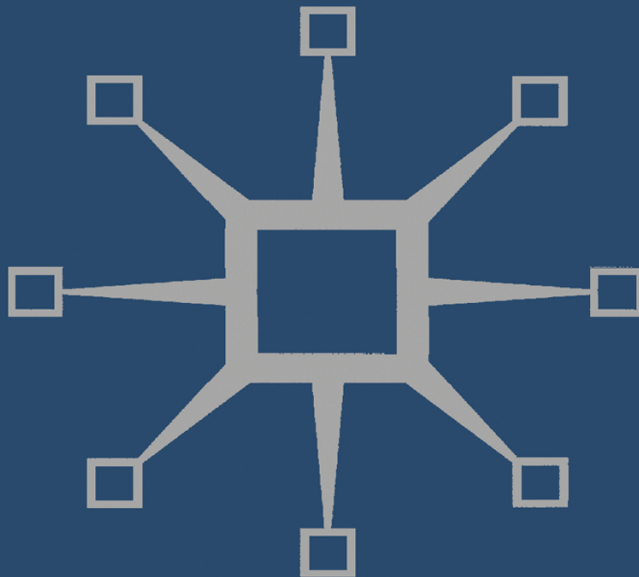


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The Future of European Social Democracy

Building the Good Society

Edited by
Henning Meyer
Jonathan Rutherford



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Preface

Social Democracy in Our Times

We first met in 2008, in Berlin, at the beginning of what became the biggest economic crisis in 80 years. In spring 2009 we launched our declaration, *Building the Good Society*, which started a debate about new ways to achieve social democracy in Europe after the crisis. After a series of Europe-wide seminars and conferences, now we have an academic book that is developing what we began. The Good Society project has been an extraordinary achievement. The essays here explore the depth and range of the changes to our economies and societies over the last three decades. They issue a challenge to us, as politicians, to re-connect with our values and the people. They begin to formulate a new kind of politics for European social democracy. The great strength of *Building the Good Society* has been the give and take between politicians and academics. This project has developed in the best of our traditions of bringing together theory and practice.

Social democracy across Europe is in grave difficulty, but it is precisely during this time of political crisis that we look beyond a narrow concept of state, market and society. Our declaration, *Building the Good Society*, which you can read at the end of this book, begins a new period in the fortunes of European social democracy. We hope that it will continue to be read and debated widely, and that in this dialogue a new movement for democracy and the good society will grow. There is a long road ahead, but we will travel it together.

Andrea Nahles and Jon Cruddas, MP

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Christian Kroll is a visiting scholar at the Harvard Kennedy School of Government whilst completing his PhD at the London School of Economics. His research focuses on quality of life, happiness and social capital. He also contributes to the current debate around the measurement of progress and well-being beyond gross domestic product and

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Part I

Introduction

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Building the Good Society

Henning Meyer and Jonathan Rutherford

This book is both academic and political in its making. It represents a larger process of reconfiguring and renewing European social democracy. Both of us were part of a group of people who met in Berlin in the winter of 2008. Leading the initiative were two rising political stars: Andrea Nahles who was then the elected Vice-President of the SPD and Jon Cruddas Labour member of parliament (MP) for Dagenham and Rainham. Cruddas had established himself as a politician of national significance during the 2007 campaign for the deputy leadership of the Labour Party.

The purpose of the meeting was to explore the prospects of a new alliance between the SPD and Labour that would revitalize a failing European social democracy and would make a break from a decade of Third Way politics. In June 1999 Tony Blair, prime minister of Britain, and Gerhard Schroeder, chancellor of Germany, had published a joint declaration of European social democracy. Their statement brought together the ideas of the British Third Way and of the German *Neue Mitte*. Blair and Schroeder wrote that their model of social democracy had found widespread acceptance: 'Social democrats are in government in almost all the countries of the union.' By the time of our meeting in Berlin the situation was entirely different and social democracy was losing elections across Europe.

The task we set ourselves in Berlin was to write, collectively, a new joint declaration of European social democracy and to publish it on the anniversary of the Blair-Schroeder statement. It was published in April 2009, under the joint authorship of Andrea Nahles and Jon Cruddas. Its title signalled a major shift towards a politics that placed democracy and society before the market and before the state.

In the press release announcing publication we said:

We have a vision of the good society and a more egalitarian economy that will create a secure, green and fair future. But to achieve it capitalism must now become accountable to democracy; and democracy will need to be renewed and deepened so that it is fit for the task. A good society cannot be built from the top down, but can only come from a movement made by and for the people. Creating the good society will be the greatest challenge of our time and it will shape the lives of generations to come.

In January 2010, Compass and the Friedrich-Ebert-Stiftung hosted a London conference: 'Building the Good Society – A European Perspective'. The event brought together participants from 19 countries to debate the new declaration and to establish a pan-European network to build a movement for change. Preceding the event, *Soundings* journal and *Social Europe Journal* ran the first pan-European online debate on the future of European social democracy. The wide-ranging discussion lasted for seven weeks and included 90 leading thinkers, politicians and activists. It gave shape to the parameters of future debate. Following the 2010 conference, there have been a further series of conferences in Sweden, Turkey, Germany and England. The book has grown out of this activity. Many of its contributors were involved both in the online debate and in the conferences.

As the book nears completion, the situation is arguably much worse for European social democracy. In the German federal election of September 2009 the SPD's support collapsed to a catastrophic 23 per cent. Labour narrowly avoided a similar collapse in the 2010 general election, after managing 29 per cent of the vote – its worst election result since 1918. In the same year, in the Swedish general election, the social democrats registered their worst result since 1911. Britain, Germany, Sweden, Holland, Italy and France form the collective home of European social democracy. They are currently all governed by centre right parties. As former Labour foreign secretary, David Miliband said: 'Left parties are losing elections more comprehensively than ever before.' Change is essential. But the question for social democracy is: What kind of change?

We begin with Stefan Berger's history of social democracy in Europe. Stefan identifies what appeared to be a social democratic renaissance in the second half of the 1990s, associated with the 'unlikely contestant of the British Labour Party setting the agenda'. As we now know, the renaissance was short-lived and social democrats found themselves

with little to counter the advances of neo-liberalism. Their parties were reduced to representing brittle coalitions of public sector workers, the poor and the liberal middle classes. James Sloam and Isabelle Hertner add substance and detail to Stefan's history by focusing on some of the organizational and political structures of the EU. They argue that, as Social Democratic Parties have sought to reconfigure themselves at a European level, they have become disconnected from their supporters and voters, who remain distant from the Europeanization process. James and Isabelle write that the ideal of a 'social Europe' can be the unifying theme that revives European social democracy and re-connects it to its national voters.

Stefan Collignon takes up the cause of social Europe and sets out the political and philosophical pre-conditions for its realization. His chapter is an example of the central importance of political economy in the formation of European social democracy. The revival of its fortunes will not come about through a series of new policy initiatives, but it will require the excavation of social democracy's founding values in order to build new foundations. On these foundations social democracy can reconstruct itself for a Europe which will 'belong to all of us'.

Stefan's discussion of money leads into Part II of the book, on political economy. At the heart of the crisis of European social democracy is the absence of a viable alternative to the neo-classical economic theories that have dominated the last three decades and provided intellectual legitimacy for the neo-liberal model of capitalism. Globalization and the influence of the Third Way led to the uncritical embrace of markets and corporate-driven globalization and to a fundamental shift away from Keynesian economics. Now, with neo-classical theories discredited and the neo-liberal model a ruinous disaster, social democracy is bereft of a political economy. Sebastian Dullien, Hansjörg Herr and Christian Kellermann begin to remedy this situation in their chapter 'A Decent Capitalism for a Good Society'. They remind us that, for a long period, social democracy did not have anything to say about the contemporary model of capitalism. Its idealogues and politicians talked about markets and globalization, but they steadfastly avoided any analysis of the dynamic of capital accumulation, of the drive downward to the bottom line and of the tendency to corporate monopoly. Nothing captured the ultimate problems of New Labour more than its naïvety around financial capital.

In our first meeting in Berlin, we English and Germans tentatively explored our differences and sought out a common ground. The discussion began to sag a little. Would we begin to talk in circles, thinking in tandem but not together? The pivotal moment came when the question

of capitalism was introduced. Let's talk about the capitalism we all live in, and let's try and understand what it has done to our societies and how it has transformed the fortunes of the left in Europe. We had a conversation. As the authors of *A Decent Capitalism* say, capitalism is back on Main Street. Its attempts to commodify money, labour and nature fundamentally fail, and they cause great damage to people and society in the process. Markets need clear rules, clear tasks and clear limits if they are to provide the basis for the development of the good society.

Colin Crouch focuses on the central problem of modern capitalism – not so much the market or the state, but unaccountable corporate power. The decades of neo-liberal dominance did not deliver the perfect competition and self-regulating markets of its fantasies. It created monopoly and an economic system that increasingly evaded democratic accountability. As Colin argues, the consequence of an economy dominated by giant global corporations has been 'a rise in overall inequalities of wealth and income in advanced societies, reversing a longer-term trend in market economies towards reduced inequalities'. What is needed in order to begin to reverse the trend is the invigorating power of civil society. Colin quotes J. K. Galbraith's call for groups of 'employees, consumers, savers and shareholders' to exert a balancing power against corporate might. Imperfect maybe, relying on the power of the powerless certainly – but, as Willy Brandt, said we must dare more democracy.

Who dares might win, but current senior social democratic politicians are not renowned for taking risks. They have proved to be tentative about embracing new ideas, wary of changing direction, and lacking in inspiring leadership. They err on the side of caution, calculating the electoral arithmetic, the future always only a few weeks ahead, the task of the next tactic that will secure today's political advantage. That now has to change. Across Europe, Social Democratic Parties are going to have to create structures and spaces within their party organizations that unleash a transformational intellectual and political dynamism. They will need new words that create a different vocabulary of social democracy, networks that link parties with social movements, and new ways of organizing in communities and workplaces.

We begin Part IV of our book with Elisabeth Wehling and George Lakoff arguing for a new language for social democracy. Their reasoning is straightforward. Political success does not lie in trying to argue better than one's opponent. It comes from fundamentally reframing the terms of the debate and arguing differently. They cite the simple example of how left politicians fail to break with the right's negative language

of tax. 'Phrases they use when talking about taxes – such as "tax burden", "tax relief" and "tax refugees" – reflect this moral reasoning, and more: they evoke it in the listener's mind'. As a case study, they examine Labour's 2010 election campaign.

Nowhere has the negative language of the right attracted more than in the trade union movement. Dimitris Tsarouhas begins his chapter with the question: 'Are trade unions still relevant for social democracy?' He reminds us that social democracy grew out of the working class struggle to create trade unions and that this is an extraordinary question to be asking. But in the last few decades, as Social Democratic Parties shifted to the right, they disengaged themselves from the labour movement. Dimitris argues that 'the Third Way fallacy of excluding the unions from the attempt to build a progressive alliance betrays a dangerous neglect of the labour movement's foundations as well as a disregard for the practical realities of the labour market. A good society needs a strong trade union movement.'

If Dimitris' chapter is less about re-framing the argument in favour of unions than about reminding people of their essential role, then Christian Kroll's chapter on happiness pushes social democracy towards the new language of well-being. For the last century, gross domestic product (GDP) has guided politicians in their search for a better society. But it is not a good compass if we wish to create a good society. As Christian points out, GDP as a metric may actively promote the wrong decisions, such as allowing the financial sector to pursue short-term profit. Christian's alternative is to find ways of measuring quality of life by using subjective indicators of well-being. Asking people how they perceive their living conditions encourages a bottom-up rather than a top-down approach. Their responses allow for a subsequent statistical analysis of what factors correlate with high well-being. The good life is what people define as such, rather than something that is imposed on them.

As we reach Part V of the book, 'Political Futures', we have set out a context for the electoral failures of social democracy, identified the central importance of developing a new political economy for the good society and identified three key strategies for renewal – a new language, a new and different relationship with the trade unions and a new metric by which to measure the value of social democratic policies. In the final section we incorporate these elements into a wider imagining of what political shape the future might take.

Jonathan Rutherford argues that social democracy must return to the local and to people's everyday lives and construct a new politics

and language out of people's everyday lives and experience. European societies have changed significantly in the last three decades, and we lack a sociological understanding of the kind of societies we live in. Social democracy has to go back to the people, in order to reconnect with their hopes and fears and thus to rebuild active popular support. Henning Meyer's chapter identifies how the neo-liberal model of capitalism undermined community and compares New Labour's neo-liberal-influenced decisions on the economy with Germany's social model. He addresses one of the central debates in Jonathan's appeal to a more conservative tradition of socialism: the contrasting demands and claims of communitarianism and cosmopolitanism. He argues that social democracy must explore the paradoxes in its traditions in order to evolve a new politics for today.

Jenny Andersson looks to the future not so much as to a glimmer on a distant horizon as to an active presence. The future is defined in our daily lives, and politics gives it expression. Nothing does so more than New Labour. As Jenny writes, '[n]ew Labour embodied this futurity more than any other political movement, constantly geared towards the management of the potential of the people and with the governing of aspirations and hopes of people'. Its emphasis on aspiration and opportunity relocated political content to the future. This progressive politics has, she writes, 'a tremendous paternalism', an authoritarianism that says 'I know what future is best for you and what you are destined to become'. It is, she argues, an 'inherently utilitarian approach to people as becomings of future use'.

This analysis is a devastating moral critique of the progressive politics that overtook Social Democratic Parties. As Jonathan argues, it brought with it a contempt for settled ways of life and a disparaging of the love of country. Those who valued tradition were dismissed as dinosaurs, and those who called upon the radical traditions of socialism were accused of romanticism. Life was to be lived facing the future, in an ever intensifying pursuit of personal gain and self-recognition, as if the project of social democracy had foundered in fear and denial of loss.

The final chapter is a challenge to social democracy to change or to lose political relevance. Ben Little and Deborah Grayson look to the future and see some fundamental changes in the nature of political organizing. Political activism has shifted away from its connection with the party towards networks. And these networks, particularly those associated with identity politics, are beginning to re-constitute the national in politics. Ben and Deborah write that social democracy needs to re-articulate the relationship between the local, the national and the

global. It can learn from the way in which social network technologies enable connections between people and things. The cultural shifts around the new digital network technologies offer the potential for a more social and more democratic politics and society. In Part VI of the book, Henning Meyer and Jonathan Rutherford conclude that political power is increasingly being wielded by those who embrace the network logic. But the future belongs to those who are capable of harnessing the energy and innovation of the networks and of reconfiguring them into new institutions with a degree of permanence. Can social democracy achieve this kind of political transformation? Does it have a future as a moral and cultural force for good? Will it recover its historic role as defender of society against the destructive dynamism of capitalism? These are the questions that lie before us, waiting for our answers.

Part II

Social Democracy in Europe

1

Social Democratic Trajectories in Modern Europe: One or Many Families?

Stefan Berger

The social democratic movement in Europe has been a consciously internationalist and transnational movement from its inception. The conceptual confusion around the terms 'social democratic' and 'socialist' indicates at times simple homologies and at times ideological differences. But, from the early socialists of the nineteenth century to Karl Marx and the leading socialists of the nineteenth and twentieth centuries, they were always clear about one thing: they represented the interests of workers and ordinary people everywhere. Hence they also founded Internationals to which socialist movements affiliated. However, such internationalism always co-existed with a very effective nationalization of Social Democratic Parties right across Europe. As political parties organized themselves within national frameworks and sought representation in national parliaments, their 'natural' constituency was made up of national publics (Schwartzmantel, 1991; Sassoon, 1996).

Such nationalization of their organizational activities led to the nationalization of socialist consciousness, which was so impressively underlined by the support of (almost) all Socialist Parties for the war effort of their respective countries at the beginning of the First World War. It is this tension between nationalization and internationalist commitment that has characterized European social democracy from the nineteenth century to the present day, and it will form the backdrop of this brief essay on social democratic trajectories in Europe. How many trajectories were there? As many as there were nationalized Social Democratic Parties? Or can we in fact talk about only one trajectory, taking into account the strong internationalist commitment