

Introduction

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The search for social democracy has not been an easy one over the last three decades. The post-war ‘golden age’, characterised by strong economic growth, full employment and narrowing income inequality, came to an unceremonious end with the global economic slowdown of the 1970s. Sluggish growth, rising unemployment and rampant inflation were all hammer blows to the credibility of the broadly social democratic outlook that had hitherto dominated post-war policy-making in the West. The economic sclerosis of the 1970s consequently offered the opening that the sponsors of so-called ‘neo-liberalism’ had been seeking to remake the political economy of the industrialised nations. The neo-liberals were remarkably successful at attributing the blame for the economic downturn to ham-fisted Keynesian interventionism, wasteful public spending and inflationary trade unions, and at offering fresh prescriptions for public policy organised around counter-inflationary austerity, welfare state retrenchment, privatisation and deregulation. The new world that social democrats confronted from the 1980s onwards – a world of tax-resistant electorates, the globalisation of capital, and Western deindustrialisation – was one that exercised substantial constraints on traditional social democratic politics. The net result was that the ideas, institutions and social movements associated with social democracy were placed on the defensive and in some countries forced into an undignified retreat.

Yet programmatic revisions in response to new circumstances have long been social democracy’s stock in trade (see Sassoon 1996). It was not surprising, then, that a fresh bout of ideological revisionism consumed the democratic left in the 1980s and 1990s, as social democrats sought to come to terms with the latest permutation of capitalism’s relentless capacity for innovation. In tandem with these ideological debates, social democratic parties fought, with varying degrees of intensity, to remain electorally competitive, a struggle that reached its fleeting high watermark

in 2000 when thirteen out of the fifteen EU member states had at least some social democratic participation in government (including Britain, France, Germany and Italy). As with every other episode of social democratic revisionism, however, this period also saw an intensely controversial debate about how far fundamental social democratic commitments were being cast aside by party leaders in the interests of obtaining power. The inevitable, but thorny, questions were posed: did this revisionism simply amount to a neo-liberalisation of the left or did it adumbrate a recognisably social democratic agenda? Were these programmatic adaptations the only feasible ones dictated by the electoral and economic constraints or were there other possible options, other forms of modernisation, that might have yielded greater strategic dividends for the left? Why did some social democratic parties feel it necessary to take their revisionism much further than others?

In Search of Social Democracy brings together prominent scholars of social democracy to address these questions. We aim to take stock of the crisis of classical social democracy in the 1970s and the consequent efforts to modernise social democracy so that it remained a going electoral concern. To do so, we have collected together papers presented at a series of conferences organised around the theme of 'Rethinking social democracy', held in London, Swansea and Sheffield between 2004 and 2006. This collection forms a companion to a previously published volume, also drawn from these conferences, which focused on social democracy in its golden age (Callaghan and Favretto 2007). This book picks up the story of social democracy as it sailed into choppy waters.

Although there is no shortage of books and articles on social democracy's fortunes in the late twentieth century, this volume stakes a claim for distinctiveness because it is the first to be able to reflect in detail on the left's experiences in government in the 1990s and early twenty-first century. Previous discussions of the modernisation of social democracy were published on the cusp of these governments or at an early stage of their terms in office, when the trajectories of the left's governing projects were as yet indistinct (see e.g. Kitschelt 1994; Sassoon 1997; Callaghan 2000; Glyn 2001; White 2001). We are now able to build on these contributions by assessing in greater depth how the new social democratic revisionism fared in government. In order to make this task manageable, we have focused our attention on the social democratic heartland of Western Europe, although Australia and the United States also make an appearance. We have narrowed our geographical scope with some regrets, but we are convinced that a comparative analysis of those nations in which social democracy has historically exercised greatest influence – the industrialised West – offers us the most coherent and fruitful approach to this subject.

The book is divided into three parts. In Part I, 'After the golden age: social democracy in crisis', a reckoning is made with the underlying causes of the end of social democracy's golden age and thus with the magnitude of the challenges faced by social democratic parties after the 1970s. Ashley Lavelle argues in the opening chapter that the cross-national trend in social democratic parties since the 1970s has been towards an accommodation with neo-liberalism and a corresponding dilution of traditional social democratic commitments. Drawing on the case studies of Australia, Germany and Sweden, Lavelle attributes this 'neo-liberalisation' of social democracy to the end of the post-war economic boom. Lower levels of economic growth mean that it is no longer possible, Lavelle argues, to pursue golden-age-style redistributive policies without arousing the decisive opposition of capital. In the following chapter, Norman Flynn offers support for elements of Lavelle's analysis, but also departs from it. Flynn compares the economic performance, fiscal policies and social spending regimes in France, Germany and the United Kingdom since 1970 in an attempt to determine how far the so-called 'European social model' has survived in the face of economic and demographic pressures and whether less generous social spending can be correlated with stronger economic growth. Although Flynn finds all three economies to have been placed under significant fiscal strain, he also finds that there have been diverse national responses to these pressures and argues that broadly social democratic institutions have been surprisingly durable, particularly in France and Germany. In the final chapter of Part I, Noel Thompson examines the ideological crisis that engulfed social democracy during the 1980s. Thompson focuses on the debate about economic strategy on the British left and traces how social democratic politicians and economists responded to the dethroning of Keynesianism by neo-liberalism as the dominant model of economic policy-making. Thompson argues that this period sees the defeat of a distinctively social democratic economic strategy in Britain, since it was ultimately rendered irrelevant by changing economic circumstances, new electoral preferences and the ideological dominance of the New Right. This provides a suitably gloomy note on which to make the transition to Part II, 'Responses to the crisis: the Third Way and other revisions'.

Having set the stage in Part I with an analysis of the constraints operating on social democratic parties from the 1970s onwards, Part II moves on to examine detailed case studies of how particular social democratic parties responded in government to this changed political terrain. Five crucial national cases are investigated here. Ben Clift opens Part II with an analysis of the economic strategy of the French Socialist Party between 1997 and 2002. He argues that Lionel Jospin's government created

significant space for social democratic policy activism by committing itself to macroeconomic stability and hence ensuring that it enjoyed credibility with financial markets. A similar picture to that painted by Clift emerges from two of the other case studies explored in Part II. Paul Kennedy and Dimitris Tsarouhas show that in Spain and Sweden respectively difficult political and economic constraints have necessitated programmatic and strategic adaptation on the part of the Spanish Socialist Workers' Party (PSOE) and the Swedish Social Democrats (SAP) but that, like the French socialists, the PSOE and SAP have nonetheless succeeded in pursuing a recognisably social democratic course. The PSOE and the SAP, we might also note, have probably been the two most electorally successful left parties of the last thirty years. The verdicts on the German Social Democratic Party (SPD) and the British Labour Party, given by Hartwig Pautz and Eric Shaw respectively, are more negative. Pautz examines the SPD's programmatic debates from the 1990s until the present day, including its engagement with 'third way' revisionism, and finds that the outcome has been deep confusion in the SPD's identity, policies and electoral appeals. Shaw directs our attention to the 'third way' government *par excellence*, the Blair–Brown administration in Britain, and in particular to Labour's approach to public services. Shaw acknowledges the significant public investment in education and healthcare undertaken by Labour since 1997, but also sketches in the government's controversial use of market mechanisms in public service delivery and their consequences for core social democratic objectives such as equality and social solidarity. Part II concludes with a chapter that traces the evolution of international approaches to social democracy. Gerassimos Moschonas looks at the impact of European integration on social democracy in this period and argues that the particular institutional structure of the EU poses a further significant constraint on the capacity of social democratic parties to undertake meaningful political change. According to Moschonas, although attachment to the cause of European integration in the 1980s and 1990s enabled social democratic parties to win new support from the educated middle class, it also consolidated and deepened the decomposition of the traditional political identity of the moderate left.

Part III of the book, 'Resources for rethinking', aims to contribute to a broader conversation about the future of social democracy by considering ways in which the political thought of 'third way' social democracy might be radicalised for the twenty-first century. The emphasis here is on the continuing salience of left-wing ideological traditions that have been unjustly neglected in the rush to modernise social democracy in the 1980s and 1990s. Jeremy Nuttall focuses on the evolution of the British left's ideas about unlocking the potential of each individual and argues that this represents a compelling electoral battleground

on which the contemporary left could engage with the arguments of the neo-liberal right. Kevin Hickson makes the case for the continuing relevance of Anthony Crosland's vision of social democracy and responds to a variety of critics who have argued that Crosland's ideas have been rendered inapplicable by post-1970 economic and political developments. Ben Jackson contests the portrayal of traditional social democratic rhetoric in the political thought of modernisers by undertaking a comparative analysis of the rhetoric used in Britain and the United States to argue for economic redistribution during the struggle for the welfare state. His findings dispel some serious misconceptions about how present-day social democratic politicians in Britain and the United States might resuscitate a public language of social justice. Martin McIvor weighs up how far the recent retrieval of republican ideas by political theorists offers social democrats a promising source of fresh intellectual inspiration. He concludes that, although there is indeed much to be said for incorporating republican insights into social democracy, it is also important to correct for the individualist emphasis of republican political economy by retaining the traditional socialist goal of democratic collective control of the economy. In the following chapter, Adrian Zimmermann examines precisely this historic socialist commitment to economic democracy and sketches the development of ideas about industrial self-government across Western Europe in the twentieth century. He argues that economic democracy should be seen as a fundamental component of social democratic ideology, ripe for reappropriation in the twenty-first century. Nina Fishman concludes the book by reflecting on the early history of the social democratic tradition after the formation of the Second International in 1889. She also indicates the continuing relevance of this tradition by looking forward, to the prospects for social democracy in the twenty-first century. At a time of economic turbulence and environmental degradation, she argues, the characteristic social democratic emphasis on collective, democratic, non-market solutions still holds a considerable appeal.

As should be apparent, no party line has been imposed on the contributors. A variety of perspectives emerge in the following pages – some sceptical of social democracy's prospects, others more sanguine; some supportive of the performance of social democratic parties in government, others bitingly critical – but all of the contributors are united by the conviction that this represents a line of enquiry that is essential to understanding the current politics of the industrialised world and, in particular, to determining the feasibility of more egalitarian and democratic social outcomes than have been possible so far in the era of neo-liberalism.

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