



**Thinkpiece**

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## **About Neal Lawson**

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## **About Compass**

Compass is a home for those who want to build and be a part of a Good Society; one where equality, sustainability and democracy are not mere aspirations, but a living reality. We are founded on the belief that no single issue, organisation or political party can make a Good Society a reality by themselves so we have to work together to make it happen. Compass is a place where people come together to create the visions, alliances and actions to be the change we wish to see in the world.

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# Social democracy without social democrats?

Labour has suffered another bad set of election results. But the failure of Labour is not the fault of the Corbynites or the Blairites. Social democracy is in crisis the world over: obliterated in Greece, failing in government in France and in retreat almost everywhere else. Nowhere are social democrats ideologically, programmatically or organisationally on the front foot. The crisis isn't cyclical but existential, rooted in profound cultural and technological shifts that scorch the earth for all social democratic parties. Social democracy, the belief that one party, in one nation, largely through the state can create a settlement that favours the interest of labour over capital, is dying as a political practice. It is set to join the ranks of 'communism' as a political term of only historic relevance.

But here is the issue. A world that is both social and democratic is more urgently needed than ever. From food banks to floods, the case for the social taking priority over the private has rarely been more necessary or obvious. And everywhere people are looking for new answers and new ways of realising both their joint and shared humanity and the survival of the planet. Democracy abounds but not in our two party farce of a system. This explains the rise of new parties and so many new on and off line movements. The frustration is this: we want a way of living that is deeply social and radically democratic, but social democracy as a political practice and social democrats as a political creed are, as yet and maybe for good, unable or unwilling to face up the challenges of the 21st century.

This short essay seeks to understand the rise and fall of social democracy; to see it not as 'the norm' to be returned to when Labour wins the right number of seats with the right leaders, but as a temporary blip made possible by a particular alignment of forces after the Second World War. It then briefly describes the hostile terrain that has replaced the benign post war context that for a while made social democrats powerful. And it ends by outlining the four challenges social democrats must face if they are to have a future, the challenges of:

- Vision and a good society beyond turbo-consumption
- Globalisation and the need to tame capital beyond borders
- Culture and the need to let go and trust people
- Agency and the need to build new alliances for change

A cultural reference point for the existential challenge facing social democrats comes at the end of the film *The Truman Show*. Steadily though the film, Truman begins to suspect that the world is not as he was taught. Eventually, he sets out on his little boat to find out what actually lies beyond the horizon. The show's producers whip up a fake storm to try and force him back to his safe but unreal life. Truman though presses on until eventually he hits the walls of the gigantic set,

which had been the totality of his artificial life up until that moment. Outside a new world, a real world, awaits him. Social democrats need the courage and ambition to go beyond the old ways of thinking and working, to help invent a new future. Or face steady decline and eventual oblivion. Because unlike Truman there is no safe harbour to return to. Old voting allegiances and habits will keep some social democratic parties afloat for the time being. When the right fail badly they might even find themselves in office – but nowhere near real power to keep neo-liberalism at bay, let alone to transform society. These will be the best moments for social democrats in a slide they are already on towards irrelevance.

The key argument is this: we want and need a world that is deeply social and radically democratic but the practice of social democrats, their statism and tribalism, their urge to command and control, their emphasis on growth and their unwillingness to build new global institutions are at odds with a zeitgeist that demands pluralism, complexity, localisation and globalisations and a good society that is about much greater equality but is at odds with consumption without end. Today social democracy as a political practice cannot rise to the challenges of creating a social democratic world for the 21st century. So, can we have a social democracy without social democrats, indeed must we?

## The loss of everything

Social democrats are the product of the national and industrial forces of the last century, which have been replaced in turn by global and post-industrial forces totally inimical to them. They are in retreat, not because their leaders aren't up to the job, or because the media is nasty to them, but because the material and cultural conditions they enjoyed in their mid 20th century heyday have been replaced by forces and a culture that tear up the roots of their creed.

In 1979 the Marxist historian Eric Hobsbawm wrote his famous *The Forward March of Labour Halted*. Some wrongly believed Hobsbawm's argument was that the march was halted that year, not least because, coincidentally, it saw the arrival of Mrs Thatcher into both office and power. But what Hobsbawm identified was that the working class basis of Labour, long presumed to be the growing and one-day universal class, had in fact started to shrink as early as 1945. So at the height of the Labour triumph, the greatest source of strength of the social democrats, its unified class base, had already started to erode.

The working class had given social democrats both cultural and organisational heft. It formed a common industrial experience, with shared communities and leisure interests. In Marxist terminology it formed a class of itself and for itself. In other words it was conscious of its circumstances and its needs. This working class, largely employed in factories deploying the practice of Fordism, the assembly lines in which everyone had their place, not only gave Labour votes and money, but also a bureaucratic and technocratic system of governance. Social democracy would be ushered in through white coats and a managerial state. Just as Lenin defined communism as Soviets plus electrification, social democracy could be defined as the working class plus bureaucracy and technology.

This so-called 'Golden Age' for social democrats, roughly from 1945 to 1975, was also made possible because of what had preceded it, the experience of the 1930s depression and then the war. No one in 1945 wanted to go back to the squalor and precariousness of the 1930s and the solidarity of the war showed what could be done when we really were 'all in it together'. And as Jeremy Gilbert argues, Labour was running the country before 1945, it just slip steamed from running the domestic war time coalition to running the whole country.<sup>1</sup> Thus, the mood music and the entry point for the Golden Age was set.

Finally, there was the brooding presence of the Soviet Union. Today, global politics is fought out between competing forms of capitalism and faith. But around the formative years of the Golden Age there was a living, breathing and expanding alternative to capitalism – communism. Today, it is almost impossible to imagine the effect of actually existing socialism in rebalancing the post war forces in favour of labour and against capital. The owners of capital were terrified that a revolution might happen in the West as the armed forces returned home from the front. Throughout the 1960s Soviet planning was felt to be over taking US free markets in terms of productivity. The whole post war settlement was due, to a large extent, to the existence of the USSR.

## The end of the struggle?

But this alignment of class, governance and the Cold War fooled the social democrats into believing that the battle with capital was over, not temporarily, but for good. The bible of this revisionist era was Tony Crosland's *The Future of Socialism* and the belief that a mixed economy was here to stay, and the only political question was the extent of redistribution from the proceeds of endless growth. In addition, social democrats wrongly interpreted the successes of the post war settlement as being largely down to them and not this temporary alignment of class, technology and global politics. It was all Mr Attlee and not the context; the surfer not the wave.

But when the context changed the social democrats didn't. Under the surface of this seemingly permanent consensual era, the factors that had made social democrats so strong and the Golden Age possible were dramatically being undermined. As Fordism was replaced by post-Fordism and manufacturing was both dispersed and replaced by the service sector, class identities became much less rigid, obvious and salient. As the factories shut, the trade unions became a much-diminished force, as did memories of the war and the depression. And in a prelude to the fall of the Soviet Union, the limits of change through the bureaucratic state were reached. Finally of course, the threat of communism as a vibrant challenge to capitalism was itself extinguished long before 1989.

But social democrats act as if a new Golden Age, or at least their electoral dominance, is still possible, if only they had the right leaders and the right policies. Both matter, but leaders are like surfers – they need a wave beneath them to propel them forward. The wave of social democracy had come and gone. And the old levers of the state have rusted and become disconnected from society.

1. [www.opendemocracy.net/uk/jeremy-gilbert/facing-facts-progressive-strategy-for-2020](http://www.opendemocracy.net/uk/jeremy-gilbert/facing-facts-progressive-strategy-for-2020)

## The new and barren terrain for social democrats

But it is not just that the engine of social democracy had died. In its place a new range of forces emerged which are inimical to the social democratic project.

Firstly, while social democrats were basking in their post war settlement, capitalism went both global and nasty. Globalisation meant national boundaries and therefore national policies, and with it trade union bargaining, lost their bite. Capital could relocate to where taxes and pay were lowest. This isn't to say more could not be done at a national level, but the constraints are obvious and growing. From Google avoiding its tax responsibilities to climate change – the future of politics must be global, but social democratic politics has remained avowedly national.

Today the traders and the bond markets rule over the politicians. This separation of politics from power places severe limits on what social democrats could do even if they win elections. From Mitterrand in 1981 on, they have been on the back foot. So desperate became the plight of social democrats that New Labour encouraged the growth of financialisation as the prime means left to generate new income for its spending projects. This Faustian pact meant that in the short term it could only deliver until, inevitably, the very freedoms they gave the City to maximize profit tipped the whole system into crisis and the age of austerity. In the long term, by widening the gap between politics and corporate power, the primacy given to the City undermined the ability of social democrats to ever govern with real effect again.

The other outcome of this global shift has of course been to accentuate a demand for a return to a politics that is defiantly local and national. We see it in Scotland with the SNP and of course via UKIP. The emotional pull of this politics is real and has to be addressed – but not by pretending that capital can now be humanised solely at the level of the national and local.

But capital didn't just go global; it also became infected with the virus of neo-liberalism, a virulent strain of capitalism that systematically sought to eradicate all alternatives to its free-market vision. While social democrats carried on believing and behaving as if the post-war settlement was set in stone, the neo-liberals set about successfully dismantling every aspect of that settlement. In particular it would use the state to erode the places and spaces in which the common good could take root. Privatisation wasn't just meant for old industries but for our minds, as our identities as individualistic consumers are shaped for a life in which we buy things we didn't know we needed, with money we don't have to impress people we don't know.

In turn, this turbo consumption has a huge impact on the environment. Today we are on the brink of runaway climate change, yet social democrats have always promised a politics of 'more' – more material wealth for 'its people'. For social democrats the worker's flat screen TV can never be big enough if the boss' is even bigger. As such they have little conception of the planetary limits to growth. Lately they try to square the circle by talking of 'green growth', but this is a fig leaf that tries to permit more consumption when the planet simply can't take it.

While many social democrats reject an anti-consumerist agenda as the preserve of the middle classes, climate change wrecks the lives of the poor through floods, famine and air pollution.

At the same time, a society based on turbo-consumption breaks any social bonds of solidarity and empathy because it is, by definition, egotistic and competitive. Turbo consumerism kills the common good and with it the hopes of social democrats.

## From simplicity to complexity

Finally, there is the issue of the governing culture. The Golden Age was built in an era of deference, paternalism, bureaucracy and hierarchy. Society and life were more secure, but also more regimented and constrained. In part because of this, from the 1960s onwards, people yearned to be more liberated and liberal. Work and life became less predictable and more open. The digital revolution, social media and the shift to a networked society are now revolutionising the way we see, think and act. The world has become plural, complex, dispersed and diverse.

But the culture of social democracy has stuck in a top down, statist, and centre out mindset. The whole premise of the offer was, and is, that you elect a social democratic government, it does things to you and for you, you are in turn grateful and therefore vote for them again. The party is simply a vote-harvesting machine in a politics of endless delivery. It is a creed that cannot share or even tolerate other progressive parties because they stand in the way of its control of the state and therefore the ability to act. Everyone who is not for this project is, by definition, against it.

But an era defined by the linear operation of the factory, with its order, structure and hierarchies, now gives way to an era defined by Facebook – in which we connect to who we want, when we want, how we want. We join multiple groups and have more fluid allegiances – it is a world of huge opportunities and great threats – but like it or not it is the world we now inhabit. In this world the singularity of one party with all the answers must give way to the complexity of a future that will be negotiated between a range of forces not imposed.

But this inevitable and inexorable shift to complexity further weakens the already stricken position of social democrats; first in terms of democracy itself. The crisis of democracy we face is one of representative democracy. There is no one class to represent and no strong state to represent them with or through. Increasingly people don't need or want others to represent them – they can do it for themselves. This is one reason why new forms of direct and deliberative forms of democracy are emerging. The unique place of the social democrat to be the champion of the people is over and is never coming back.

And second, nowhere is this transformation more pressing than in the world of work, where the merging of different strands of technology now threatens to change utterly how, where and even whether we work. The extent is contested, with figures ranging from 10 to 46 per cent of jobs being lost due to the convergence of AI, robots, advanced algorithms, big data and 3d printing, but a dramatic shift is taking place in the nature of labour markets. Here social democrats are left in a terrible bind – defending work that is likely to be lost, but defending work that is probably dreary, horribly physical and mundane – even if it pays a living wage. Social democrats look like Kodak in a world of Instagram. The UK franchise of social democracy is the first in the firing line – for no other reason than it calls itself the party of Labour!

## The interregnum

The universality of the crisis, even if its effects are uneven, tells us that something big is happening. The crisis manifests itself in the shape of Pasokification in Greece, the rise of Podemos in Spain and the relative fall of PSOE, the low and flat-lining support for the SPD in Germany, the governing weakness of French socialists and even the crisis of social democracy in the Nordics. In the UK the crisis manifests itself first in the dominance of the SNP in Scotland, replacing Labour as the party of the left, and second through the extraordinary rise of Corbynism last year within Labour – a kind of internal Pasokification – which along with the Bernie Sanders revolt in the USA speaks to the bankruptcy of social democracy. But neither of these revolts from within has yet managed to significantly break with an essentially social democratic process. Yes more emphasis is placed on social movements but the priority is still the legislative process. Even left-wing social democracy is still fatally undermined by the shift from the context of the 20th century to the 21st.

But the moment demands a political break though to a very different society. For the first time since the 1930s, capitalism is no longer working for a sizeable and growing element of the population. The young are saddled with huge university debts, impossible housing costs and few prospects for secure well-paid work. The precariate, those barely surviving on zero-hour contracts, the gig economy and residualised benefits, is steadily becoming a new emerging class, but without representation. And right the way up through the income scale, outsourced jobs, the decline of professionalism, the demands to consume ever more and the anxiety and insecurity this creates – puts into political play elements of the mainstream electorate previously beyond the reach of traditional social democratic programmes. Add to this another financial crash and further climate disasters and you have a rich cocktail a new democratic left could appeal to – as equally as a new authoritarian and populist right could.

Thankfully, there is a more hopeful and optimistic mood to tap into. Driven by the same technology that set capital free, there is a growing sense of a new collective ethos emerging. The networked society is not perfect and has its downsides, but the sheer weight of new on and off-line initiatives, campaigns and enterprises speak to the possibilities of new solidarities in a digital world. From new cooperatives, to social enterprises, the sharing economy, peer to peer economics, new parties (like the Alternativet in Denmark and the Women's Equality Party in the UK, from which we can learn a lot), to mass on-line campaigning, grassroots activists concerned with housing and public spaces and the development of new transformative policy ideas, such as a shorter working week, a basic income and the radical devolution and democratisation of state power, all these and more lend themselves to a new Golden Age. In classic Gramscian terms this is an interregnum, defined by the fact that the 'old is not yet dead and the new is not yet born'.

## The challenge of modernity

But social democrats are unlikely to be the political agents that can blend fear and hope into a new political settlement, unless they can change dramatically. There are four key aspects to this.

The first challenge is to redefine the meaning of the good society. Social democrats have to value post-material quality of life issues and not just the material and the quantity of consumption. Instead of more things, social democrats are going have to talk convincingly about more of other things – more time, public space, clean air, community and autonomy. This suggests a politics of working time limits, workplace democracy and ownership, a basic income and stringent carbon controls i.e., de-growth, not green washed growth.

The second challenge is a radical shift in terms of internationalism. If capitalism has gone beyond the nation, then social democracy has no option but to follow. Social democrats need to regulate and control markets wherever they do damage to people or the planet. Yes, this is difficult, and yes, it means surrendering some national sovereignty. But in truth it has already long gone. The politics of this would start at a European level, around issues such as continent-wide minimum wages, or better still a basic income, solidarity funds for migrants and harmonised corporation tax rates. Eventually new global institutions are needed that can help socialize multi-national corporations and international finance. It was done at Bretton Woods to underpin the first Golden Age – it should be more than feasible in the age of the internet – indeed it must be.

The third challenge is cultural. Social democrats are going to have to both really let go and stop seeing themselves as the sole voice of progress. There is no place today for elected vanguards, which, even if well meaning, do things to people not with them. Social democrats are going to have to know their new place, just one, albeit important, source of empowerment for global and networked citizens. Here there is a critical strategic choice Labour must make. Does it hold out for occasional moments in office, when the right mess up, administering but not changing society? Or does it seek to build a new consensus that is negotiated in partnership with other parties and forces – a progressive alliance? A single big tent, like New Labour, is impossible in an age of austerity and economic crises. The only option is a campsite in which Labour may be the biggest tent but only makes sense within a broader collection of progressive voices and forces.

The complexity of the world we now face has to be met by an equally complex system of governance. Instead of pulling policy levers, the job of the progressive politician of the future is to create platforms and spaces so that people can collectively change things for themselves. This is a more humble role, but essential and entirely possible in a networked society in which the internet has become the main nexus for human culture. Social democrats need to see themselves as simply part of much wider progressive alliances for change, and not the sole repository of wisdom and action, serving the needs of civil society, rather than seeing people as simply voting fodder so they can run the state. Parties are going to have to become really democratic, localising power and building platforms for collaboration around issues like renewable energy, finance and new media. The simply litmus test of this cultural leap is whether they embrace proportional representation.

And fourth, out of all this social democrats are going to have to find and encourage a new wave, their agency for change. This is more than just a voting bloc. It is an alliance of classes, forces and movements that will build and sustain the transformation to a good society. This is the art of politics.

## Renew or replace?

This is not to write Labour off completely. There are some good MPs, like Jon Cruddas, Lisa Nandy, John McDonnell, Steve Reed, Jon Trickett and Clive Lewis who have some sense of the hole the party is in. But the dominant stranglehold of materialism, nationalism, tribalism, and centralism will not relax its grip on social democrats because those are the traits that define what it is to be a social democrat.

The Golden Age of social democracy was a product of its time. It was an era of hierarchies, elites, command and control. It meant well and did some good things. But means always shape the ends. It did things to people and not with them or by them. Its ability to help create a good society was therefore always limited and open to populist and individualistic reversal, as we saw when the neo-liberals swept all before them.

Today we stand on the cusp of a new era. It is highly contested and brings with it as many challenges as it does opportunities. But the emerging network society of the 21st century holds within it the possibility of flatter and more egalitarian and democratic ways of thinking and acting. This is a world in which means and the ends can be conflated – we create a good society in which people take collective control of their destiny – by people taking collective control of their destiny.

Social democracy once took hold of the popular national imagination because capitalism wasn't working and they used the bureaucratic spirit of their times to make a better society feasible. Once again capitalism is not working. A new Golden Age beckons. It is a moment to bend modernity, its openness, flatness and connectivity, to values that are deeply social and radically democratic.

If Kier or Kiera Hardy were to create a party today to make the 21st century both social and democratic it would look nothing like the Labour Party. Can Labour and other social democratic parties change? Or will they be replaced? On one hand the omens aren't good. The tribalism and the arrogance of Labour runs deep. But then organisations can reinvent themselves. But this time it's more than a switch back to Blairites or the continuation of Corbynism that is required – it is a cultural leap into the 21st century. It could be an amazing world of connectivity, solidarity and abundance – a new dawn and a new Golden Age; social democracy not for the people but by the people. Will social democrats understand the spirit of these new times and be part of it?



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