

A “more liberal” social democracy? Seeking fairness and progress in the global age

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Conference Report

Changing social, economic and political circumstances and new global challenges are currently testing the centre-left’s ability to deliver prosperity and social inclusion in liberal democracies. Recent studies on happiness and wellbeing have suggested that human development in industrialised nations now depends not only on economic welfare but also on a set of socioeconomic and political freedoms. This new emphasis on individual freedoms as a benchmark of human development challenges the traditional social democratic ways of rating progress and fairness in contemporary society. It also suggests that in order to adapt to this change social democracy may have to incorporate elements of radical liberalism and combine the pursuit of economic efficiency and social justice with safeguarding individual freedoms.

In light of this context, on 15-16 September 2008, the Friedrich Ebert Stiftung, in partnership with Policy Network, held a high level roundtable of leading centre-left thinkers from the UK and other European countries to discuss the need for a new revisionist project for the European centre-left. The overarching question of the conference was whether the way forward lies in the adoption of a more liberal social democratic agenda.

Session one: do we need a new phase of social democratic revisionism?

The first session began with an exploration of the lessons to be drawn from the social democratic consensus of the 1990s, embodied in the third way. Looking back at that

experience, it was suggested that social democrats achieved their electoral successes by pursuing effective government strategies, engaging with public concerns and developing a set of distinctive policies. The need to be flexible, to abandon fixed positions at crucial moments were deemed to be key elements of the success of the third way – a legacy which must be preserved in current efforts to develop a new revisionist agenda for social democracy.

The discussion focused on a number of areas where revisionist thinking is particularly necessary. These included the place of individualism, a core liberal principle, within the broader set of goals and values espoused by social democratic parties. It was suggested that the centre-left must continue to favour community and citizenship over individuality. However, the previous decade has shown that a new collectivism is needed, one that emerges from a bottom-up process rather than being state-driven. This will mean empowering local authorities to deliver local services in their respective communities, while ensuring that democracy, legitimacy and accountability are safeguarded.

A second area requiring attention is the relationship between social democracy and economic liberalism. It was argued that the current global financial crisis challenged the consensus which prevailed during the 1990s in favour of increasingly liberal conceptions of the market. While the optimum balance between regulation and free market principles was not clear, everyone agreed that the centre-left must be at the fore-front of debates about the limits of market liberalisation. Finally, the discussion turned to the need for social democrats to identify new ways of re-connecting with their core electoral supporters. The rise of populist parties across Europe in recent years indicates the failure of the centre-left to make a popular case for progressive goals, including European integration and – a failure which is compounded by a generalised feeling of disaffection and disengagement from politics as seen in the rapid decline in support for trade unions throughout Europe.

Session two: global capitalism and fairness: how should social democracy respond?

This session focused on the challenges and opportunities for modern social democracy of new forms of global capitalism. Climate change and other related global challenges such

as food and energy security mean that an era of shortage of basic commodities is becoming a reality. The implications of this for the centre-left are yet unclear. On the one hand, social democrats are arguably better equipped to deal with the related challenges, since they are not ideologically opposed to state intervention. On the other hand, delivering the necessary responses to climate change may clash with the social democratic commitment to improving the life chances of the many. Another point of discussion was whether the current financial crisis is a moment of opportunity or of injury for modern social democracy. The argument was made that the crisis provides a chance for social democrats to prove their economic credentials and the effectiveness of their policy tools in view of market failures. By contrast, it was argued that, as yet, there is no common sense of direction or clear narrative from the centre-left in their response to the financial crisis. Developing such a narrative, which would combine both the need for greater regulation and pro-market arguments, is now clearly a priority for social democrats. Attention was also devoted to the importance of ensuring that tackling wealth and income inequalities remains a top priority for social democrats. This may require taking measures to tackle what are often extravagant top salaries, without abandoning the centre-left's embrace of business and the private sector. The role of government should be to empower people and provide the tools for people to be helped through difficult times. Fairness must be understood in relation to wage and income inequality but also in terms of gender income inequality, particularly between half income households.

Section three: society and the state: managing increasing diversity

The fact of increasing cultural diversity is irreversible, but this has not been met by real integration. Concerning the controversy surrounding the term "multi-culturalism", it was first of all suggested that the centre-left has recently focused too much on the politics of identity and less so on the politics of class. Others felt that the centre-left must develop a new strategy of "progressive integration", marrying the "equality argument" (with its focus on extending socio-economic opportunities) with an "equalities argument" (which takes cultural differences into account). This would mean promoting equal opportunity but also shared citizenship in a reciprocal environment where citizens abide by the rules

of society and in turn get a voice to shape it. In terms of the practical implementation of this agenda, it was argued that a top-down approach would ultimately fail as it can easily deter people from integrating voluntarily. The Spanish experience has shown that a discourse of empathy towards migrants can be effective. The second round of discussions addressed the issue of the “broken society”. There was widespread agreement that there needs to be a stronger reaction to this rightwing challenge, not least because it risks depriving the centre-left of its credentials as the “caring party”. Social democrats must take more care of those who really are vulnerable and put forth a discourse of care. An interesting discussion ensued about the need to bridge what is an increasing rift within the social democratic family between “nationalist populists” and those who associate themselves with a more “international multiculturalists” view. Social democrats who embrace globalisation, European integration and diversity must find ways to recuperate an electorate gradually becoming economically protectionist, culturally conservative and indifferent to Europe.

Session four: changing institutions and the challenges for democracy

The final debate examined the more general question of the role of the state in an increasingly globalised world. Political debate is arguably increasingly shaped at local and regional levels, as seen in the growth of local participatory democracy and the emergence of regional institutional structures. While others disputed the claim that the nation state is becoming a more marginal player, everyone agreed that European governments are now operating in an increasingly complex institutional setting created in large part by the European Union. The European Union has been very effective in delivering positive results in a number of areas and in coordinating member states’ policies. There can be no denying, however, that social democrats have failed to get this message across to the general public. The transmission belt between people and parties is weak and the disconnect between popular engagement and politics at European level is so advanced that the biggest challenge now is finding new ways of engagement and new channels to generate awareness. Social democrats must come up with new ways to counter indifference and hostility towards Brussels and tackle the presumption that

people should not delegate responsibility to an independent decision-making body that can deliver positive results. At the same time there is a need to promote more democracy, legitimacy and accountability at EU level, but this may require a level of common identity which is not as yet present across Europe.