

Roland Kulke – Public Ownership in the EU, the energy system and the good life

Introduction

Some days ago, I had to visit a family member in the hospital. These are the typical moments where we ask ourselves the important questions, like what a good life means for us, our families, but also our larger communities. What are we striving at as communities as nations – as groups of human beings? What does this have to do with the question of “public ownership”, the central topic of this contribution? Certainly, a good health system can only be based on a common endeavour, and not on greed for profit. We’ll come back at the end of this contribution to pose some more philosophical questions the left must discuss when we talk about public ownership.

To understand the current multiple crises, we must naturally start at the level of the capitalist world system. First of all, the [Planetary Boundaries](#) are relevant here. Unfortunately, our civilizational crisis it is not only about the climate. We have passed four of nine civilizational boundaries: CO2, the extinction rate of animal races, phosphor and nitrogen in oceans and freshwater, and also the rate of deforestation. These boundaries forbid any ideas of old-school mass industrial big-push to grow out of the social-economic crisis, something what was done in the 1930 with the New Deal in the USA. That doesn’t mean that we can’t grow, but certainly not in the way of the 1960 and 1970 with “hydraulic” or “bastard Keynesian” approaches. So: Nature doesn’t allow us to grow as we want to. In the economic realm of our world-system we see the end of the growth era of the so-called “**privatised Keynesianism**” (driven by private debt with credit cards, no longer by public debt). Our current system hence can’t grow any longer for purely economic reasons, too. Historical data show that growth rates go down since the 1950s - from Japan to Denmark. Industrial societies seem to have an inbuilt law of tendency of falling growth rate. Neoliberal discuss this as secular stagnation, Keynesians might take recurs the so-called “long-term Keynes” with his seminal lecture on the “[Economic Possibilities for our Grandchildren](#)” form 1930. After the end of Fordism, the privatised Keynesianism of the Clinton era with liberalised financial markets and indebted private households offered new growth opportunities. This is over since the fall of Lehman brothers.

What is the next “big thing” then which capitalists currently hope for? The next big hope of the growing international capitalistic class is the **digital revolution** with parallel integration of China as a major capitalistic actor into the structures and management of the capitalist world order. The liberalisation process of the China is going on since the 1970, but only since recently China is emerging as an active political supporter of the juridical and political pillars of the capitalist system and has therefore become part of the quartet of the big capitalistic forces, together with USA, West Europe and Japan. In 2014 a

Chinese economist told the audience at the European Paris Summer University of ATTAC that China would be in the latest stages of being a late industrialiser. In five to ten years China would become a service economy and would accordingly join so-called “deep integration” agreements like TiSA etc. China seems to reach this stage now and will be on a different developmental level as the rest of the BRICS. We must admit that a potentially progressive window of opportunity has been closed. China is lost for a potentially progressive counter forces to the old capitalistic powers. Outside China the third world is also making huge progress in developing productive forces and is thus feeding the consumer hunger of its growing middle classes. The result is a democratisation of the deadly “[imperial mode of living](#)” (IMOL, Uli Brand & Markus Wissen) which so far was the birth-right only of the white (wo)man in the North Atlantic area. This IMOL is by definition based on an “outside” where social, economic and environmental externalities can be dumped. The welcomed development of Asia puts an end to the IMOL.

A preliminary **summary** so far: the financialised capitalism is dead as growth model, not dead as a reality, it just can't fix the problems for the leading capitalist factions any longer. The planetary boundaries and the democratisation of IMOL puts an end to our westernised growth model. We will see a totally different social model emerging – either controlled and in the form of a just transition or uncontrolled, chaotic and warlike.

What is the reaction of the leading new factions of capital? It is the digital revolution. First of all, it is about “**Industry 4.0**”, and it is the merger of the manufacturing system and internet. It is not clear if this is really a “revolution” or just a little bit more of the well-known technological change. We will see at which point the “law of the transformation of a merely quantitative change into a qualitative one” (Marx to Engels in a letter on 22 June 1867) might work here. The goals are: reduction of work(ers), higher capital intensity, total control of remaining workers and “lot size 1” for consumers. But the end goal is a truly “**Artificial Intelligence**”. Currently the preconditions for successfully learning how to develop AI is the harvest of data around the world in real time. The size of available data matters for the market access to „feed“ your AI. The **strategy** of capitalist forces, including China is **not** coherent as it is a truly intra-capitalist fight now for who will master the next stages of AI: either East Coast China – or West Coast USA. Anyhow it will be the Pacific regions, and the EU is not even playing in the third Ligue. In the last Davos meeting of the rich and powerful [76 countries](#) signed a declaration that they would like to work on a free trade agreement on „E-Commerce“ – incl. China. The inclusion of China will most probably block the success of this agreement. But we can never be sure. The ideas of the „old West“ in this regard are total deregulation of the world data market - harvesting in real time, no taxes, no local rules, especially no local servers necessary. Total eternal domination of the rest of the world, basically of California with some offspring on East Coast of Atlantic. Strangely enough the EU is acting, again, as a true vassal to the US-American plans, and basically opting for its underprivileged status as

not opting for economic defence mechanisms against the power of the US-industry. Additionally, there is one peculiar special group which recently re-emerged on the internal level: the triade. The „[Triade](#)“, consisting of Japan, USA and the EU was an informal actor until the 1980s. The main enemy are China, the Global South in general and socio-ecological transformation in particular. The trade ministers of USA, Japan and the trade commissioner of the EU pledge to work against: technological transfers to other countries, stopping worldwide subsidies to industries and work against state owned enterprises. As **summary** for this part we can state that the next steps of the leading factions of capital will consist in advancing dominance and control of capital vis-à-vis workers with the help of AI and the digital revolution and destruction of the last rests of public ownership are the aim of free trade agreements.

What can be our answer to this?! Humanity needs to change course in our production system: we clearly need [Public Ownership](#) in the energy system. What is so special about the energy system? Energy is one of the most important sectors of fossilistic capitalism - the energy system obviously is the heart of the CO2 emissions. The energy system is dominated by huge multinational and national firms which enjoy disproportionately political influence. We want the means of production. It is all about democracy. This is an old idea already in times of the peasant wars in the 1500s. But today it is highly virulent because we entered the age of post-democracy. People get fed up with hollowed-out institutions. Our parliaments become more and more like staffage to an ever increasing executive power which is collaborating with internal capital and conspiring in transnational committees like the „[regulatory cooperation](#)“ committees which CETA established. The [market doesn't deliver](#) – the data show that we get less and investment into renewable energies by private enterprises. Workers participation is not only fundamental in itself for avoiding alienation and giving power to the people, it also has strategic importance to secure the viability of sectors. In Germany in the 2010s the photovoltaic industry could get attacked easily by the neoliberal government as trade unions were not represent in this new sector. Now let's get more concrete with some examples. Cooperatives help communities by establishing democratic [participation and trust](#). But cooperatives can't solve the problem of energy production alone. One problem is: who is a member of a cooperative? Profit from cooperatives might get siphoned off from a region and get reinvested in another region. The left government of Berlin hence rather focuses on public utilities, and not only on cooperatives. The legal status can easily be changed from cooperatives to private firm, too. This happened in Germany in the 1980s, a new generation of cooperative members with different values just [changed the status of cooperative to usual private firms](#).

Let's talk about **existing economic policy room in the EU**. The EU is definitely nothing we understand as a progressive entity. But it is real and we have to engage with it. And if we believe it or not, there is policy room we must use to work in favour of our policy goals. There is policy for economic policy on the national level in the EU. Three recent examples might suffice:

The Dutch government has just invested 690 million Euro in buying shares of **KLM/Air France** which is a private enterprise to save jobs and the transport hub Schiphol. That is what we call old-school industrial policy AND public ownership! This has been done a few weeks ago only in the real existing EU. The next example: The "**It's owl!**" network in North Rhine Westphalia where ca. 200 million Euro are being invested totally, 100 mio. Euro by the public hand alone. This will support the most advanced combination of manufacturing with the internet, and yes, again: this is industrial policy. The last example: the **post-coal-era in NRW and Lausitz**. Forty billion (!) Euro will be invested in the next 20 years in these regions, on everything, from biotech, data centres to badminton hall. What else is this than massive regional/structural and industrial policy? These examples show us clearly: there is surprising policy room for creation of jobs and supporting new industries in the EU.

Three additional policy mechanisms help states here: they can use their **national development banks**. These banks work under the guidance of the state/government but they are not part of the public budget and are therefore not affected from the absurd 3% rule of the EU treaties. Furthermore, the treaties and ECJ court decisions laid down the possibility of so-called "**Inhouse-production**". Denmark could today decide to build up its own train producing enterprise. As long as the capital is coming from the state it would not be a problem. If a state does not have its own "state owned enterprises" it is a political decision not to have it, the reason is not the neoliberal character of the EU. Last not least: in the area of "**Services of Economic General Interest**" (SGEI) the member states of the EU have a rather large policy field to regulate and invest. At least (!) the following sectors are part of this field: public transport, the national health system, network-industries like telecommunication, the post, the energy system, the water distribution system, the waste management, the environmental services. The SGEI are a dynamic concept, that means they don't encompass a certain finite list, but this concept is open to interpretation. It is partly up to us and our states to define what we understand as being part of the SGEI. A **preliminary summary** for this part: Public ownership is necessary for climate and democratic reasons, and it is possible, even in the real existing EU.

We finish the discussion on public ownership with some reflections on the super-structure of non-market societies. Or, in other words on **questions of religion and spirituality in non-capitalistic societies**. The left has to take up the discussion on this as we want to build a truly humanistic future.

The argument here is: non-capitalist societies tend to have a more homogenous superstructure than capitalist societies. If the radical left argues in favour of a far stronger abolishment of the market - what will this mean for a **possible return of the religion in Europe?**

Both [Karl Marx](#) and [Norbert Elias](#) see parallel developments between soziogenesis and psychogenesis or between material base and superstructure of the society. These theories are well-known. What we will discuss here are two important economists arguing in this same direction: one is probably the most

important Marxist from the Global South and the author of the best Keynes biography – so two experts from different economic schools. The first is **Samir Amin**. His argument in his wonderful book “Eurocentrism” is that all advanced historical non-capitalist (tributary) societies had state-religions – as surplus was accumulated by a more or less centralised politically class. The religion provided ideological legitimacy. We might add that there are parallels to „proto-religious“ structures in the USSR with textual Marx exegesis. Why have there always been homogenised state religions? In non-market societies (historically especially in the tributary societies of ancient China, India etc) the economic exploitation is easily understandable. The feudal lords comes and take the surplus – no theory is needed to understand this. Therefore, a homogenous super-structure was needed to legitimise this exploitative social order. I asked Samir Amin about his implicit warning of a possible authoritarian state-religion in a communist future. He chuckled and said that this would be the “**Challenge of the future communist culture**”. Unfortunately, we couldn’t get into a follow up of this discussion – so I have no idea about how Samir Amin would have thought of solving this challenge. What we can say is that at least a leading Marxist saw the problem that a non-capitalist society might pose a challenge to liberal and human rights. **Robert Skidelsky**, leading Keynes biographer, **argues openly for a stronger religious influence in our societies** stating that: “Can a society which has no religious impulses motivate itself to pursue the common good? We do not really believe that this might be possible.” (own translation from Robert and Edward Skidelsky: *Wieviel ist genug? Vom Wachstumswahn zu einer Ökonomie des Guten Lebens*, Kunstmann, 2013, p. 376) Here the reasoning in favour of a stronger religion is that we supposedly need a stronger common ideological “kit” to guide common social actions. While Samir Amin argument is based on **materialistic historiography** the argument of the Skidelskys is based on an **Aristotelian philosophy**, which is often used theory in the groups arguing for commons. Having read Samir Amin’s argument it came as no surprise that after the pink tide of left governments swept LA in the 2000s, arguing for a new developmental model, only a short while after news of religiously inspired super-structures reached Europe, too. **Buen Vivir** and especially **Pachamama**, which is a mix of more or less indigenous religious believe systems with ideas of Maria from the Catholic Church. These models are **culturally bound and not transferable**. Especially in a rather strong atheistic and gnostic environment like Western Europe these ideologies have no potentialities for gaining ground in larger parts of the population.

The final question now is: how can we as radical leftists develop an open and inclusive super-structure which allows both: guidance for us as well as a radical „laissez faire“ in regard to individual values. To put it in more theoretical words. How can we save the progressive parts of “modernity” in a post-fossil-fuel non-market economy?