

The Impossibilities of Reformism

Petter Nilsson

This article was originally developed some years back as part of a dialogue with the left wing of the Swedish social democratic party (SAP). At the time there was a period of turbulence within the leadership of the party and a strong hope from earnest radicals within the SAP that if they could get a decent party chair this would, for the first time in some decades, get the party back on track. In 30 years the SAP has lost 90 % of its membership, even if 75 % of this loss is due to the severing of the automatic membership affiliation from the Swedish trade union confederation. Its new historically low membership of 89000 matches its equally historically low showings in elections with around 31 % in the last two elections.

At this new low point, it is still the biggest party in Sweden in both members and votes and no progressive project in Sweden can avoid addressing the fact that the SAP is still the majority party of the Swedish labor movement – even if with a lesser and lesser margin. Therefore, the arguments made in this text have to be continually put forth, even if arguments levelled at a much stronger social democracy might seem unnecessary when even the third-way is faltering. The fact remains that every strategy for radical social transformation in Sweden has contend with the status of the SAP, in sickness and in health.

We would like to use this text to begin a dialogue with those comrades within social democracy who contend that the last 25, 15 or 5 years of bleak development is the result of a series of coincidences – poor leadership, international pressure, mistakes, cunning opponents, etc. – and we would instead propose a more fundamental explanation. The problems we point to are not the results of a fundamentally non-antagonistic social development occurring on a reformist basis, which has been corrupted by individual actions. Rather, they are problems that are inherent and unavoidable in the very reformist strategy that social democracy is built upon – in both its successes and its failures.

Reformism as a concept

The meaning of the concept of reformism is often vague. There are a number of different dimensions in the distinction between a reformist and a revolutionary political position. It is possible, for example, to speak of a distinction in terms of political philosophy. Reformist-oriented socialists have tended to embrace a number of the liberal political institutions (parliamentary democracy, representation primarily through the individual citizen whose individual rights are constitutionally protected, a separation of powers enshrined in the constitution, etc.) and have been sceptical of, or at times directly hostile to, visions of alternative political models oriented towards some form of participatory democracy or other forms of representation, for example inspired by the Paris Commune or the workers' councils of the early 20th century. This distinction spills over to the conception of political legitimacy in the transition from liberal capitalism to socialism. Reformists have tended to imagine continuity when it comes to the political institutions, as guarantees that this transition will not entail abusing the rights of the individual. "The Masses" seem to be politically acceptable only if they are channelled, or individualised, through the liberal political institutions. In the cases where reformist socialists have built popular movements they have at the same time tended to accept and affirm a distinction between civil society and state: the reasoning seemingly based on the fact that the "trans-individual" character of popular movements is politically legitimate only to the extent that it remains within the boundaries of civil society and that there is a more fundamental political order – the constitution of the nation state – that places the individual in the centre. One could argue that within the reformist traditions there is a certain continuity with John Locke's theses on legitimate revolt: it is only right to revolt if the revolt itself is constitutional.

In this text, however, we would like to leave reformist political philosophy (its "fear of the masses") aside and instead emphasise another dimension of the term: a dimension that appears if one instead defines it in terms of a strategic road towards socialism by progressive reforms implemented through parliamentary decisions. What we want to discuss are the assumptions this strategy is based on and the dilemmas that adhere to it.

The expression "the road to socialism" is emblematic of the way reformist labour movements conceptualise transformation. It implies a sort of straightforward linear progression. The way of thinking, which is revealed in the use of spatial metaphors,

is also present in the political analysis; revolutionaries as well as reformists are presumed to be fellow travellers on the same road. The distinction between the two strategies is only about pace and patience, where the revolutionary strategy is often portrayed as only an expression of immature restless adventurism. As we will demonstrate, the social democratic historical narrative paints a picture of a reformist movement that has approached socialism step by step, but for different reasons has gone astray. In this narrative, however, there are no fundamental problems with simply reassuming the trek on the path they deviated from. We, on the other hand, would contend that a radical transformation of society inherently necessitates something other than an accumulation of reforms of current society. Reforms can establish favourable conditions for a break with the present – but it never achieves that break in itself. Continuing for the moment with the metaphor of a road to socialism, we would like to claim that the structural character of the relations of production in the economy shapes certain clefts along this road, precipices that the labour movement can pass only by leaping.

Our index for judging the successes of reformism in the long term is therefore not welfare reforms as such (which in and of themselves can be important for people's lives), but only their impact on the possibilities of a radical social transformation. Such a transformation is dependent on a social force, and our standpoint – however orthodox it may seem today – is that its essential component is the working class.

Social-democratic historiography

Let us begin with a brief summary of how the reformist socialists of today commonly explain the success of Swedish social democracy from circa 1920 to 1980, and its decline thereafter.²

If the power of the bourgeoisie stems from its control of capital, then the power of the working class rests on its degree of organisation. During the late nineteenth century and early twentieth century this degree of organisation increased more or less continuously. As long as the labour movement was weaker than its counterpart the antagonisms on the labour market were played out in a relatively militant way. Later, well into the twentieth century, when the balance of power between the antagonists began to level out, the outcome of conflicts became more difficult to predict and the cost of conflict increased for both parties – this without the labour movement being strong enough to challenge the entire capitalist system. Thus there

arose a mutual interest in a historical compromise. This compromise came about in the 1930s, first with the formation of a social democratic cabinet in 1932, and in particular with the crisis agreement in 1933 (the so-called “kohandeln”); then by the institutionalisation of conflict regulation in the Saltsjöbaden agreement in 1938.

The historical compromise was therefore, according to this perspective, not necessarily harmonious class cooperation, but rather a *modus vivendi*, built on a strategic assessment of the balance of power. It constituted, however, a framework within which the working class could continue to successively build up its strength during the post-war era. By its numerical superiority the labour movement could seize political power through parliament, which could then counteract the economic power of capital. There were thus strategic reasons for seeking to fetter union militancy on the grassroots level in order to secure political success for a social democratic government that prioritised full employment, expansion of the social insurance system, etc. There is a shift of focus, during the post-war era, from the trade-union branch of the labour movement to its parliamentary branch. Decreasing levels of conflict on the labour market are perceived as an expression of the cumulatively increasing strength of the working class and therefore as a ripening process on the road to socialism.

The decline of the reformist project since the 1970s is then explained in the following terms: the oil crisis that appeared in 1973 (OPEC 1) resulted in high inflation in many countries. This gave neoliberal ideologues a pretext to agitate against Keynesian economic policy. In Sweden it was above all Sture Eskilsson, head of the information department of SAF (Swedish Employers Association), who actively tried to seize the initiative in the debate and launch a new offensive in the arena of public opinion. This escalated when Curt Nicolin became chair of SAF in the mid-1970s.

For some quite unclear reason certain leading circles of the Social Democratic Party begin to embrace this thinking. It is particularly Erik Åsbrink and Kjell-Olof Feldt who became advocates of neoliberal ideas. Behind the backs of Olof Palme, Sten Andersson and the great majority of the party they cooperated with economists in the Swedish central bank to enforce a deregulation of the credit market in November 1985. The political significance of this reform is that it triggered a chain reaction of “liberalisations” when the state was deprived of an important tool for tempering the

growth of inflation. The deregulation, however, also led to a real estate bubble and ultimately to the domestic economic crisis in the beginning of the 1990s. Since that time, however, neoliberal ideas have gotten such a foothold in public opinion that the economic crisis can now be portrayed as the symptom of an overly large public sector and thus motivate austerity policies and privatisations.

To sum up, it is fair to say that this historiography, or this way of conceptualising the history of Swedish social democracy, rests on the following assumptions:

- First, the account rests on a parliamentary hypothesis. By this we mean the assumption that in a parliamentary democracy the development of society is determined by the character of the parliamentary government.³ This assumption, in turn, implies a number of other assumptions: (i) that national conditions are by and large independent of international conditions; (ii) that the state is a neutral instrument in the hands of those elected by popular mandate and is not structurally dependent on, for instance, the class nature of the economy.
- Second, the account rests on a distribution hypothesis. By this we mean the assumption that the working class and the bourgeoisie are two independent agents that contend over the distribution of what is produced within the economy. Antagonism between classes is conceived of purely as a question of distribution or allocation, and thus as if they were isolated from structural contradictions within the production process itself. Relations of production do not seem to constitute any kind of structural obstacle or dilemma for the labour movement in exercising power. Capital seems to be conceptualised primarily in terms of a factor of production. It is only the bourgeoisie's control of this factor of production that is politically problematic.⁴
- Third, the account seems to rest on a stability hypothesis. By this we mean the assumption that economic relations as a rule are stable and that it takes external factors for an economy to be pulled down by a crisis.

The consequence of this historiography is that the left within Swedish social democracy perceives the breakdown of reformist socialism in the last decades as a consequence of external historical contingencies and inner enemies. The political consequences are that the left within social democracy seems to consider its primary

task to accuse the social democratic leadership of betraying the labour movement in their turn to the right.⁵

Strategic limitations of reformism

1. The ideological effects of parliamentarism

The parliamentary hypothesis implies that state power as a rule is something that is exercised by a population through democratic elections. In this way of thinking, the institutional configuration of the state, as well as its policies, reflects the ideas that dominate within the population. State power is for this reason perceived as a secondary phenomenon in relation to those processes within civil society according to which certain ideas come to dominate over others. If a large part of the working class is not socialist in political orientation it is because it has been influenced ideologically before and independently of the voting for parliament itself. If the labour movement were able to win an ideological struggle within civil society, it would presumably be able to use parliament as a neutral tool.

We believe that there are good reasons to question these assumptions. If capitalist relations of production divide the population into separate social classes, parliamentary representation disregards such stratification. Parliamentary elections address, or hail, the isolated individual as a private citizen. In parliament the population is represented abstracted from its division into social classes, as if it consisted of equal citizens. A concrete inequality in society at large is represented as formal equality in the state. In parliamentarism, the equal unity that is the abstract result of its specific representative mechanisms appears as the precondition, or starting point, for self-rule of the masses. For this reason we believe that there is an ideological dimension inherent in the parliamentary institutions themselves. Ideology is consequently not something that is played out exclusively before, and independently of, voting to parliament.⁶

Our point here is not that social democrats that engage in a parliamentarily oriented politics automatically lose their class perspective. There is probably a series of counteracting tendencies here, for example in trade-union organisations. But the ideology inherent in the parliamentary institutions has a tendential influence, with the risk that it may prevail in the long run. Instead of conceiving of social democratic MPs as the parliamentary branch of the labour movement – as something

instrumental in relation to the goals of the labour movement – there is a risk that, with time, a certain loyalty to the institutions themselves will arise and therefore a certain affinity with the sort of unit that is represented there. Even if society still appears as a class society it seems that the ideology of parliamentarism suggests the notion of a more fundamental democratic and therefore equal fellowship beneath these class differences. The latter consequently appear as shallow in relation to the more fundamental fellowship beyond class differences. We consequently risk a transition from ideas of socialism to ideas of corporatism and “the People’s Home”.

2. The demobilising effects of parliamentary strategy

Parliamentary representation has furthermore the effect of transforming the parties that engage themselves in parliamentarism. The members that become parliamentarians are transformed into representatives of the movement. Conversely, the movement becomes represented by its leaders. Hence, the reformist strategy implies the establishment of a moment of delegation in the structure of the reformist-oriented organisation. The mass of party members do not themselves participate in parliamentary work. Their activities are reduced to supporting their representatives, at the same time as the activities of the representatives become detached from the everyday life of the masses. Instead of supporting the activities of the mass of party members, parliamentary orientation entails a representation that by and large replaces this activity. The reformist strategy consequently comprises a demobilising tendency.

Furthermore, it seems that parliamentarism inevitably forces the reformist party into a position of “taking responsibility”. In order to maximise its influence in parliament the reformist party must try to win votes outside its own movement. Consequently, the party’s parliamentarians are put in a situation in which they come to represent their voters, rather than the movement. This widens the gap between the party leadership and the rest of the movement. It also generates incentives to subordinate the latter to the former in a stricter way, in order to be able convincingly to hold out the promise of representing, and consequently being personally accountable to, the non-movement affiliated voter.⁷

Structural obstacles on the parliamentary road

1. Dependence on the capitalist sector

The labour that is performed in the capitalist sector results in a product that is distributed between wage labourers, companies, rentiers and the state. People who administer the state hold a position in the economy that gives them opportunities to acquire privileges, wealth and power through the state's capacity to levy taxes. The state provides the capitalist sector with a juridical system and laws without which it could not operate, but at the same time the state is dependent on tax revenues from the incomes in the capitalist sector and credits in order to act in the world economy.

This dependency forces state managers to be concerned about maintaining economic activity, irrespective of whether they are bureaucrats or elected professional politicians and regardless of whether their goals are to build up military capacity or implement social reforms. At the same time, they have to assume an economy-wide perspective in order to keep the destructive effects of the capitalist sector – e.g. crises and unemployment – in check, or else the state rapidly risks losing political support from other sections of the population on which it is dependent to various degrees.

Economic activity is strongly dependent on the level of investments, which both raises the productive capacity and constitutes an important part of the total demand in the economy. This basic fact gives individual capitals a collective veto over policy: Firms make productive investments and rentiers provide credit depending on how they perceive profitability and the political-economic climate, that is to say, the stability of society; depending on whether the economy is expanding, the demands of the workers' movement is kept under control, taxation of capital does not increase, and so on. If the business confidence of capitalists falls, so does the level of economic activity and hence the scope for state policy. This occurs in the context of rival states historically pre-dating capitalism, which act in a world economy. An investment strike is followed by capital flight to other states and difficulties in obtaining credits for foreign exchange.⁸

This structural mechanism disciplines individual states under stable conditions to implement policies that do not harm the confidence of owners of capital and, on the contrary, act to maintain a stable development of the entire capitalist sector.⁹

2. Economic consequences of a high investment rate

In a capitalist economy the average rate of return on invested capital is determined in the long term by the balance between three factors:

I: Growth rate of the total labour time

II: Growth rate of productivity

III: The share of profits that is reinvested

Factors (i) and (ii) contribute to raising profitability, while the investment level (iii) lowers it.¹⁰ A steady inflow of wage labourers thus increases profitability through factor (i). This occurs in an early phase of an industrialising capitalist economy. But this rate of growth cannot exceed the population growth for long, and hence it declines with time as it approaches demographic constraints. Once this happens it is only the balance between the investment level (iii) and the development of productivity (ii) that can counteract a decline in profitability that would be caused by demography regardless of the wage level. If the balance – this depends on the institutional configuration for investments and the prevailing innovation phase in production – is not advantageous average profitability declines and increasingly companies are pushed towards a profitability crisis.

Contrary to the stability hypothesis there is an inherent tendency towards crisis in capitalism that a reformist strategy has difficulties in managing: it strives for a high investment level, but if productivity growth is insufficient to counterbalance it, profitability is lowered and lack of business confidence to continue to invest increasingly becomes a factor of pressure.

Conversely, profitability could be stabilised on a higher level with a low investment level but relatively lower productivity growth as its price. But that also means that the scope for reforms is reduced and a larger share of society's surplus product is consumed unproductively instead of being invested.

3. Political consequences of a high investment rate

Full employment in capitalism requires a high investment rate, and was achieved in Western Europe after World War II. But the Polish economist Michal Kalecki already predicted in 1943 that maintenance of full employment would cause such social and political changes that it would reduce the confidence of industrial capital:

“Indeed, under a regime of permanent full employment, the ‘sack’ would cease to play its role as a disciplinary measure. The social position of the boss would be undermined, and the self-assurance and class-consciousness of the working class would grow. Strikes for wage increases and improvements in conditions of work would create political tension”.¹¹

Further, firms would attempt to compensate wage demands and taxes by raising prices, that is to say, by inflation, which damages the interests of rentiers. In other words, a class configuration between wage labourers, industrial capital and rentiers that enables a high investment rate and full employment would undermine itself because of the shifting balance of power between classes that is its result.

The welfare state in a western European context

The establishment of the modern welfare state and the historically low unemployment in Sweden is seen by reformist socialists as a confirmation of the parliamentary hypothesis that we described earlier. In that case the historically unique long period of government dominated by social democracy would lead to a significantly different development in Sweden than in comparable countries with other parties in government. Let us take a look at some of the central progress made in a Western European context.

A modern welfare state has a considerable social insurance system and a high share of expenses for social purposes. In Sweden the degree of coverage was already very high in the 1920s in comparison with other countries and did not change thereafter in any decisive way during the social democratic period. What remained for a long time as the most substantial state social insurance in the world was founded in the United Kingdom during the war years by a commission under the leadership of the liberal William Beveridge. Even the success of ATP (the Swedish “Supplementary pension”) in the year 1959 was comparable with pension reforms in Christian-Democratic governed West Germany and the conservative United Kingdom around the same year.¹²

The Swedish state has a longer tradition of relatively large social expenses. About a third of the public expenses went to social purposes in 1890, which can be compared with a fifth and a fourth for the UK and the USA respectively, and less than a tenth in France and a third in Germany 1913. At the time of the SAP’s entry into government in 1932 the share of social expenses in public expenditure was 45%. In 1962, after 30

years of an uninterrupted social democratic hold on government office and about two decades of exceptional growth, this share had only grown to 50%.¹³ If we look at the social expenses as a share of domestic product then Sweden held a middle position for a long time. In 1965 its figure was 13.5%, about two percentiles lower than Belgium, France and Holland, countries which were not dominated by social democracy. It was only by the end of the 1960s that social expenses expanded heavily, a large part of which was due to the pensions, and in 1973 Sweden, together with Christian-Democratic governed Holland, held the top positions with 21.5% and 22.8% respectively.¹⁴

If we finally look at unemployment then the SAP's entry into government did not amount to much; during 1936-40 the rate was around 10% among trade-union confederations members, which was the same level that had obtained in 1923-30.¹⁵ It was only after World War II that the labour movement's demands of full employment became a prioritised goal in Europe, until the crisis in the mid-1970s. When unemployment subsequently skyrocketed in the OECD-countries to rates above 10% in some cases, the four countries with the lowest rates were Switzerland and Japan followed by social democratic Norway and Sweden, all under 4% in 1984.¹⁶

The establishment of a modern welfare state and an institutional commitment to full employment was therefore nothing specific to countries that were dominated by social democratic parties. Rather, social democracy was a channel through which high tides from the advanced capitalism of the post-war eras were transported to Sweden. It was certainly "not irrelevant where and how such a channel is dug"¹⁷, which is evident in the universalism of the social-democratic welfare state, based on principles of citizens' rights, and its public provision of services. But in light of a comparative analysis the parliamentary hypothesis is heavily undermined, given the SAP's uniquely long time in government.

The high tides were formed by massive destruction and the outcomes of the Great Depression and world wars, which altered the balance of forces between peasants, wage labourers, industrial capital, rentiers and state managers on the European continent. War mobilisation and anti-fascist resistance movements had led to a collective and solidaristic organising of a considerable part of the populations as well as to an experience of armed struggle. The state of affairs after the last war also expanded the state's role in regulation of production and distribution. State

managers prioritised reconstruction and industrial development. The rentiers' ability to extract interest and dividends was curbed in order to maintain high investment levels in productive capital. Also, the mobility of capital was restricted by the help of global institutions – the Bretton Woods System – that were established in the new balance of forces between nation-states. At this point in time the potential investment veto of capitalists would have been of marginal significance because the economic situation was already disastrous. At the same time it can be assumed that the expanded rights of the working classes in West Europe were accepted when industrial capital stood to gain from the reconstruction process; nationalisations were a real threat that both states and labour movements had on their agendas; and still worse, Eastern Europe was demonstrating the possibilities of an alternative non-capitalist process.

It is in this context that the well-organised and centralised labour movement led the welfare-state project in Sweden – first in alliance with the peasantry, which finally was decimated by industrialisation; then with a section of the rising professional middle class. In perspective, the SAP's time in office shifted between reformist and administrating periods. Two observations can be made here. First, the reform offensives during 1932-48 and 1968-76 were preceded by successful waves of industrial conflict. Second, they were interwoven with the conjuncture in the global political economy – world wars, Western European reconstruction, international strike waves, etc. This gives us reason to return to the strategic limitations of reformism and its structural obstacles in order to understand its decline.

Conclusions

Already in 1958 the social-democratic PM Tage Erlander thought that if the movement could manage to implement the pension reform the great period of reforms would be over. It would then require a renewal in order to tackle the structural change of the economy that he considered necessary for a welfare society. But, as a “prisoner of the reformist thinking of an old era”,¹⁸ he did not see himself as capable of achieving such a renewal. We contend that the same can be said of reformist socialists who hope to repeat the successes of the reformism of an earlier era.

If successful reformist policy is not to be simply torn down by a mere change in government, each parliamentary advance must be used to strengthen and expand the labour movement's extra-parliamentary capacity – to organise people, formulate political programmes from their own perspective and control parts of the economy. We have indicated that the dependence on the capitalist sector is the fundamental obstacle for the progress of reformism in this century. What Keynes called a “comprehensive socialisation of investments” can therefore no longer be avoided; the structure of the political economy must in practice become a central question. Nor is this an issue that can take second place to more topical questions, to be handled when the scope for reform is exhausted or when social democracy has re-established itself as a long-term ruling party.

The crisis of social democracy is a long-term result of its insistence on the goal of winning parliamentary elections without having a developed strategy to overcome obstacles on the parliamentary road to social change. Instead, the response has been to switch to the so-called “Third Way” – towards the abyss.

Its consequent downward trajectory is not the result of a leadership that has betrayed its members, nor is it a matter of individual mistakes or of chance. It is the inevitable consequence of fundamental antagonisms in the reformist road towards socialism – a problematic that every radical social transformation must address and overcome. Every comrade within the social democratic movement, who postpones these questions, gives further reasons to believe that this future will never arrive – no matter how many terms of office one might still have.

On the other hand, if the primary goal of social democracy is no longer social transformation but to be a ruling party, then nothing remains beyond its role as an administrator of the state, and it will be locked into a structural necessity to reproduce capitalist relations of production. In short, it becomes a preserver of class society.

Since this article seeks to address structural features of modern social democracy as a strategy towards radical social transformation it is therefore not tied to specific conjunctures. It is an attempt to explain some problems that will become acute when socialist reformism reaches its internal limits at the height of a wave of mobilization it might seem redundant to discuss when social democracy is failing even at

maintaining the status quo. However, a lot of the features discussed in this text show what measures are needed to produce a reformist project that carries the potential for its own transcendence. At a point then third-way social democracy has failed in every conceivable way there is a renewed possibility of discussing the ways in which a stronger labor-centered organization could be built. By accounting for the suggestions put forth in this text, that new organization could be one with a healthier base and stronger foundations, which would be no small gain for the labor movement of Sweden. And from the heights that could be built on a stronger base, next time it comes up against the limits of its reformist strategy, we could be prepared to make that leap that will take us further.

Sources

Anderson, P. (1976). The Antinomies of Antonio Gramsci. *New Left Review*, I/100.

Andersson, D. (2011). Valfärd bygger på tillit. *Tiden*.

URL: <http://www.tiden.eu/default.aspx?page=3&nyhet=384>

Block, F. (1980). Beyond Relative Autonomy: State Managers as Historical Subjects. *Socialist Register*, 17.

Greider, G. (1998). *Arbetarklassens återkomst*. Albert Bonniers förlag.

Johansson, T., & Taalbi, J. (2010). Full sysselsättning och ekonomisk politik. Nya värderingar, nytt samhälle? *Arbetarrörelsens forskarnätverk*.

Josefsson, D. (2005). Korståget mot välfärden eller Den svenska elitens våldsamma revolt. *Ordfront*, nr 10.

Joseph, A. (1994). Pathways to Capitalist Democracy: What Prevents Social Democracy? *The British Journal of Sociology*, 45 (2).

Kalecki, M. (1943). Political Aspects of Full Employment. *Political Quarterly*, 14(4).

Korpi, W. (1981). *Den demokratiska klasskampen*. Tidens förlag.

Lindberg, I. (2010). Nästa vänster – efter den nationella klasskompromissens tid. *Ny tid*, rapport 4. Arena Idé.

Marquetti, A. (2004). *Extended Penn World Tables*.

Meidner, R. (1993). Why Did the Swedish Model Fail? *Socialist Register*, 29.

Mulhern, F. (1984). Towards 2000, or News From You-KnowWhere. *New Left Review*, I/184.

Nilsson, A., & Nyström, Ö. (2008). *Reformismens möjligheter – Åter till den bättre framtiden*. Premiss förlag.

Pontusson, J. (1995). Explaining the Decline of European Social Democracy: The Role of Structural Economic Change. *World Politics*, 47 (4).

Przeworski, A. (1980). Social Democracy as a Historical Phenomenon. *New Left Review*, I/122.

Therborn, G. (1985). *Nationernas ofärd – Arbetslösheten i den internationella krisen*. Arkiv förlag.

Therborn, G. (1986). *The Working Class and the Welfare State. A historical-analytical overview and a little Swedish monograph*. Det nordiska i den nordiska arbetarrörelsen. Finnish Society for Labour History and Cultural Traditions.

Therborn, G. (1995). *European Modernity and Beyond*. Sage.

Therborn, G., Kjellberg, A., Marklund, S., & Öhlund, U. (1979). *Sverige före och efter socialdemokratin – en första översikt*. Arkiv, 15-16.

Zachariah, D. (2009). Determinants of the Average Profit Rate and the Trajectory of Capitalist Economies. *Bulletin of Political Economy*, 3 (1).

Zachariah, D. (2010). *Socialdemokratin – statsbärare eller samhällsomvandlare?* Arbetarrörelsens forskarnätverk. <http://forskarnatverket.se/>

Notes

1. Local association of Centrum för Marxistiska Samhällsstudier (CMS), <http://www.cmsmarx.org>
2. We draw this account from Korpi (1981) and Josefsson (2005) among others. It might be a relatively arbitrary selection, since there also exist other models of explanation within Swedish social democracy. But these texts, or the perspectives that are formulated in them, seem to occupy a particularly central place among left-oriented Swedish social democrats.
3. We borrow this term from Therborn et al. (1979).
4. This way of conceptualising capital could reasonably be called a form of fetishism. What in classical Marxist terms is a relationship of valorisation, ultimately a relationship of exploitation (M-C...P...-C'-M'), is here portrayed as something inherent in the means of production.
5. This theme of a betrayed reformism is in a sense a social democratic version of vulgar Trotskyism.
6. See Anderson (1976).
7. See Przeworski (1980).
8. Nilsson & Nyström (2008) admit that, internationally, competitive interest on investments sets a limit for the political possibilities of reformism. But as they do not present any approaches to overcome this limit we have difficulties in perceiving their reformism as a specifically socialist one.
9. This analysis rests on Block (1980).
10. But formally the mean profit ratio follows a dynamic equilibrium rate $R^* = (a+p+d)/i$, that is determined by the growth ratio in the total labour a , growth rate on productivity p , capital depreciation rate d and the relationship between investments and profits i . A derivation and analysis is given in Zachariah (2009).
11. Kalecki (1943).
12. Therborn et al. (1979, p. 21-25).
13. Ibid.
14. Therborn (1986, p. 23).
15. Ibid. p. 34.

16. Therborn (1985, p. 42).
17. Therborn (1986, p. 27).