Of course we have heard the argument that a conflict between China and the United States is really out of the question, because the two are so highly integrated and interdependent. But if that were the case, then war never would have been allowed to break out in 1914. And in certain respects the same thing holds true for the present relationship between the EU territory and Russia. By investigating the outbreak of war in 1914, we can avoid naivety.
Christopher Clark and I have tried to demonstrate that the thesis concerning the essential guilt of the German Empire actually constitutes an obstacle to learning, quite apart from the fact that it is simply untenable on scholarly grounds. We’ve identified the one villain and disarmed him, and so now everything is fine. But if we look more closely, we see a number of politicians who at the time were strongly committed to peace. You could actually say as much about Bethmann-Hollweg up until the early summer of 1914. Ludendorff, then head of the deployment division on the General Staff, asked Bethmann-Hollweg to arrange to bunker some more Chilean salt peter, because otherwise a munitions shortage might occur after the first hostilities. But the latter refused, pointing out that such a move might look like preparation for war.

**NG/FH:** Then how did war come about?

**Münkler:** I believe that, after a certain point, politics ceased to be master of events. Not only did politics drift toward war like a sleepwalker, there was also some gambling. But of course it was done under the illusion that many gamblers have: that they can control the risks and end up winning. And then we reach what I have called the point of cataclysm. Now everything comes cascading down just as in a torrent or a waterfall; what had been easily managed can now no longer be controlled. The problems become too big for political resolution. In addition you have the mood of the people, displayed in the streets and leading to demands. And suddenly the almighty politicians have become powerless, driven by events.

You see this especially with the Kaiser, who tried to keep the lid on by working with his close relatives in London and St. Petersburg, but had no chance. Much has also been said about the failure of the Second Socialist International. Yet we should also talk about the failure of the international of the higher-ranking nobility, as well as about yet another international: namely, the Catholic Church, which also failed both to prevent the War and to end it. Benedict XV tried to do that, but could not.

**NG/FH:** Of course, one always imports something of the present-day situation into one’s interpretation of the past, which then again illuminates the present. But let’s get back to President Gauck: Is there anything of value in his suggestion that Germany should play a greater role? Is that also true of or with the EU? Are the responsibilities of Germany and the EU today different than they were two or three years ago?

**Münkler:** We have seen how naively the EU acted in the Ukrainian issue. Max Weber would say that the people over there have landed where they are due to civil service promotions and have never been steeled in political struggle. Here I am thinking principally of the diplomatic corps with Mrs. Ashton in the top position. So: The EU believed that we could hold talks with Ukraine about association, in which we would offer the country an opportunity to share in our prosperity, have better access to European markets, and receive greater financial support. In return, the government would guarantee human and civil rights in Ukraine. The symbol of all this was the peculiar figure of Mrs. Timoshenko. But the EU failed to recognize that Russia would regard this as a provocation. The Russian point of view is: First comes the EU as a financial backer, then NATO, and finally American rockets are brought in. This has to be a learning ex-
perience for the EU. We are not a nurturing great-aunt who comforts the neighbors and distributes benefits. We are an actor in power politics, whether we want to be or not, because others see us in that light. What really counts in international politics is how others see us, not how we see ourselves. It will not be altogether easy for us to grasp this truth. But if the EU does start to understand itself more in terms of power politics, then, under certain circumstances, it is going to matter that the EU’s great powers do not automatically have identical interests.

I think that what Joachim Gauck really cares about is putting an end to Germany’s special status. Germany was a divided country, and that’s the reason why we could not and did not need to involve ourselves militarily. Otherwise, Germans would have had to shoot at Germans. That first began to change with the Kosovo deployment, in which the Greens – in effect representing the entire Republic – led the discussion about cultivating a new self-image in foreign affairs. However, they engaged in moral overkill when they erroneously compared Srebrenica and Auschwitz. Before this, things had been fairly comfortable for us. But now the easy life that political history had arranged for us has run its course. I think that is what Gauck meant to say.

By contrast, Prime Minister Schröder’s “no” to participation in the Iraq War was a quite different matter. The strange behavior of ex-Foreign Minister Westerwelle in respect to the Libyan issue, and Germany’s abstention in the U.N. Security Council both undoubtedly provoked annoyance among our neighbors and allies. In the future, we Europeans increasingly may be called upon to act politically to insure stability, especially since the Americans have withdrawn from the Mediterranean region except when their protective obligations toward Israel are involved. If that is the case, then we must also understand that we are really a European Germany and not profiteers or free riders.

NG/FH: So it’s not “German Europe,” but rather “European Germany”?

Münkler: Exactly. To call for a special Ger-
The path is, in the present situation, an impracticable justification for this country’s special role.

**NG/FH:** You have done some work on new forms of war, of course. In Ukraine we now have the following situation: The Russians have assumed that many of the protesters at Maidan, Kyiv’s central square, were being controlled by the CIA or Europe. As they saw it, a hostile power had thus apparently showed up in the guise of civil-society protesters belonging to a different society. In response, the Russians disguised their soldiers in the Crimea and eastern Ukraine to look like civil-society activists. Is this the beginning of a new form of waging war?

**Münkler:** I don’t know whether that’s how things were at Maidan Square, but there certainly have been a series of upheavals in which American think tanks and civil-society actors had a finger in the pie. But before we identify a new type of warfare here, we must acknowledge new types of revolutionary upheaval in which the decisive factor is that the military and/or the police have become so rattled that they don’t quite know what to do, so the human masses that force their way into some specific place can no longer be held at bay.

In contrast to the great Putsches of the 1960s and 1970s in the Middle East and Latin America, military tanks no longer just drive over to the seat of government and the broadcasting studios, intending to occupy those key places. Today it is the civil-society actors who deter their opponents from shooting by flaunting their own vulnerability. Then the situation tilts the other way. This is how the Russians’ protégé, Slobodan Milošević, was ousted from office. The Russians must have analyzed his fall and tried to learn from it. It was in this sense that they interpreted the situation at Maidan as well. And when the former Ukrainian regime lost all legitimacy—at any rate in the West and in central Ukraine—by using force against its opponents, and subsequently collapsed, the Russians acted in the same way when their turn came.

Thus, they acted more skillfully than the old Soviet Union had done, when it sent tanks into Hungary, East Berlin, and Prague, thereby discrediting itself. Instead, they are imitating models that were developed and implemented by the West, at least that is what the Russians believe. And, to legitimize their behavior, they also claim to be defending national, regional, or group rights of self-determination, something that we too practiced in certain respects when we established a new order in the Balkans. Of course, there is an important difference: Croatia did not become a federal state of the Federal Republic of Germany. But that scheme of legitimation was adopted and it is hard for us to attack it now.

**NG/FH:** Occasionally one gets the impression that war and peace have intertwined in strange ways, and that the transitions from one to the other are fraying.

**Münkler:** It was an enormous accomplishment of the so-called Westphalian system of 1648 to have drawn sharp lines of demarcation between war and peace. And now those lines have disappeared.

**NG/FH:** For one thing, there are terms such as war on terror, which is of course not just a way of conceptualizing cultural conflict, but also a political concept with enormous legal consequences. In the United States civil rights have been considerably attenuated. In certain respects the U.S. is in a state of emergency, even though there have been few protests against it. In addition there is drone warfare. Bombs start dropping anywhere that terrorist leaders are suspected of being, and a lot of people lose their lives, often without any guilt having
been proven. These are forms of selective warfare in the midst of normality. In the country that launches the drones, there is peace. The same is true for the country in which their targets are located, yet there is no state of war existing between them. But at the same time there has been a considerable breakdown of civilization. Law is eroded. Those who want to protest against all this are disarmed, because they seem to be on the side of a hostile, warring party. Is this kind of situation becoming more and more the standard? And if so, what do we do about it?

Münkler: What we are observing at this time are two kinds of imperialism. On one hand there is the classical, old-fashioned empire based on territory. The Russians just now are trying to recreate such an empire. Besides this older form, the NSA Affair and the deployment of drones indicate that there is a far more advanced form of imperial power. What matters here is not to control territory, but flows; not what is solid, but what is fluid: flows of capital, human beings, goods, services, and naturally also information. Since this form of imperial power implies global imperial rule (within limits), those who control the flows can rule the world.

And then we come face to face with the concept of global domestic policy, which no longer seems quite as congenial as it did when Carl Friedrich von Weizsäcker coined it, although of course he understood it in a quite different sense than we do. The Westphalian order distinguished between domestic and foreign, police and military, interior secret services and spy agencies that operate abroad. But those distinction become diffuse the moment relevant political actors come on the scene that no longer have a territorial base, e.g., non-governmental organizations. They can be a nuisance for states, but can also be helpful. On occasion, the Federal Republic of Germany has had success in international negotiations, because it has worked together with NGOs. At the same time, however, this erodes the monopoly of power held by the state, as it existed under the old order.

But what if NGOs arm themselves, assuming I may classify al Qaeda as one of them, or perhaps the international brigades of the Jihadists? There have been many developments on this front, and the question is: How will the United States, the world’s policeman, react to these changes? For some time they attempted to follow the plan of going into the regions in which such organizations were rooted, ploughing them up and modernizing them. But – and this is the lesson of the intervention in Afghanistan – this plan failed. Besides, it was too expensive. The other side has a much higher degree of strategic flexibility.

The response of the United States to its setbacks appears to be a combination of NSA surveillance and drone warfare. By those means it hopes to achieve the same degree of strategic flexibility as opposing actors have. Accordingly, the traditional boundaries between war and peace are increasingly blurred.

NG/FH: Can that be the answer?

Münkler: The political theorist must first understand what is the case, in order subsequently to estimate how high its costs are or what opportunities for a counter-action exist. And this secondary evaluation, which can not only be normative, but also must be operational, then puts us in a position to decide what we are going to do. But from the very beginning there is pressure to take some action.

NG/FH: But there are often identifiable causes even for acts of terror, e.g., injustices involving gross violations. Isn’t it first and foremost the central task of politics to eliminate such massive injustices, in order to weaken the actors that carry on trans-
national, fluid wars, as well as their adherents and support groups?

**Münkler:** Concerning this question, we have not yet grasped the implications of the failure in Afghanistan. The German engagement in Afghanistan, at least in the German debate on its merits, has been justified by the notion that we could eliminate the consequences of a long war and the presence of the Red Army in that country, not to mention the backwardness of its society, by pumping money into it. Additionally, so it was thought, we could change Afghan society, above all by attempting to improve the situation of women. By doing all this, it was hoped, in principle we could take the wind out of the terrorists’ sails.

Now whether Afghanistan was the right country to try out this scheme, or whether it would have been better to march into Saudi Arabia, is a question we must leave undecided. But the scheme of changing societies such as these in profound ways, and at a cost that we would deem reasonable, has overtaxed us. At this time there only seem to be two options, neither of which is particularly attractive. One of them is the American solution: We will make ourselves invulnerable. We will act like a modern empire, attacking from the air, quick and invisible, and then we will have everything under control. The European solution means perhaps deploying French legionnaires to Mali or in the Central African Republic. So we will not turn these societies inside out; instead we will make sure that the old elite, which to some extent takes care of stability and tranquility, remains in power. And if they begin to totter, then we will prop them up.

**NG/FH:** Should we simply forget about the goal of creating a more just world that would minimize these causes?

**Münkler:** No one can say precisely what is just in the individual case. The notion of social equalization naturally remains a challenge. But the question is: How can we achieve greater equality in ongoing processes without again getting into the dilemmas of traditional aid in which, for example, we send economic assistance into crisis zones, where regional warlords divert it or use it to pay themselves? How can we persevere until the intentions behind our aid and our intervention have led to the desired results? This is a question one must be able to answer right at the start, if one hopes to change existing conditions by making them more socially just. Whoever fails to answer it ought to be cautious when invoking the concept of social justice.

**Anne Ulrich**

**The Quest for Authenticity. The Media’s Achilles Heel in War Reporting**

During primetime on March 21, 2003, television networks carried the bombardment of the Iraqi capital, Baghdad, live. This event marked a new phase of war reporting, because the conflict was now being presented to viewers on TV exactly at the moment it was happening. The many explosions and fires ignited around the city even prompted the reporter Bruno Vespa to characterise them as “*bellisime immagini*” or “gorgeous images.” Furthermore, Antonia Rados, a war correspondent for the RTL network, admitted unabashedly in a 2002 interview: “It is now obvious that war is *sexy* for television, because it is a highly visual event.” Two
interests met and forged an unholy alliance in this case: Military propagandists aiming to demonstrate that military strength could go hand in hand with more »human« ways of waging war joined forces with TV impresarios’ intent on getting the most up-to-the-minute, sensational images possible.

Here, television reporting came under the spell of the military strategists, in the sense that TV correspondents staged a war event about which they actually were supposed to report. This became especially obvious during live reporting on CNN. The network’s news anchors, correspondents, and military experts, who otherwise talked incessantly, fell silent for – believe it or not – seven full minutes on the evening of the attack on Baghdad. In effect, their silence allowed the military to orchestrate television coverage of the war. The bombing campaign turned into an impressive demonstration of the allies’ military power in two ways. First, the air raids on Baghdad did not encounter any opposition to speak of. Second, the full violence of the explosions and columns of smoke was readily apparent, but for the time being their destructiveness was hidden from view. The TV cameras permanently installed on the roof of the Iraqi Ministry of Information enabled viewers to see only a distant panorama of the Iraqi capital, without permitting any details to be observed. The raids, in which 320 Tomahawk cruise missiles supposedly were launched in and around Baghdad and 37 civilians wounded (according to Iraqi sources), looked to the TV audience like an aesthetically sublime fireworks display.

The spin doctors in the U.S. and allied military forces exploited certain specific features of television in this instance: its obsession with up-to-the-minute information and especially its capacity for live broadcasting; its bias in favor of dramatic images; and its tendency to stage news as media events. They knew what kind of material television journalism prefers to use and in what forms. Hence, their raids, perfectly attuned to the needs of TV journalism, in effect made an offer to the makers of television news that they could not refuse, even though that offer touched upon the inherent longing of war reporting for authenticity and eye-witness commentary. This yearning for unmediated or, one might say, media-free access to the events of war suffuses every kind of war reporting, even though – or just because – it is impossible to fulfill. Even if war correspondents had unrestricted access to all theaters of war, they could not just »hold up a mirror« to the events. Their representation of war would always be constructed, since it would hinge on a whole series of factors, including the perceptual and information-processing routines of the journalists themselves, the structural momentum of media systems, the strategies of political and military propagandists, and the patterns of representation that set the tone in previous wars. Nevertheless, because the television audience must trust war reports, stage-managed demonstrations of immediacy and eye-witness accounts have been a *sine qua non* of reporting in every war. Time and again they have turned into the crucial pattern for representing wartime events, in order to corroborate war reporting and dispel any suspicions that the correspondents are serving up partisan commentary. But these supposedly direct, unvarnished reports turned into the Achilles heel of Iraq war journalism, because, when the live bombing began, it was never clear who was actually orchestrating the media event.

The Iraq war was a particularly striking example of the dense, tangled relationship that binds together the military, the media, and politics. It is a symbiosis in which TV »*Living room war*« must fight to uphold its image as an »agent of authentication« (Karl Prümm). Television earned this reputation...
in a very different war under entirely different circumstances: the Vietnam War. In the sixties television was considered to be the most important source of information, one that definitively shaped the ways in which the public «experienced» the Vietnam War. On average, the American public only got to see about three minutes of coverage from the war zone each day. There were numerous correspondents from the three major U.S. networks who covered the war’s events, first in black and white, later in color. Directly-filmed battle scenes were the exception; in fact, they were actually re-staged in some cases. Because war correspondents often traveled with U.S. troops, they generally adopted the latter’s point of view. The TV images were vivid and animated; correspondents provided eye-witness testimony; and the war returned as an item on the evening news almost every night. For all those reasons, TV viewers got the impression that the war was being fought out right in their living rooms. Television made this «living room war» (Michael J.Arlen) into a component of quotidian experience and burned the image of TV as an agent of authentication. Especially at the beginning of the war, journalists operated under self-imposed censorship, rarely showing shocking images of Vietnamese victims or atrocities committed by American troops, even after the turning-point of the Tet Offensive. Nevertheless, the government claimed that TV coverage of the war had more or less stabbed American troops in the back as they were fighting in Vietnam. The power of televised experience, including eye-witness news and authenticity, was evidently so great that television earned a reputation for having an enormous influence on perceptions, even though the charges leveled against it by the U.S. government were baseless from the very start.

However, as Andreas Elter has argued, the United States government concluded that a far more restrictive press policy was needed, one that essentially amounted to press censorship. The invasion of Grenada in 1983 marked the first time that so-called »pool regulations« were instituted, in which the military selected certain journalists who were then taken to presumed theaters of war. Yet de facto they were denied access to the real combat zones. Furthermore, these journalists constituted the sole news source available to the entire public sphere served by the media. This model, which effectively restricted and censored the press, was consolidated during the invasion of Panama in 1989 and supposed to be perfected during the First Gulf War in 1991. The military evidently calculated that the public should be excluded from any future wars.

Yet, this venture in press control proved to be impracticable by the time of the First Gulf War at the latest, since this was the first »true« TV war. Still, it must be understood as an audacious, professional campaign of war marketing as well. Using selective deceptions, the Allies attempted to persuade the global public to grant them the seal of legitimacy for the liberation of Kuwait. Moreover, they depicted the activities of war as »clean,« »clinical,« and »surgically precise.« This image was conveyed, in particular, by the black-and-white cross-hairs shot from inside a remotely-guided missile, which staged authenticity in a completely new and fascinating way, yet so as to conceal entirely the facts of the war. By shamelessly exploiting their power over the media, the Allies managed – at least for a while – to make the public believe that they could conduct a virtual, clean war. With the benefit of hindsight, one can see that this campaign proved to be a grand-scale deception, one that shook the public’s faith not only in government and military information policy, but also in the ability of television to »present« a war accurately.

Thus, twelve years into the Iraq War,
new strategies of authentication had to be developed. A strategy based on censorship and disinformation was no longer likely to get a pass from a skeptical global public, especially in light of the competition from Arab TV stations such as Al Jazeera. Instead, political and military strategists continued to count on their ability to stage-manage the war as a media event that, ideally, would be presented on TV without commentary. In addition, they devised the »most innovative form of media control« to date (Thymian Bussemere): the system of embedding. About 600 journalists in all were assigned to various units among the Allied troops, within which they enjoyed nearly unrestricted access to the events of the war. The embedded journalists, fascinated by their presence on the »front lines of the front,« produced a plethora of reports that frequently did little more than express that fascination, thereby allowing the actual events of the war to recede into the background once again. There were very few journalists in this position who were able to report on the war in a more detached way and dispense with sensational images when the latter did not meet the journalistic criterion of relevance.

So how can one report about wars on television without blundering into the »authenticity trap,« and feeling a need to seek out the most up-to-the-minute, mesmerizing images? This is a question that has to be asked not only against the backdrop of the Iraq War, but also in light of current wars and conflicts in which the reporting conditions have become even murkier. The Internet, which has now become a competitor medium for TV, can present numerous viewpoints and do so more rapidly than television can. It even can enable people directly affected by war, as well as the soldiers fighting it, to become war »correspondents« themselves via video platforms. Here we must summon up the courage to slow down and think, to escape the spiral of an ever more accelerated visual arms race and make space and time for reflection. Television networks need to employ additional personnel to evaluate the war critically, parallel to those who offer running live commentary. They should work together with experts to reflect on events and intervene on a regular basis in order to correct the blind spots of standard reporting. Presenting it in an appealing manner wouldn’t hurt either.

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Rudolf Traub-Merz/Felix Hett
Russia’s Role in the World – Grand Designs, Limited Capabilities

Russia’s behavior in the Ukraine conflict is frequently interpreted as a rupture with the past, one that carries potentially epochal implications. It is claimed that this is the »greatest crisis in East-West relations since the fall of the Berlin Wall,« the »return of geopolitics,« »Russia’s enduring turn away from the democratic West.« Some even regard Russia’s conduct as »call[ing] into question the global order under inter-
national law.« If one were to accept such judgments, one might well conclude that American and European policymakers should completely re-evaluate their relations with Moscow.

Indeed, one must acknowledge that Russia’s behavior in Ukraine exhibits two peculiar features that have caught the West off guard. First, instead of simply reacting to events, as they typically do, Russian policymakers repeatedly have seized the initiative in this case, even in the run-up to the Vilnius Summit, and exploited the political situation at pivotal moments. Also, previous Russian foreign policy always had been guided by power-political pragmatism, including a willingness to compromise. But the Ukrainian situation precipitated a marked departure from past practices, as Russian policymakers did not hesitate to threaten military action or prepare to use force in measured doses to gain political advantage.

Thus, Russian conduct in regard to Ukraine does represent a deviation from previous patterns in both the rapidity of its responses and its choice of means. But otherwise it would be a gross exaggeration to deduce from these incidents a willingness to compromise. But the Ukrainian situation precipitated a marked departure from past practices, as Russian policymakers did not hesitate to threaten military action or prepare to use force in measured doses to gain political advantage.

Among Moscow’s foreign policy elite, a certain expectation has been dominant for some time in respect to the future international order, one that has functioned as an analytic grid for actual events as well as a template for describing Russia’s geopolitical goals. In an abridged form, this way of seeing the world can be summarized in three points:

First: from unilateralism to multipolarity. According to the dominant opinion in Moscow, the United States is in decline as the global hegemon. It is not so much that the U.S. might suddenly topple, but that it is slipping gradually. The end of unipolarity will not be succeeded by the equality of all states after the manner of the U.N., but by a multipolar world, in which a small group of great powers will run the show. That will be the only way to prevent global anarchy. Consequently, a crucial aspiration of Russian foreign policy is to become one of these future poles of the international system. The basis for this ambition is the stabilization and recovery of the country in the aftermath of the chaotic nineties. Vladimir Putin, who is given credit for this accomplishment, announced Russia’s new role at the Munich security conference in 2007. His successor as President, Dmitri Medvedev, used another opportunity to express his country’s ambitions in these words: »Russia is now a global player.«

Second: alliances and an autonomous power base. In a multipolar world Russia can be only one among several poles with great-power status, assuming that the latter is based on a country’s own political and military strength. Russia will therefore enter into alliances and pacts with other poles for its own benefit, but these must not be permanent and must not lead to structural dependencies. Even membership in the BRICS group is not a framework for integration; rather, from Moscow’s point of view, it is ultimately a defensive alliance to fend off American interests. International law is instrumentalized as a means to defend power positions inherited from the Soviet era—especially the right of veto in the U.N. Security Council—and to stave off interference in the country’s »internal affairs.«

Third: A great power in a multipolar world; the hegemon in its region. In the coming multipolar world, great powers will be called upon to maintain order in their
respective »backyards.« In doing so, they should respect the spheres of influence cordoned off by other powers. Therefore, as a great power Russia must also be a force for integration at the secondary level in a hierarchically-ordered system. The country’s aspiration to occupy a hegemonic position, which awakens memories of the Soviet Empire, chiefly affects three regions: Central Asia, the Caucasus, and the eastern Slavic »brother nations« of Belarus and Ukraine.

Russia’s claims to dominance are justified differently in each case. But as far as contemporary policies are concerned, they are usually expressed in three areas: (a) energy policy; (b) military cooperation, including arms exports; (c) history, migration, and language. The customs union that includes Russia, Belarus, and Kazakhstan and more recently the Eurasian Economic Union (EEU) create the institutional framework for this kind of integration. Russia has never made a secret of the fact that it sees Ukraine as the chief target of its efforts at regional integration. From the Russian perspective, the fact that Moscow did not take an early stand against the EU Eastern partnership program counts as its biggest mistake. The EU’s belief that Russia would watch Ukraine’s turn to the West without any reaction was evidence of great naivety on its part.

Russia’s self-perception as a new global player has been fortified during the past decade by increasing earnings from energy, which have been used to rebuild the military apparatus and finance (energy-)subsidies to its neighbors for its own advantage. But prospects that energy earnings will continue to grow are dim. To be sure, the much-ballyhooed natural gas accord with China is the largest single deal in the history of global trade. Yet that accord underscores Russia’s status as an exporter of unprocessed raw materials, generates costs for a new pipeline network to the east, and amounts to a mere 25 % of Russia’s current energy deliveries to Europe. In the future the EU may reduce its demand for Russian energy.

Barring increased earnings from energy, the Russian economy will stagnate, with only modest chances of recovery. In the future, the allocation of state revenues will be plagued by competing demands for arms expenditures, funds for modernizing the civilian economy, and spending on social programs.

Russia is a multi-ethic state. Thus, the country’s political and cultural cohesion depends on multi-ethnic policies. Touting ethnic-Russian nationalism inside the Russian Federation is to play with fire. Moreover, the country is confronted by a dramatic population decline, which has been especially acute in the case of the majority Russian ethnic group. Currently, Russians comprise barely 80 % of the country’s population, while certain minorities are chalking up impressive demographic gains. In particular, Muslims will double their current share of the population by 2020, from around 12-14 % to some 20-25 %.

In addition, in the northern Caucasus there is a trend toward mono-ethnicity. The ethnic Russian population has largely abandoned constituent republics such as Dagestan and Chechnya. The seizure of Crimea was justified in terms of a right to popular self-determination, Russia’s special obligation to protect Russian minorities abroad, and the existence of historic kinship relations among the Slavic peoples of Russia, Ukraine, and Belarus. In effect these arguments replace the trans-ethnic Russian territorial integration matrix by an ethnic Russian or pan-Slavic nationalism. If this trend were to gain traction, it would force ethnic minorities inside Russia as well as in neighboring countries containing Russian minority populations into a defensive posture. Both the territorial inte-
grity of the Russian Federation and hopes for Eurasian integration would be called into question.

The framework for regional integration has been severely damaged – if not already rendered obsolete – by the failed effort to integrate Ukraine and the seizure of Ukrainian territories under the aegis of pan-Slavism. It is true that the Eurasian Economic Accord was signed according to plan and that the Economic Union is supposed to go into effect on January 1, 2015. But Kazakhstan, with its considerable minority Russian population, has dismissed all plans for political integration. Some of the original goals for the EEU, such as integration of energy and financial markets, have been put on hold.

A world power without a strong and growing economy can base its global ambitions only on political and military prowess, and even that it can do only until financial constraints begin to pinch. For now, Russia’s aspiration to act as an autonomous pole in the concert of great powers will not be achievable outside the realm of security issues unless it is able to make substantial and unexpected economic progress. Even in regard to energy trade, the world currently is not headed toward a situation that would enable energy exporters to gain extraordinary power, as was once the case with OPEC. The fact that the United States may emerge in the future as an important exporter of liquid natural gas may serve to moderate the bids for power made by pure energy suppliers.

Some analysts worry that, after annexing Crimea, Russia might try to seize other former territories of the Soviet Union, such as Kazakhstan or even NATO member-states in the Baltic, but those concerns are overblown. Military adventures of this kind would provoke very fierce resistance from Russia’s neighbors and deal an immediate death blow to schemes of regional integration. Russia would be totally isolated and hit with economic sanctions from many quarters, which would plunge the country into a deep recession. A repetition of Russian crisis policy à la eastern Ukraine is nowhere on the horizon. Individuals and groups attempting to stoke those fears are merely serving their own interests (not least in a Western arms build-up).

Russia remains an asymmetrical power, in effect basing its claim to an influential global role on its arsenal of nuclear weapons. In doing so Russia of course is still living off its inheritance from the Soviet Union, but it continues to be a prominent actor in regard to security policy. Furthermore, the crisis in eastern Ukraine shows at least that the destructive potential of Russia’s toolkit for foreign and security policy remains relatively undiminished. The country’s willingness to use those tools increases when there is a perception that its own vital interests are in serious jeopardy. Russian interests must be put on the agenda and taken into account when the architecture of international peace is being designed, if we are to reach a consensus in questions of peace and conflict.

In the economic sphere Russia is not even a regional hegemon, since it can continue to dole out subsidies only as long as it keeps receiving rents from the global economy. Because it is so dependent on imports, the country is not an engine for the development of new technologies. Western thought experiments imagining that an arms race would bring Russia »to its senses« could have a dramatically destabilizing effect on the country, bringing about an even heavier shift of resources to the military-industrial complex, and eliminating all further progress in the achievements of civil society. The price would be an international crisis atmosphere, in which the primary motivation of foreign policy would no longer be working toward
cooperation in security matters, but fostering insecurity in the other side.

Russia experienced the nineties as a period of decline on the stage of global politics. From Moscow’s perspective, the chief intention of the United States is to prevent its comeback. Although Russian behavior has been marked by a display of sometimes excessive self-confidence, much can be said for the theory that Moscow is fighting a rear-guard action in Ukraine and perceives the crisis in this way. Its status as a superpower in a bipolar system is irretrievably lost; now at least its role as a great power in a multipolar world ought to be maintained. In this context the Kremlin is celebrating pseudo-successes, at best. It has maneuvered itself into a blind alley in the Ukraine crisis, and the enormous costs of the annexation of Crimea just now are filtering into the consciousness of the decision-makers. Patriotist hoopla about »bringing Crimea home« will not conceal for long the stubborn social problems of the Russian regions, still less the huge backlog of needed infrastructure investments and the modernization of the economy, which is going nowhere.

Furthermore, with Moscow’s active connivance, southeastern Ukraine has become a zone of instability right on its own border. No one should rule out the possibility that this instability could spill over into the heartland of Russia itself. From the West’s point of view, and in pursuit of its well-understood self-interest, the crucial foreign policy goal should be to enter into a dialogue with Moscow to find a way out of the crisis that would save face for all concerned. A joint effort to stabilize the situation in Ukraine is the prerequisite for Russia becoming a partner of the West once again.

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Gernot Erler

Russia, Ukraine, and the West: Autopsy of a Crisis and its Aftermath

Three questions arise in the context of the crisis in Ukraine, which has long since become the most serious conflict between the West and the Russian Federation since the end of the Cold War: What happened? What was destroyed by the crisis? Where do we want to end up, politically?

When the »Orange Revolution« triumphed in Kiev in 2004, the new leadership around President Yushchenko wanted to bring the country into the EU right away. Although the EU declined the request, it did offer a kind of association as a consolation prize. Negotiations about an appropriate accord went on for years, even after the »Orange« forces lost out in 2010 to the new, pro-Russian president, Viktor Yanukovych. In 2012 the text of the treaty was finally ready. But the EU believed it should get something in return for the conclusion of the agreement, above all the release of former Prime Minister Yulia Tymoshenko – a total miscalculation! Shortly before the EU summit in Vilnius in
November, 2013, President Yanukovych refused to sign the document. In making that decision, he was being pressured by the Russians. During the first few months of 2013 – rather late in the game – the Russian leadership finally had sensed a serious danger in the treaty of association, which was linked to a comprehensive free trade accord. After signing the treaty could Kiev still play some role in the Russian-led Tariff Union or even in Putin’s pet project, the »Eurasian Economic Union« which had finally gotten up and running on May 31, 2014? Manuel Barroso, President of the European Commission, quickly responded with a »no« and confronted Ukraine with a choice: either-or.

The Ukrainian President’s refusal to sign ignited protests. Students, especially, took part in street protests that were peaceful at first, but which mutated into a bloody systemic conflict after participants were brutally beaten. The »Euro-Maidan« [Maidan is Kiev’s main square; ed.] wanted to overturn the entire Ukrainian political system: rule by the oligarchs, endemic corruption, and the clan system headed by the kleptocratic Yanukovych family. They succeeded even after armed clashes, when the President somewhat unexpectedly fled the country on February 21, 2014.

But it was precisely this triumph at Maidan that transformed the Ukrainian situation into a case of »the West versus Moscow.« From Russia’s point of view the West had crossed two red lines. Now the EU’s offer of association was interpreted as a geopolitical attack against Russian interests in the sense that it seemed to draw a dividing line between Ukraine and Russia. Also, the success of regime change from below in Kiev sent shockwaves through Moscow, and was immediately judged to be the result of a Western anti-Russian conspiracy, comparable to the »color revolutions« between 2003 and 2005 in Georgia, Ukraine, and Kyrgyzstan. The well-known encirclement syndrome was reawakened.

As a result, the West had to watch both the perfectly staged annexation of Crimea in March, 2014, carried out in just five days, and then Russia’s support for separatists in eastern Ukraine, which Moscow camouflaged only halfheartedly. The West’s reaction was twofold: On March 6, 2014, the EU decided on a regime of graduated sanctions against Russia which has been instituted in cautious stages ever since. In addition, there was an unambiguous statement stipulating that the West ruled out a military solution to the conflict between the separatists in Donetsk and Luhansk and the Ukrainian interim government under President Petro Poroshenko, who was elected on May 25. Instead, the West urged a political solution. In the course of the crisis Germany was thrust into a leadership role on account of its particularly close political, economic, and social ties to Russia. Together with France, the United States, and Poland, Berlin launched repeated efforts to mediate the dispute. The tragic destruction of the MH-17 flight on July 17, 2014, escalated what had hitherto been a limited regional conflict into a crisis with international dimensions.

Unfortunately, much was destroyed in this conflict. From the Western vantage-point, the relationship with Russia had evolved in constructive ways in the twenty-three years since the breakup of the Soviet Union, despite many problems and clashing interests. This fact has become most readily apparent in improved economic relations and Russian energy deliveries to the countries of the EU. The two sides became densely integrated; in fact, in the case of energy a mutual dependence arose that would have been unthinkable and irresponsible without a minimum of mutual trust. In this respect the West stak-
ed a great deal on its partnership with Moscow. That expression pervades the language of all the official programmatic documents: the Partnership and Cooperation Accord (since 1997), the Partnership for Modernization (in Germany since 2008, in the EU officially since 2010), and the Strategic Partnership, invoked at every summit meeting.

Partnerships rest on the twin foundations of trust and predictability. Moscow’s annexation of the Crimea and its dealings with Ukraine have severely undermined its trustworthiness. How can one rely on a “partner” that blatantly tramples underfoot even treaties that it signed (in this case between 1994 and 1997) guaranteeing the sovereignty and territorial integrity of neighboring countries? And in a closely related development, Moscow suddenly has become unpredictable as well. We do not know what the goals of the Russian President are with respect to his Ukraine policy. Does he want to annex parts of eastern Ukraine in addition to the Crimean peninsula? Does he want to perpetuate the conflict in eastern Ukraine so he can use it as a lever to influence future policymaking in Kiev? Or is the plan to extract certain concessions from Ukraine, such as not joining NATO, not joining the EU, and/or federalizing the Ukrainian state? We don’t know. But unpredictability is inimical to trust and partnership. Here we are actually standing in the midst of a debris field.

Where do we want to end up politically? In the short run, the main thing is to seek de-escalation, damage control, and an end to armed confrontations. The measures taken in response to the Crimean crisis were necessary. It is not acceptable to stand by silently while Russia flouts all international norms and its own treaty obligations. We do not want a return to the Cold War. The sooner we can bring about a political solution to the Ukraine conflict, the better are our chances to prevent the worst from happening. But it is primarily Russia that holds the key to resolving that conflict. The tragedy involving the Malaysia Airlines plane has intensified pressure to work out a negotiated solution.

How do things stand with our medium-term goals? Even after a political solution to the conflict has been reached, Ukraine will still face major challenges. The association agreement does not give anything away; instead, it makes benefits conditional upon moves toward reform and transformation on Kiev’s part. It is hard to imagine how this (territorially speaking) second-largest state in Europe, with its 45 million inhabitants, can ever be stabilized without massive Western assistance in addition to at least minimal cooperation on Russia’s part. However, our goal is to stabilize Ukraine once and for all. There will be no quick reversion to the status quo ante. It takes a long time to rebuild trust once it has been destroyed. But in the medium term we must again attempt to establish a responsible partnership with Moscow. The trilateral talks that began in Brussels July 1 on the issue of the compatibility of the different systems of integration in the East and West may help accomplish this. It makes sense to sound out the implications of the EU’s policy of association and Putin’s project of a “Eurasian Economic Union” for both sides. Indeed, it is unfortunate that this did not happen previously.

Before the partnership between the EU and Russia can be renewed, the two sides will have to face the task of reappraising their differing perceptions of reality. Where one side speaks of a strategic partnership, the other complains about unfair exploitation of a phase of Russian weakness. A helping hand has been extended on many issues – modernization of the economy, administration, legal culture, and society – but for the time being it has been ignored. Why do these deficits in understanding...
and cooperation exist? Both civil societies will have to get involved if we are going to lay the foundations for a better future here.

In any imaginable future we will need Russia to be a constructive partner that respects international values and rules. That is also true of Ukraine, but equally so of such political time bombs as Transdniestria, Nagorno-Karabakh, South Ossetia, and Abkhazia. Russia’s positive influence is likewise needed in international conflicts such as Syria, Iraq, Iran, and the Middle East. Last but not least, a country that sees itself as a world power must also assume responsibility for resolving global challenges such as climate change, the distribution of water, as well as food and energy security. Without Russia nothing can be accomplished.

There are three surprisingly contemporary reasons to remember Ferdinand Lassalle on August 31, 2014, exactly 150 years after his death. All of them manifest the continuing existential-practical significance of the foundational idea that he bestowed on social democracy as its birthright. Linger ing behind the details of the day-to-day issues and philosophical controversies in which Lassalle was embroiled, there are three political maxims associated with the historic divorce of the workers’ movement from party-based liberalism that he precipitated in 1863, when he founded the ADAV (General German Workers Association). Lassalle died the following year, still a relatively young man. These maxims again show quite clearly how little the original motives that led him to found an independent party of social democracy in Germany have been effaced by the passage of time. They are all closely linked to one another in a way that still today offers a remarkable insight into our own age. The most fundamental of Lassalle’s foundational motives aims at the political and intellectual emancipation of the nascent workers’ movement from the tutelage of the liberal Progressive Party. The latter aspired to be the party of self-determination and freedom for all citizens; however, its close ties to the interests of property and privilege gave the lie to that claim. The second motive emerged from the recognition that free trade, so fervently advocated by the liberals, by no means served the interests of society as a whole, but instead benefited only a small minority at the expense of 90% (Lassalle) of the working population. The third point, actually a deduction from the second that points the way into the future, is the demand for a kind of democracy justified on the grounds of its social utility and intended to guaran-
tee the material conditions of freedom for all citizens: education, income, and social protection.

Lassalle developed the central idea for a Social Democratic Party in the *Open Letter in Response* he addressed to the Workers’ Educational Association in Leipzig as well as in his book, *Mr. Bastiat-Schultze von Delitzsch*. The new party would have to sever its ties with party-liberalism because it recognized that the liberal idea of freedom, though supposedly universal, could only become a reality for all human beings if it were disentangled from the propertied interests and the illusion of free trade. That is, freedom would have to be built on a social foundation, for which the democratic state would bear the responsibility. Lassalle called this historical project the moral idea of the working class – taking the torch of liberty from the hands of a liberalism distorted by the property-owning bourgeoisie and handing it over to the working class, who make a productive contribution to societal labor and actually live from it. In an unforgettable image he articulated the absorption of the universal core of the liberal idea of freedom into the program of social democracy, a move with profound historical implications:

»If the nobility’s idea was that the worth of the individual was bound up with a specific natural ancestry and social position, then the moral idea of the bourgeoisie is that any such legal restriction is wrong. The individual should possess worth purely as such, and in a morally ordered commonwealth, he or she would be guaranteed nothing but the unimpeded self-activation of his or her powers as an individual. Now, I say, if we were all equally rich by nature, equally clever, equally well educated, then this moral idea would be a sufficient one. But because this equality does not happen, nor can it happen, because we are not just individuals pure and simple, but rather enter the world with certain differences of property and endowments, then this moral idea is not sufficient. But if after all nothing had to be guaranteed in society except the unimpeded self-activation of the individual, then in consequence this would lead to the exploitation of the weaker by the stronger. Therefore, the moral idea of the working class is that the unimpeded, free activation of individual powers by the individual all by him- or herself still does not suffice. Rather, in a morally ordered commonwealth more must be added as well: the solidarity of interests, commonality and mutually of development. This difference in
moral ideas also instantly yields a distinction in the way that the purpose of the state is to be conceived.«

That is the birth certificate of social democracy from the spirit of the liberal promise of freedom.

Given that it is devoted to the goal of insuring equal social opportunities for the free self-development of all, the state can only be a social democracy. The night-watchman state, which is the ideal of the bourgeoisie and its liberal party, is reduced to the role of guarding the property of the haves.« It has nothing to offer the working class other than the summons to self-help, the formal opportunity which it does guarantee to everyone. That is the reason why Lassalle, in March of 1863, urged the workers of Leipzig to part company with this kind of party-liberalism, form their own Social Democratic Party, and fight for universal, equal suffrage. In that way, he argued, they could redeem the liberal promise of freedom for all. At bottom, this is still what is at stake today, even though the workers’ movement has traveled a long way down the road toward its goal. Their journey has been interrupted again and again, and the working class has sometimes even lost ground, while repeatedly being threatened by stagnation or regression.

In those days the political-economic ideology of organized liberalism, the party of semi-freedom, was free trade, a melodious slogan, but one which, as Lassalle demonstrated, by itself promises no advantages to the working class, but does bestow enormous profits on the propertied bourgeoisie. Taking for granted the Manchester capitalism of that era, the advocates of free trade were also the most vehement opponents of protective legislation for workers, even including the initial efforts to place limits on working hours and child labor. Like Marx, Lassalle recognized that untrammelled freedom for the market and capital («economism») represented an attack on all social values that insure human self-determination: solidarity, social responsibility, and culture.

In search of levers of power to get the capitalist economy under control, he turned to universal suffrage and an interpretation of democracy in which the right to vote was not an end in itself, but simply one aspect of the moral idea of the working class, which the democratic state was pledged to uphold. Even a democracy can degenerate into a mere night-watchman state when it forgets that obligation. Of course, due to his premature death, Lassalle left unresolved one big challenge that flows from this insight: the political mobilization of the great majority, whose vital interests give expression to that moral idea. That too is still – or more than ever – a challenge for the present day.

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