

# Dead Man Walking?



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**The Historical, Ideological and Political  
Process of European Social Democracy.  
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## 1. Prologue

The victory of Donald Trump in the US-presidential elections is a turning point. For many reasons. For the first time in modern history a right wing populist with an administration of illustrious and terrifying secretaries is ruling the leading power of the age of capital. This will change the global order economically, socially and politically and restructure the power relations between the US, Europe and Asia, i.e. China. This will create more contradictions, more instability and fragility. How could this happen? How was it possible for a political outsider like Trump to beat the most prominent representative of the Dollar-Wall Street regime?<sup>1</sup>

Here again there are many reasons. One of the most important is the rebellion against a »political class« which behaved more and more ignorant and cultivated a habitus of alienation from the everyday worries of the working and under middle classes. In short Trump won because he was an outsider and because Hillary Clinton was his opponent.

This leads us to our topic: the state of social democracy. Bill Clinton became elected president in 1993. This proved to be a tremendous push to »modernize« the social democratic parties in Western Europe: changing the economic and social policy, the electoral campaigns and the interior of the parties. Alan Greenspan, »master of the universe« as head of the Federal Reserve (fed) proclaimed a new era of »wealth driven accumulation« and Clinton deregulated the track for Wall Street. A way which Tony Blair followed with New Labour in Britain, Gerhard Schroeder with a red-green alliance in Germany and most of the social democracy in Western Europe. For all of them Trump's victory is a fundamental challenge. It's a watershed in times of dismantling the – for systemic reasons – fragile combination of capitalism and democracy.

## 2. Electoral provocations

»Is the social democracy already dead – like a beheaded chicken running around in the farm before it definitely falls dead?«<sup>2</sup> Who is asking this was one of the advisors of Gordon Brown who at least followed Tony Blair as prime minister in the UK.

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<sup>1</sup> Peter Gowan: The Global Gamble: Washington's Faustian Bid for World Dominance, London 1999.

<sup>2</sup> Neal Lawson: Die Sozialdemokratie steckt in der Existenzkrise, in Cicero 12/2014, <http://www.cicero.de/berliner-republik/sozialdemokratie-die-goldene-aera-ist-vorbei/58567>. Also: Neal Lawson: Social democracy without social democrats? <http://www.compassonline.org.uk/wp-content/uploads/2016/05/thinkpiece85a-1.pdf>

Without any doubt: Since the beginning of the 21<sup>st</sup> century social democratic parties all over western Europe lost a quarter of their electorate.<sup>3</sup> In the millennium in 2000 social democracy was part of the government in 13 of 15 EU-countries at that time, representing the head of government in 11 member states. A tremendous decline followed and very little is left today.

The fall of social democracy was the precondition for the rise of the populist right. And to be frank: The decline of social democracy was no workout programme for the radical left. The idea that the radical left will win when social democracy is going to lose is definitely wrong. The radical left is far away from being the successor of social democracy in the European left. Maybe both parts of the political left in (western) Europe – the moderate and the radical left – are more intertwined than we think.

I will concentrate on three issues:

1. What are the reasons for the decline of social democracy in electorate and membership?
2. How do we judge the present situation?
3. Social democracy and radical left: competition, alliances, perspectives?

### **3. Landslide – Reasons for Decline**

There are many reasons – I want to highlight two which are extraordinarily relevant when we focus on historical and ideological processes:

#### **3.1. The Forward March of Labour Halted – Shifting Class Structures**

In 1978 Eric Hobsbawm gave the Marx Memorial Lecture asking: »The Forward March of Labour Halted?«<sup>4</sup> At that time Labour was still in government – prime minister Harold Wilson had resigned, the former foreign minister James Callaghan was his successor for a very short time – beaten in the general election in May 1979 by Margaret Thatcher.

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<sup>3</sup> European social democracy: Rose thou art sick. The centre left is in sharp decline across Europe, in *The Economist*, 2.4.2016.

<sup>4</sup>Published in *Marxism Today*, September 1978, [http://banmarchive.org.uk/collections/mt/pdf/78\\_09\\_hobsbawm.pdf](http://banmarchive.org.uk/collections/mt/pdf/78_09_hobsbawm.pdf). Martin Jacques, editor of *Marxism Today*, remembers: »A little later I heard that he had given a lecture entitled ›The Forward March of Labour Halted?‹ By the late seventies I had come to the view that the labour movement was in historical decline. But Eric arguing such a contrary view was an entirely different matter. I asked him to send me a copy and I was not disappointed. It was marvellous, drawing on the range of his historical repertoire to contradict the common sense of the time. It was to become a famous and hugely influential article that was to change the thinking of the left. Already established as a great historian, it marked the emergence of Eric as a major political figure, albeit a somewhat reluctant one.«  
<http://www.martinjacques.com/articles/eric-hobsbawm/>

Hobsbawm is recurring on fundamental changes in class structure, i.e. the erosion of the old working class: decline of manual workers, rise of immigration and woman workers, growing sectional differences, melting unionization, corrosion of class consciousness. These transformation comprehend a long-term-perspective: »that the forward march of labour and the labour movement, which Marx predicted, appears to have come to a halt in this country about twenty-five to thirty years ago. Both the working class and the labour movement since then have been passing through a period of crisis, or, if you prefer to be mealy-mouthed about it, of adaptation to a new situation.«

Without any doubt: The development political left is undergoing long term changes in class structures. But the »golden age« of capital and the 1960ies and 1970ies was a period of growing working class influence, a period of intensified class struggle –a time in which Social Democracy and trade unions – including theEurocommunist parties in Italy, Spain, France and after the division of the CP also in Greece – celebrated greatest influence in western Europe. These parties still had strong ties to the industrial working class but represented more and more those structural changes which are connected with the rise of the service sector – especially employees in expanding public services.

My argument concerning Hobsbawm’s interpretation of the erosion of the Social Democracy in the 1970s – before Thatcherism and neoliberalism started their triumph – is that it’s not only describing the long term transformation of class structures. The crucial point is thatthis process came to an end in an epochal shift which later on was labeledas the end of Fordism. I.e. the end of a period of dynamic accumulation of capital on the one hand and growing contradictions of a bureaucratic model of welfare state which didn’t properly fit to the demands of the feminist movement, the process of pluralization and individualization as well as cultural changes which neoliberals were – to a certain extent– able to exploit.

At that time discussions where held among the leaders of the socialist international – 1975 between Olof Palme from Sweden, Willy Brandt from Western Germany and Bruno Kreisky from Austria<sup>5</sup> – and in the eurocommunist parties about what could be a proper gramscian strategy. But they didn’t achieve what Lenin called a specific analysis of the historical situation.

In short: The forward march of social democracy was halted by the end of fordism bringing long term changes in class structures to an precarious end.

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<sup>5</sup> Willy Brandt/Bruno Kreisky/Olof Palme: Briefe und Gespräche, Frankfurt a.M./Köln 1975.

### 3.2 Globalization –the end of national sovereignty

Let me – very briefly – come to the second analysis which was intensively discussed only half a decade later. Elaborated by Ralf Dahrendorf,<sup>6</sup> a German-British sociologist, a liberal, director of the London School of Economics and St. Anthony's College in Oxford.

He emphasized two evolutionary phases, one political and one economical.

The political argument might be called »crisis by victory«. He said: Almost everything what the social democracy in the western world wanted to achieve has come to reality at the end of the seventies – mixed economy, welfare state, cultural liberalization etc. Nothing of outraging importance is left.

The economic process is well known as »globalization« and the message to the leaders of the Social Democracy was: Whatever you want to achieve in future cannot be founded on the institutions of the nation state. The implications: democracy is losing its anchor in eroding nation states, global capitalism is delinking from democratic rule. Dahrendorf's statement in 1983: the century of Social Democracy has come to an end.

The arguments we elaborated against this approach at that time have been: (a) in a society with mass unemployment, poverty and growing inequality social democrats still have to work on their core tasks; and (b) the threats of globalization put regulation and de-commodification back on the agenda. These counter-arguments are still reliable. But they don't go deep enough and get the central point: Dahrendorf's concept of »crisis by victory« and globalization was – so to speak – nothing but a surface structure for a second epochal shift: from fordist capitalism to financial market capitalism.

The »modernization« of Social Democracy under Clinton, Blair, Schröder and others some years later was based on the idea of so called »wealth driven accumulation«: maximize assets and hazard the consequences of deep social inequality as precondition for productive capital accumulation. This doctrine social democratic think tanks promoted was that assets even in the middle class of employees would become more important than wages. This seemed to become true in the era of speculation in the mortgage markets in the US, in GB, Ireland, Spain etc.: a speculation which was the trigger for the Great Recession in 2007.

In short again: It's not globalization as such but a shift in the accumulation regime of capitalism from an productive industrial based fordism to an asset driven accumulation regime which social democrats imagined as a diving board from the contradictions of the so called antiquated labour-capital model. Anthony Giddens, academic frontman of New

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<sup>6</sup> Ralf Dahrendorf: Die Chancen der Krise, Stuttgart 1983.

Labours »Third Way« in the 1990ies, promoted the dislocation of Social Democracy »beyond left and right«. <sup>7</sup>

### 3.3 »The Great Moving Right Show«

This is the title of an article by Stuart Hall, published in *Marxism Today* in January 1979 in which for the first time »Thatcherism« was introduced as a key concept for the decades to come. <sup>8</sup> Where this show ends three and a half decades later is described by Didier Eribon <sup>9</sup> with regard to the social and political evolution in France and by a J.D. Vance, a selft called republican describing the life of the working class in the US rust belt. <sup>10</sup> Both describe the social and cultural alienation of the representatives of the Socialist and Democratic Party from their working and lower middle class voters – and the turning point when social democracy was looked at as part of the political establishment without focusing on the needs of those who are confronted with or are afraid of losing their social status – in short: the losers of modernization. Vance describes those white Americans in the long ago prosperous industrial area of automobile and steel industry now called the rust belt. After a decade long burden of social decline working places are lost, families are broken, social deprivations shape everyday life, violence and drugs gain the upper hand.

This is what we are confronted with today: the mobilization of resentment in parts of the old working class and – more relevant today – in the lower middle class by right wing populism.

## 4. How do we judge the present situation?

My argument so far is that an untreated or unresolved coincidence of socio-economic changes which take place over a longer period of time on the one hand and epochal shifts on the other hand are the driving forces for the decline of social democracy. This affects not only the social landscape but the political system – the modes of representation – as well. In this respect we can learn a lot from Otto Kirchheimer's research on the transformation of the catch-all-party into loosely connected interest groups directed by career politicians <sup>11</sup> and from Pierre Bourdieu's research on the political field, its rules and the distinction between professionals and laymen. <sup>12</sup>

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<sup>7</sup> Anthony Giddens: *The Third Way. The Renewal of Social Democracy*, Cambridge 1998; Anthony Giddens: *The Third Way and it's Critics*, Cambridge 2000.

<sup>8</sup> Published in *Marxism Today*, January 1979.

<sup>9</sup> Didier Eribon: *Rückkehr nach Reims*, Berlin 2016.

<sup>10</sup> J.D. Vance: *Hillbilly Elegy. A Memoir of a Family and Culture in Crisis*, New York 2016.

<sup>11</sup> Otto Kirchheimer: *Der Wandel des westeuropäischen Parteiensystems*, in: Gilbert Ziebura (ed.): *Beiträge zur allgemeinen Parteienlehre*, Darmstadt 1969, S. 341-374.

<sup>12</sup> Pierre Bourdieu: *Politik. Schriften zur Politischen Ökonomie 2*, Berlin 2013.

The point I want to make is as follows: capitalism is changing again – it's world order, it's mode of production («digital revolution»), it's class structures (precariat, decline of the middle classes etc.). Processes developing over a long time intertwine with an epochal shift. Those processes are

- overaccumulation of capital resulting in what Summers, Stiglitz, Krugman and others call a »secular stagnation« - a major challenge for capital whose mission is accumulation and permanent innovation to gain profits;
- growing social inequality to a scale which once characterized the fragmentation of classes more than hundred years ago at the end of the belle époque;<sup>13</sup>
- capital driven globalization resulting in global poverty, failing states, climate change and all the other ecological devastations.

This is intertwined with the end of neoliberalism as a hegemonic project. Neoliberalism has not just failed to give an answer to the contradictions of capital accumulation, social and ecological devastation. The neoliberal project ran into the crisis since 2007, unable to get out – even to cope with it. The outcome of the financialisation of the economy and society is a clientelistic system which is called crony capitalism. This system is an even bigger threat for society because it exponentiates the challenges of social inequality and the division of class. More than that: it is a driving force tearing capitalism and democracy even more apart. The Italian case described by Perry Anderson can be regarded as a laboratory.<sup>14</sup>

There is another parallel evolution in the history of the Italian left, i.e. the discussion inside the Partito Comunista Italiano in the early 1980ies after the failure of the historic compromise (with hard pressure from the US on the DC) and the painful perception that the Italian socialists under Craxi rejected any common policy. Berlinguer's strategy was to make the PCI as strong as possible. To achieve this he elaborated two strategic proposals: one to overcome the economical crisis and to delimit rapidly growing public debt called »revolutionary austerity«; the second proposal was called the »moral question« trying to give an answer to the occupation of the Italian state by the mafia, P2 and cronyism.<sup>15</sup> It could be worthwhile to think about this in times of crony capitalism.

The question is: What will the social democracy do today? Some final remarks.

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<sup>13</sup>See Thomas Piketty: *Das Kapital im 21. Jahrhundert*, München 2014; Anthony B. Atkinson: *Inequality. What can be done*, Cambridge, Mass. 2015.

<sup>14</sup> Perry Anderson: *The Italian disaster*. *London Review of Books*, 22.5.2014.

<sup>15</sup> Lucio Magri: *Der Schneider von Ulm (Il sarto di Ulm)*, Hamburg 2015, pp. 347, chapter »the second Berlinguer«.

## 5. Social democracy and radical left: competition, alliances, perspectives

Social democratic reformism until the 1970ies based on a Keynesian mixed economy, social security and redistribution of income guaranteed by the welfare state and some but quite little progress in industrial democracy. There were the answers given on the Great Depression of the 1930s and the response to fascism in the 1930s and 1940s.

The »modernization« of the social democracy »beyond left and right« (Giddens) was an answer to financial capitalism and the illusion that the accumulation of assets would even allow employees to privatize (parts of) social security. When the promises of financial market driven capitalism end in smoke– what will be the answer given by the social democratic parties? And how will the social democracy respond to the end of democratic capitalism?

One scenario is called PASOKification. It may be the case that social democrats even in a new historic situation think that it's worthwhile to hide under the roof of an outworn neoliberalism. And maybe social democrats who follow this path don't even learn the lessons which the extreme right is telling them nowadays. The result will be a pulverisation of disorganized social democracy as we can see it in Greece or perhaps in Spain after the Partido Socialista decided to support the conservative government of Mariano Rajoy.

An alternative way would be a combination of economic and social reforms of capitalism with a new democratic approach. This is the way Jeremy Corbyn and Bernie Sanders are fighting for. Their approach is specific for Britain and the US to a certain extent where the political system almost doesn't give any space of maneuver for new parties (on the left) to arise.<sup>16</sup> But the political system of representation is in a mess throughout the western world – and the extreme right is exploiting this. Therefore new experiments of democracy, transparency and participation are necessary. And this has to be connected with a redefined combination of political life in party and civil society. Bernie Sanders is quite all right to call this a »political revolution«. This »revolution« is hard-fought inside the british labour party and the democratic party in the US. We can imagine that most of the social democratic parties on the European continent will not follow this way.

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<sup>16</sup>What is their task? Do we all agree that the rebuilding of the left is a common, a shared task of social democrats, socialists or whatsoever. Or is the radical left »the only credible alternative and the contender of traditional social alliances of social democracy« – as it is written in the invitation to this seminar? What does that mean? The Italian situation after the fail of the historic compromise and the painful perception that the Italian socialists under Craxi rejected any common policy. Berlinguer's strategy was to make the PCI as strong as possible – but what did that mean considering his statement after the counter revolution in Chile that 51% are not enough.



There is a third possibility in-between pulverization and political revolution which might fit better to continental social democracy.<sup>17</sup> It's some sort of renewal and reshaping a reformist program which would allow to restore the mainstays of public welfare state but – and this is essential – flanked by redistribution of national income, public investment and public spending against poverty. Such a policy would be explicitly non- or anti-neoliberal. As we can see in Portugal such a new reformism can be the outcome of alliances with the radical left or the result of hard internal battles which might happen in France after a disastrous defeat in the presidential elections.

There are some arguments promoting such a reform oriented recovery of social democracy. The most significant: it's what a majority in the electorate and the membership of social democratic parties in Germany as well as in Europe wants.<sup>18</sup>

The left inside the social democracy in Western Europe might be too weak and too lame to demand a new reformistic approach. In these cases the radical left outside the social democracy requires an enormous amount of strategic flexibility to open the battleground for renewing progressive politics.

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<sup>17</sup> I generally speak about west European social democracy. But we know that there are strong divisions in the party-family. In former times our differentiation of the party-family would have been based – for example – on varieties of capitalism: the anglo-saxon model, the Scandinavian, the corporatist model in Germany and Austria and the rudimentary welfare-state-model in southern Europe. In this narrative institutions make the difference. But after three decades of neoliberal market-policy the relevance of institutions has become much more weaker. Finance market capitalism functioned in this respect as a so-called leveller. The question is: what makes the difference today or are distinctions less relevant?

<sup>18</sup> See: Lea Elsässer/Armin Schäfer: Group Representation for the Working Class? Max Planck Institute for the Study of Societies, discussion paper 16/3, Köln 2016; Roberto Heinrich/Sven Jochem/Nico A. Siegel: Die Zukunft des Wohlfahrtsstaates. Einstellungen zur Reformpolitik in Deutschland. Friedrich Ebert Stiftung Bonn 2016, [www.fes-2017plus.de](http://www.fes-2017plus.de).