

The Good Society Debate

A Summary

I. Introduction

The Good Society Debate, which was hosted on the website of Social Europe Journal in cooperation with Soundings Journal, the Friedrich-Ebert-Stiftung and Compass was the first of its kind. Our intention was to use the opportunities easily accessible new media provide to bring together thinkers from all over Europe (and beyond). The future of European social democracy, with the Cruddas-Nahles paper 'Building the Good Society' as point of reference, was the guiding topic of the debate and the series of election defeats for social democratic parties in most European countries provided the political background.

When we conceived the idea of the debate, we were hoping to get 40 contributors together. In the end it was 90 people who contributed, many of which took the initiative and contacted us to offer their contribution as the debate progressed. We had more than 22,000 visitors who viewed more than 51,000 pages over the course of the debate. This is a remarkable result given the very specialist nature of the discourse. These statistics clearly show that there was a strong desire amongst left-of-centre academics, politicians and activists to openly debate the current state of social democracy in Europe and that there were many more who took an interest in our deliberations, from Tasmania in the South to Alaska in the North.

Such a long and broad debate invariably presents a lot of different viewpoints and it was sometimes hard to keep up with the reading due to the number of articles published each day. For this reason, we will attempt to present a thematic summary of the debate in this paper. Such a summary necessarily omits many arguments. We will nevertheless try to present recurring themes and points of analysis as well as elaborate some initial lessons from the debate. The Good Society Debate was of course only a starting point. A lot of more detailed work still needs to be done.

II. The Social Democratic Crisis

Many authors took the opportunity of the debate to discuss the origins of the social democratic crisis in Europe and two questions in particular: First, why did the economic crisis not benefit social democrats but seemed to have had the opposite effect? And second – partially related to the first question – why do social democrats lose so many elections?

Regarding the first question, the British MP Denis McShane pointed out that it was simply wrong to assume that an economic crisis would naturally benefit the centre-left. McShane argued that “when citizens are scared for their jobs and salaries, or the future of their children, they vote defensively and stay with conservatives.”

PES President Poul Nyrup Rasmussen stressed, with a view on the European elections, that “the biggest vote winner in 2009 has been without a doubt the ‘sofa’ party. It is apathy that has topped the polls across almost the whole European Union – 57 per cent of Europe’s 375 million citizens did not turn up to vote in June.” Rasmussen further referred to the rise of extremist parties as one of the reasons for the poor social democratic election showings and gave the gloomy prediction that the crisis “will reveal the gaping chasm between right-wing rhetoric and reality. Necessary investments to raise educational levels, cut unemployment and build a strong and sustainable economy will not take place. Loud denouncements of financial excesses will not compel conservatives to fight for financial reform in the EU and the G20. The truth is that, under conservative leadership, people will end up paying the costs of the crisis three times over. First, through picking up the bill for bank and company bailouts; then through losses in their jobs and livelihoods; and finally through stealth cuts and public under-investment, which will undermine our well-being and long-term growth potential.”

Other commentators did not refer to external factors but were more critical with social democratic parties themselves, criticising above all the “Third Way” and associated political reform projects of the 1990s and early 2000s for the loss of credibility and public trust. Philippe Marliere of University College London (UCL) in particular criticised that “since the 1980s, social democrats have blindly promoted free markets. They forgot that the most economically successful and fairest societies have been those where the state has kept a strong regulating role, and where public services have been consistently funded and kept in public hands. With Tony Blair and Gerhard Schröder, uncritical support of globalisation became the new mantra. (...) In reality, the gap between rich and poor has significantly increased while social democrats have been in government. And the middle classes, who cannot any longer rely on effective and cheap public services, are also increasingly struggling. Peter Mandelson once famously said that he was ‘relaxed about people getting filthy rich’. His wish has come true.”

It was indeed a recurring theme in many contributions (see for instance Klaus Mehrens, Jenny Andersson, Henri Weber and Rene Cuperus), that social democracy has lost credibility and trust as a direct result of the modernisation

programmes of the last one and a half decades. Rene Cuperus of the Dutch Wiardi Beckmann Stichting summarised this notion eloquently when he argued that “European social democracy faces an existential crisis for one reason: the electorate is of the opinion that social democracy is betraying the good society it once promised and stood for – the good society of equal citizenship, solidarity, social mobility, trust and strong community. The electorate thinks that this good society has been undermined and destroyed by an elitist, pseudo-cosmopolitan concept of the good society, built around neoliberal globalisation, European unification, permanent welfare state reform, ill managed mass migration, the rise of individualism and a knowledge-based meritocracy.”

In his video contribution to the debate, former London Mayor Ken Livingstone took the criticism of recent social democratic politics even further. Livingstone argued that because of the progressing adjustment of social democratic politics to the neoliberal mainstream, social democratic parties have neglected the development of an alternative political programme. In contrast to conservatives, who used the “golden years” of social democracy to develop an alternative political project to be ready to step in once the social democratic consensus appeared vulnerable, social democrats in recent years have not done the same. As a consequence, social democrats had no political alternative to offer when the confidence in neoliberalism started to wane in the wake of the financial crisis and subsequent recession.

So in sum many of the contributors judged that “Third Way” reformism left social democrats without “political clothes” and at the same time destroyed trust and credibility amongst the public. When the crisis struck social democrats had not only little to offer in terms of an alternative model but were perceived by many as collaborators in a failing project.

Another negative factor that was frequently pointed out was the social democratic parties’ loss of societal alliances, above all with trade unions and green movements (see for instance Arjun Singh-Muchelle and Lucile Schmidt). Henning Meyer pointed out that the focus on interest politics associated with “Third Way” Big Tent strategies was wrong because it was based on a rather simplistic behaviouralist view of the voter as utility maximiser. The concentration on policies for particular electorates in the “centre” was one of the driving forces that alienated large parts of the traditional social democratic electorate.

Some authors such as Mike Cole (Bishop Grosseteste University College) and Jeremy Gilbert (University of East London) even argued that the dual crisis of capitalism and social democracy revealed deeper philosophical flaws that required a radical cure. Gilbert argued that “the lesson we must draw is that social democrats were always quite mistaken to imagine that they had somehow tamed capitalism, domesticated it, reinvented it. This was never what had really happened. Capitalism had been fought back, pushed out of large areas of social life, kept at bay by the threat of labour militancy or even military conquest; but it had never been transformed. In fact it could never have been transformed: the history of the past few decades has made very

clear that it cannot be. It can only be contained, regulated, opposed to various degrees (or not, as the case may be). The language of much contemporary social democracy continues to imply that there are many possible kinds of capitalism, from the fierce purity of American liberal capitalism to the cosy egalitarianism of the German or even Scandinavian models of 'welfare capitalism'. In fact, this is a catastrophic analytical mistake."

III. The Future of European Social Democracy

Moving on from the analysis of social democracy's plight, the future of social democratic politics in Europe was the focus of attention for many contributors. Changes to the general approach of social democracy appeared necessary to some authors. Stefan Berger of Manchester University for instance stressed the need for a new utopian social democratic vision, the value of which has been questioned due to the mantra of pragmatism in the 1990s and 2000s. "In the early 1990s utopia was as dead as communism, and social democracy was in deep crisis. In many countries in Europe it underwent an often painful transition process, involving changes in leadership and changes in programmatic orientation. The latter usually included a partial endorsement of the liberal market economics that had seemed so successful in sweeping everything before it in the neo-conservative era of the 1980s. It also involved high doses of pragmatism: social democracy was redefined as that which worked." Berger further stressed the continued relevance of an international utopia for our times: "Utopias were necessary in the nineteenth century – for thinking outside the box, thinking about alternatives to a system of untrammelled greed. And who could deny that the contemporary world is also in dire need of utopias, to enable us to think about alternatives to a system that is about to condemn humankind to oblivion."

The importance of democratic multi-level internationalism was also emphasised by many authors. Referring to the European Union, Stefan Collignon (St. Anna School of Advanced Studies, Pisa) argued that "modern social democratic policy must be European if it seeks to correct the inequality created by the single market, and if it wishes to ensure that the losers of Europeanisation can live an emancipated and dignified life in the European Union. Modern social democratic policy must find the means to make sure that fairness and justice can be re-established in the European single market, and find ways of redistributing the gains generated by European integration across the borders of the nation state through a new model of solidarity. But it is not enough for European social democracy merely to demand the creation of a social Europe. It must also conquer the instruments by which a social Europe can be created."

Authors such as Mary Kaldor of the London School of Economics (LSE) and Zygmunt Bauman (Universities of Leeds and Warsaw) argued that the necessary instruments to achieve social democratic politics Collignon referred to must also be created on a global level: "Globally produced problems can be only solved globally. The only thinkable solution to the globally generated tide of existential insecurity is to match the powers of the already globalised forces

with the powers of politics, popular representation, law, jurisdiction; in other words, there is a need for the remarriage of power and politics – currently divorced – but this time at the global, planetary, all-humanity level.” (Bauman)

On the basis of the need to change the social democratic approach to become truly internationalist and integrate an utopian vision, more concrete policy issues were addressed by a variety of authors. Three areas seemed to be of particular importance: inequality, the green economy and the reform of capitalism.

It was widely criticised (see for instance David Clark, Lorenzo Marsili and Niccolo Milanese) that the crucial question of inequality has taken a backseat in recent years and that social policy – with mixed success – was targeted at poverty reduction at the very bottom of society. Under the veil of this mission, general inequality in many countries has further widened - also under social democratic leadership. Philip Golub and Noelle Burgi (University of Paris) therefore called for the reinvention of the politics of equality: “The first step in this direction must be to restore the legitimacy of the notion of equality, and the essential link between equality, fairness and liberty, and between freedom and social justice. Equality, which entails the notion of rights, is of course understood here as the right of all individuals who are members of a democratic polity to equal universal access to public services such as health, education, energy, infrastructure, etc. Needless to say, in order to guarantee social and democratic outcomes, the principle of access requires in turn the conception and implementation of appropriate distributive policies, the explicit aim of which must be to prevent the reproduction of class structures and social stratifications.”

Another often referred to policy area was environmentally sustainable growth (see for instance David Ritter). Margot Wallstrom (former Vice-President of the European Commission) underlined the importance of linking the economic recovery with green policies when she argued that “we believe that a socially and ecologically sustainable society can create new opportunities for economic growth, employment creation, social protection and a cohesive society. Climate change policies should be considered as opportunities to realise a triple dividend – protect the environment and boost economic growth and employment creation at the same time. Countering global warming is, as a matter of fact, maybe the only option if we wish to get our economy back on track and ensure a viable economic system. ‘Going green’ is thus a win-win strategy!”

Unsurprisingly, the reform of capitalism was also a key debating point. The discourse addressed the issues of a fairer tax system (Will Straw), the rebalancing of the mixed economy (Tapio Bergholm and Jaakko Kiander), a new socially sustainable strategy for growth (Paolo Borioni) and the reaction to the financial crisis. Duncan Weldon, who is a partner in a fund management firm, for instance argued in favour of a rebalancing of finance capitalism and the ‘real economy’: “‘Finance capitalism’ represents the subordination of production (and hence much employment) to the pursuit of money profits in financial markets through trading in stocks, bonds and other instruments. This

can lead to the 'real' economy being starved of the investment it needs. One of the largest drivers of the current recession is a collapse in investment levels – at least partially driven by the failure of finance capitalists to supply credit. We are now in a perverse situation whereby banks that were for a decade prepared to lend for consumption and speculation on property and financial instruments are currently not prepared to lend for the financing of the necessary rebalancing of economies towards greener, sustainable growth.” This topic also linked the Good Society Debate with the wider discussion about “socially useless” activities of financial institutions and how to deal with these business models in the future.

Apart from policy issues, the debate generated also many articles that focused on institutional questions. Here two areas were of particular importance: First, organisational issues of social democratic parties and their societal reach and second the future role of the state (see for instance Karin Roth and Attila Agh). As the state has seen a political revival as the insurer of last resort, there was a vivid debate about how this momentum could be used for a more positive concept of state interventionism for progressive purposes. This debate is of course linked to the above-mentioned discourse about the need for a true internationalism with multi-level governance.

In terms of party organisations, the strengthening of democracy, links to NGOs but also a serious opening up to new media were recurring themes (see for instance Niels Annen). The damage inflicted on the traditional labour movement alliance with trade unions in particular was an often-mentioned aspect. Dimitris Tsarouhas of Bilkent University in Ankara underlined the continuous strategic importance of this link and called for a renewal of this alliance when he wrote: “What is remarkable about the party-union link is how much it has been underestimated by social democrats themselves. The 'golden age' was made possible by many different components, but one of them was certainly successful party-union links: these were instrumental in forging governmental coalitions that enhanced women's rights, gave employees a say in the workplace and secured safe work conditions for employees. Even today, and despite all the changes that the link has gone through, unions continue to form the backbone of the progressive movement in a number of countries.”

IV. The Cleavage within Europe

One of the striking characteristics of the debate was an often fundamentally different assessment between contributors from North, West, and Southern Europe and those coming from Central and Eastern Europe. To be very clear, we do not want to blame anybody for their views or analyses, but it is important to stress that closing the sometimes wide political cleavage running through Europe is one of the most important tasks for social democrats if a real European social democracy is the aim. What Carl Rowland, who himself lives in Hungary, referred to as a “core versus periphery” situation became also clear in some of the articles.

First, it was often stressed that different historic backgrounds mean that social democratic traditions are very different. Leszek Lachowiecki (Director of the Index Academic Centre) for instance strongly criticised social democracy in his native Poland when he wrote that “it is strange but true that Polish Post-Communists – having converted themselves into social democrats – have been in power for about half of the period since the downfall of their dictatorship. But in fact this group, which is led by people like Aleksander Kwasniewski and Leszek Miller, has hardly any genuine Communist roots either. The label of social democracy was acquired by these politicians for purely tactical reasons. In reality, they were leaders of a narrow group of technocratic businessmen (former apparatchiks of the ruling party), who sought to enrich themselves in the process of selling off state-owned industry. Having no ideological background and aiming exclusively at their own individual success, they have eagerly participated in the building of our current social and economical system, which could not be regarded as acceptable in any imaginable system of left values.”

A similar criticism was voiced about social democracy in Ukraine by Oleksandr Svyetlov, an adviser to NGOs and the Ukrainian League of Political Scientists: “The SDPU(u) has been pithily described as being social-democratic to about the same extent as a guinea pig is a pig (M. Tomenko). It has also been described as a ‘bandit party’ (V. Malynkovich) and ‘oligarch’s club’ that has privatised the state (Y. Durkot). The party has made use of its staffing of public offices and state functions for the self-enrichment of its members; and it has promoted their business interests through the ‘privatisation’ of most of the lucrative state-owned enterprises, and the preferential allocation of the land in national parks for building private real estate.”

Mart Valjatage (Editor of the Magazine Vikerkaar) argued in his contribution that the Cruddas-Nahles paper and the Good Society Debate in general “does not pay sufficient attention to two issues that – unhappily – are influencing the political atmosphere in Europe today, especially in the post-communist countries. These are the issues of fear and security, and of memory and history. These two factors give sustenance to an angry political outlook that is heavily orientated towards the past and fearful of the future.” Valjatage further referred to history as a burden in the former communist countries when he wrote that “though the memories of Soviet communism have discredited some social democratic ideas in these [Eastern European] countries, the confusion of social democracy with communism is relatively easy to disentangle. But there has been a strong tendency towards becoming over-entangled in historical issues, particularly in poring over the lessons of the Second World War, and the relative evils of Stalinism and Nazism, and this feature of recent political discourse needs to be firmly resisted. History should be left to historians.”

But apart from important differences in social democratic traditions and national histories, there were also some deep-seated philosophical discrepancies presented by some contributors. Florin Abraham of the Ovidiu Sincai Institute in Romania for instance presented a viewpoint referring to the

Cruddas-Nahles paper that few other commentators would share: “Another contentious thesis promoted by Jon Cruddas and Andrea Nahles is the need for the restoration of the primacy of politics, and rejection of the subordination of political interests to the economic. If we considered this idea in the arena of pure ethics it could be accepted as a desirable objective. But if we try to apply it concretely there are three possible options: (a) politics would turn into ideology, more specifically into communism; (b) since it is implicit in the drastic separation of economic interests from politics that the financial support of companies during electoral campaigns would not be permitted, parties could expect certain failure, as in the current conditions no single party can fund its electoral campaign solely through the contribution of its members; (c) we risk becoming hypocrites, in tacitly accepting the influence of economic interest groups over parties but publicly denying it. All three options are unacceptable.”

Christian Ghinea, Director of the Romanian Centre for European Policies (CRPE), put an equally controversial claim forward when he stated that “social dumping is the best thing that has happened to Romanian workers in recent years, as Western companies have relocated jobs here. Of course, we would prefer to have Western levels of income here, but the real choice is between the jobs we currently have and no jobs. (Although these salaries may appear derisory to people in the West, the wages paid by companies that have relocated to Romania pushed nominal income up by 75 per cent between 2005 and 2008). So, what is the best option for a Romanian willing to build the Good Society? – to prevent social dumping to protect Western jobs? I don’t think so.”

V. Conclusion

The Good Society Debate has achieved its main purpose of bringing together an unprecedented number and variety of discussants to debate the future of European social democracy. The diversity of viewpoints and specialist knowledge provides a rich basis from which the work on political solutions can begin.

This paper summarised the main arguments on the sources of the social democratic crisis and ideas about the future direction of European social democracy but also highlighted the apparent friction within Europe that has to be urgently addressed. Most of the work of course remains to be done. But the Good Society Debate has provided a framework and a point of reference that will be helpful to guide future efforts.