

Reflexions by Joachim H. Spangenberg

1. In the current policy discourse there is a broad consensus that public debt is the key problem. This hegemonial position is supported by most neoclassical economists, and it is shared by decision makers of all parties.
2. However, this is not the stance flowing from economic theory, which has long dominated the discussion but is almost absent now. In neoclassics, debt has mainly been discussed regarding three risks
 - If it is towards foreign creditors, a possibly critical outflow of money from the national economy can result
 - Distribution effect: from poor (tax payers) to rich (which buy public bonds)
 - Limiting state capacity to act if the repayment takes an overly high share of the tax revenues→ nothing of that plays a major role in the current debate:
3. This is obviously an ideological, interest-driven stance: Mainstream economists are opportunistic, proving again their usefulness as legitimization science for whatever politics.
 - The resulting problem for public policy is not that arguments are lacking, but that due to the neoclassical monopoly they are not spread / perceivedThere is no *accepted* opposition within economics: students which wish to learn other stuff organize themselves outside the university. It is not least economics education reproducing the self-appointed, self-stabilizing elite convinced that they deserve what they have, and that they are legitimized to claim an even higher share of the national wealth, even if doing so requires illegal measures (standard attitudes amongst the elites, according to social science research)
4. Recognising this ideological and political role of economics makes it inevitable to promote pluralism, but also to reject antiquated and misleading elements of the dominant discourse, in particular the de-politicising definition of agents in the social and economic processes, and the confusion of models and reality
5. Only a clear identification of ideological orientations allows the necessary pluralistic debates and decisions in the interest of the majority
6. It is essential to reject TINA, reducing democracy to post democratic technological implementation expertise as in Slovenia, dismantling participation rights and shaping politics via the media as in Italy.
7. Commodification of labour and the commons, and the financialisation of nature are the frontiers of the ongoing expansion of capitalism (globalisation is the other one).

8. This process of commodification and expropriation leads to accumulating ecological debts (and social and institutional – democracy - as well). A sustainability debt is piling up.
9. As the problems cannot be ignored any more (anywhere outside the USA), they are re-defined: they are not dealt with as problems created by neoliberal capitalism, but declared to be problems caused by insufficiently applying neoliberal prescriptions. Thus the neoliberal crisis is used to justify even a more stringent implementation of a more radical version of neoliberalism.
10. As a result, crisis management and degradation of the commons are turned into pro-neoliberal arguments, while peak everything is simply denied – there is no peak anything.

→ *Five challenges*

Challenge 1: Everybody wants growth – except us.

Everybody hates debt – except us ...

As debt causes growth (in particular via the banking sector's money multiplication function), the green Left should agree to reduce debt, but with a different objective and by different means than the mainstream.

Challenge 2: There are no environmental assets produced together with the environmental debt. Reducing the burden is possible, but not redistribution: The traditional left thinking faces limits.

Challenge 3: We need a broadly appealing and thus mobilising narrative integrating the simultaneous solving of the problems, and have that, first redefine them in the public perception (discourses create reality and truth: Bourdieu, Gramsci). Start with: money is not all that counts – human relations and solidarity are more important (and require redistribution)!

Challenge 4: Dare to speak the name of the beast. It is not a market failure but a market system failure. It is not only the system which needs to be criticised, but also the people pulling the strings, name them. Speak out, precisely, who is going to win, who is going to lose, and what?

Challenge 5: In the public eye, the market has been responsible for providing dynamism, innovation, and change; in turn the state was responsible for guaranteeing stability and security.

- The marketisation of politics undermines the overall ability of politics to act and thus the ability to deliver what is expected. As a result, the trust in politics erodes (more due to failure to deliver than due to the public debt); the trust crisis is a crisis of democracy (remember: if government fails, we

face a crisis of governance. When the opposition fails, however, we face a crisis of democracy)

- ➔ To stabilise democracy, it is again necessary to speak the name of the beast, make them recognisable to be able to organise resistance. This includes in particular those power brokers usually acting in the shadows, like think tanks, and those which people do not perceive as political agents, such as rating agencies and media. What is their responsibility? Is it possible to introduce accountability rules, holding them responsible for wrong advice and misleading information, as the EP has discussed (and adopted in a watered-down version) for rating agencies?