

# The European Union Left: from Social Democracy to Social Liberalism?

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The *New Socialist* debate on Social Democracy is taking place in a global context that is markedly different from what it was just a few short years ago.

Two major differences spring to mind.

Firstly, crisis has hit the global economy quicker and more deeply than even some of capitalism's most bitter critics might have anticipated. Beginning with Mexico in 1994-1995, accelerated in Southeast and East Asia in 1997-1998 and in Russia in 1998, the crisis has come around full circle to hit Latin America (Brazil, Argentina) once again in 1999. China seems poised to be the next casualty. The question can no longer be *if* the advanced capitalist world will be hit, but rather *when* and *how hard*. Flattening most everything in its way since the early 1980s, the neo-liberal steamroller appears to have run out of steam.

Secondly, Social Democracy directly controls or is a key partner in 13 of 15 governments in the European Union (EU). As recently as 1996, this seemed rather improbable — especially in countries such as France, Germany, Italy and, to a lesser extent, Britain, which are all central to the project of European integration.

For the first time in years a space has been opened for the Left world-wide — including for its most radical sectors. This change is best exemplified by two events: the Zapatista uprising in Mexico in 1994 and the huge strike and social movement in France in 1995. Numerous other examples exist: the South Korean strike and protest wave of early 1997, the student-worker overthrow of Suharto in Indonesia in 1998, the 1997 UPS strike in the USA and the Ontario 'Days of Action' in 1996-1997.

Something has changed in comparison to the political doldrums of most of the 1980s and the first half of this decade. Suddenly, our calls to resistance and struggle and our radical critique of capitalism no longer seem so out of tune with the ways of the world.

That said, we urge caution to those who feel we are on the eve of some kind of "revolutionary upsurge". In large measure, the protest and fightback we have seen are rearguard actions. Their massiveness and occasional radicalism are reactions (often desperate ones) to the sheer scale and brazenness of the neo-liberal offensive. Taken together, they do not make for a groundswell pushing a conscious and collective winning strategy for what could be called a radical or even progressive alternative. In fact, for the time being at least, almost all these movements have fizzled out.

As for the global economic turmoil, it would do well to remember that crises are hardly alien to capitalism and are often helpful in reorganizing its strategy for accumulation. Far from heralding capitalist collapse, the unfolding crisis may well go down as the birth pains of a new post-Cold War neo-liberal order. An even more barbaric and unjust order, to be sure, but a functioning capitalist order nonetheless.

In any event, given the ideological disarray and fragility of the various components of the Left and socialism's own crisis of credibility, a major economic crisis would do more harm than good to the Left's natural social base — and probably without any corresponding rise in anti-capitalist consciousness.

In far-Left circles most exchanges on Social Democracy usually seek to prove two basic points: one, history has proven the superiority of revolutionary socialism over reformism; and, two, it is mass struggle that is all important — not leaders and bourgeois institutions.

In the abstract, this suits us just fine.

In practice, formulating revolutionary strategy around a radical critique of reformism has made sense in two distinct periods of the 20<sup>th</sup> century.

To begin with, “revolution not reform” is a relevant slogan in real political life when revolution is a real possibility — born of the paralysis of the capitalist system and its state, and the organized, ongoing mobilization of millions of people with the conscious desire to radically re-order their societies. In such a context, a three-horse race takes place between revolutionary socialists, those who advocate compromise and gradualism, and the capitalist Reaction.

It would be absurd to describe the present period in this way. In fact, such a scenario has not existed in any credible way in the countries at the heart of the capitalist world system since the two decades stretching from the First World War until the rise of fascism and the Stalinist counter-revolution in the early-mid 1930s. “The actuality of the revolution” had long since ceased to be “the key-note of our epoch,” recognized Georg Lukács over thirty years ago.

Secondly, polemics on the bankruptcy of reformism only make sense in real political life when a genuinely reformist (or at least reform-oriented) force has mass support and holds or contends for political power. In such a situation, building a movement based on criticism and mobilization can compel the reformists to go further in the interests of the masses than they would be willing or able to do otherwise. Depending on the outcome of this tug of war and a host of other factors, there is the prospect of the struggle moving to a higher level, opening the way for anti-systemic possibilities.

Yet even this second ‘step down’ scenario is not the one which we face today. The days of the big post-WW2 reform-oriented forces are over. The beginning of the end probably came as far back as the early-mid 1970s. The reformist parties in question and the organizations and people that looked to them (including those well to their left) were unable to assemble the forces and political project necessary for withstanding and overcoming the major downturn and restructuring of the world economy.

By the mid-1980s, Thatcher and Reagan had finished what amounted to a mopping up operation. The social, organizational and ideological fabric of the big reform-oriented forces had come apart at the seams. Soon after, the collapse of the USSR extinguished among the broad masses any residual idea of a socialist (as opposed to reactionary e.g. religious fundamentalist) alternative to capitalism. A whole period in the history of the Left (all tendencies combined), what Eric Hobsbawm describes as the *Short Twentieth Century (1914 - 1991)*, had come to an end.

Unfortunately, much of the revolutionary Left seems to be stuck in a strategic rut. Thankfully, only a tiny sectarian minority remains in 1930s mode. But many still subscribe to the second type of orientation — that is, alternating between denouncing social democrats and making demands on

them which we know full well they will not deliver, and which our small forces are too weak to exact from them

We believe such an approach falls wide of the mark. It prevents revolutionaries from engaging in a constructive manner with the minority of individuals and forces in society (between 10 and 25 percent depending on the country) who are opposed to the neo-liberal onslaught and are prepared to express this opposition in a variety of ways — through struggle, yes, but also through plural political and electoral alliances and on the terrain of national, regional and trans-national institutions.

While insisting against reformists on the centrality of class action 'from below' and mass confrontations (e.g. strikes, demonstrations, insurrections) by the working class and the oppressed in their self-emancipation, we strongly oppose the rejectionist, actually abstentionist, posture adopted by many on the revolutionary Left on electoral and institutional questions.

We feel that it is self-defeating to shirk the task of taking our analysis of society's social and political contradictions into the formal democratic process — to expand and challenge the rules of the game. It is simply irresponsible to adopt such an attitude when one considers that many of these 'bourgeois' institutional gains are the product of past class struggles and invested with the popular legitimacy of those battles. They are also rooted in the will of a significant segment of the population to resist the total privatization of the decision-making process.

Let there be no false debates. We describe ourselves as revolutionary Marxists — distinctive from the rest of the Left in our understanding of the capitalist mode of production, the state, imperialism and the role of class struggle among other things. Neither capitalism nor any reformed version of it can provide real and lasting solutions to the basic problems facing humankind on the eve of the 21<sup>st</sup> century (hunger, disease, war, unemployment, environmental decay, an unequal global order, spiritual emptiness, to name just a few).

Although there is now ample evidence to the contrary and the odds are very much against us, we feel the stakes are high enough to invest our personal and political lives in a twin gamble based on what Daniel Bensaïd has called a *pari mélancolique* (melancholic wager).

One, that capitalism can indeed be overthrown in a lasting manner; and, two, that the post-capitalist society can at least begin to provide lasting solutions to the main problems with which humankind is confronted under late capitalism.

We merely question the usefulness of emphasizing the distinction between 'revolutionaries' and 'reformists' in devising a relevant strategic orientation on either side of the Atlantic — much less for deciding tactics mindful of our own weight and the real political lay of the land — for now and into the foreseeable future.

We firmly believe revolutionaries — alongside genuine reformists and new yet undefined forces — can and must play an active and central role within the different struggles and political realignments currently underway. In this sense, we feel we are a good sight more ambitious and audacious than those who would reduce the tasks of socialists to localized activism and revolutionary phrase-mongering on the sidelines.

So much for what Social Democracy is not; and so much for the strategic posture the revolutionary Left should not adopt. But what is Social Democracy and where is it headed? Based on this and other considerations, what should the revolutionary Left be saying and doing?

The current situation in the European Union provides some of the raw material to answer these questions.

The main significance of the Social Democratic victories was in the first place defensive, in as much as the Right was doubtless preparing a major reactionary turn when it was kicked out of office. This was especially true in France and Germany, where employers have been pushing for a frontal assault on a labor market and welfare system judged to be overly 'inflexible'. In the Italian elections of 1996, it was a matter of booting a particularly aggressive hard-Right out of office.

It would have been the height of irresponsibility to remain neutral in any of these contests. To this extent, the Social Democratic victories have been a real victory for all sectors of the Left and social movement.

Although European Social Democracy continues to be criss-crossed by various conflicts and disagreements — put crudely, the difference between the Blair and Jospin approaches — the bone of contention is certainly not the pace at which to move beyond capitalism!

The real questions lie elsewhere. First, are any of the Social Democratic-led governments genuinely committed to breaking with the current neo-liberal dispensation on a national level? Second, do significant forces within European Social Democracy have a plan to break with the current neo-liberal EU project and spark a truly EU-wide reform-oriented agenda?

Were the answer to either or both questions a clear "yes", it would signal a real opening for the radical Left and social movements. It would improve the political climate and provide reference points on a national and EU-wide level, creating a dynamic of critical support that could knit together the isolated fragments of those engaged in struggle and looking for radical alternatives.

Unfortunately, the answer to both questions is actually "no". The main tendency right now, both nationally and on the level of the EU as such, is for Social Democracy to become a center-left pillar for the neo-liberal project.

We are witnessing the attempt by leading sections of Social Democracy to transmogrify into Social Liberalism. That is, policies which curb public spending, abandon progressive taxation and full employment while extending the neo-liberal structural reforms of their right wing predecessors, leaving intact the existing distribution of income, wealth and power, while offering modest increases in social expenditure, 'targeted' welfare benefits and a 'minimal' state within a privatized economy.

The Labour government in Britain has gone furthest down this path. Blairism, as Stuart Hall observes, "in its overall analysis and key assumptions, is still essentially framed by and moving on terrain defined by Thatcherism." It doesn't end there. New Labour ideologues aim at nothing less than healing the rift within Liberalism that created Labourism and the recomposition of bourgeois politics through a grand coalition (of ideas if not seats) with the Liberal Democrats and Euro-federalist faction of the Conservative Party. That it can even embark on this course is in large part due to the social and ideological catastrophe of the 1980s and the demoralization and defeats of the labor movement.

The new Italian government of Massimo d'Alema has a similar outlook. The majority of the former Communist Party has become the cornerstone of a neo-liberal center-left alliance. This was largely thanks to the collapse of the corruption-plagued Christian Democrats and the internal squabbles within the various casino-style and hard-Right forces that emerged from the rubble. In addition to the always-looming threat of the new hard-Right (of which a party with roots in the Fascist era is now a vital element), a morose economic climate, strong pro-EU support within the population, and

the North-South divide have made it difficult to put up any kind of concerted resistance.

The situation in France is not as discouraging. In the run-up and immediate aftermath of the Jospin victory in France in 1997, there was good reason to hope that the PS and its allies — pushed by post-December 1995 social movements and public opinion — might go in the opposite direction, towards a break with neo-liberalism. Subsequent developments have largely betrayed this hope, although Lionel Jospin's 'plural Left' government (especially elements within it) still remains to the left of the other EU governments. Its decision to kill international negotiations on the Multilateral Agreement on Investment (MAI) is an example of this different profile. The real unknown factor in France is whether a new social explosion is brewing, although there are few signs of this for the moment.

Germany under the new government of Gerhard Schröder is a special case. The new 'red-green' government is to the right of Jospin. What's more, critical trade-union sectors, social movements and forces to the left of Social Democracy are nowhere near as broad and mobilized as they have been in France since 1995. Yet in spite of high unemployment, the socio-economic situation for the population (working conditions, social protection) remains the best in the European Union and the advanced capitalist world generally speaking.

Neo-liberalism has not gone as far in Germany as it has elsewhere; one of the reasons Kohl was so handily trounced was that he was undoubtedly preparing a radical neo-liberal turn. It is safe to assume that the highly organized German working class will not let its major social gains be dismantled without a fight; a fight the Schröder government is not particularly willing or able to wage — however frustrating this may be for both the German bourgeoisie and the most neo-liberal elements of EU Social Democracy.

For the moment, though, the various wings of EU Social Democracy are basking in the glory of their new dominant position within the different countries and on the level of the EU institutions themselves. A truce has been called between EU Social Democracy's different components, and it has been able to suck most of the various critical sectors of the Left into its orbit — the French Communist Party and both French and German Greens, for example. No noteworthy social or political challenge from the left has emerged to disturb this cozy arrangement within Social Democracy and between it and its new partners.

But still waters run deep. The current stability and attractiveness of the 'social-liberal model' currently pursued by EU Social Democracy (on its own, or in alliance with parties to its left or right) is the result of a confluence of factors that are unlikely to last.

In the first place, the EU Right is in total disarray, both nationally and on the level of the EU. Paradoxically, the forward march of the neo-liberal and imperialist EU project has been politically more advantageous to Social Democracy than to the Right. This is largely because the political Right's strength and credibility were rooted nationally and in the specific social compromise that emerged from the War; whereas big chunks of Social Democracy made the shift to Euro-federalism back in the 1970s and 1980s as a way both to compensate for the obstacles it faced on the national level and to cushion and cover its own rightward drift nationally with the fig leaf of a 'social Europe'.

As part of its own internal restructuring, and in response to American and Japanese competition, the bourgeoisies of Europe (and the emerging pan-European bourgeoisie) had made the EU a priority and could not wait around for the Right to get its act together. This was especially pronounced in Britain where big business despairing of the national-chauvinist Conservatives backed New Labour in 1997. Its pressure, matched in enthusiasm by the pro-social partnership Trades Union Congress, means Britain's adoption of the single currency will only be a matter of timing and technicalities.

As a result, a kind of *modus vivendi* now exists between Social Democracy and EU capitalists. But class interests and history make it difficult to see for how much longer the social-liberal Left's ardor for big business will be reciprocated. Employers are already impatient with the 'old-fashioned' interventionism of French and German Social Democracy and are likely to find their response to the looming crisis far too timid. For its part, the leaner and meaner EU Right is yearning for revenge.

In the second place, Social Democracy has been blessed with a relatively favourable economic environment. This has paved the way for a relative social peace with its base; and with the business community too. The successful launch of the single currency, the Euro, has been a cause for considerable euphoria in both the leading circles of Social Democracy and the continent's financial markets. This economic environment and the indigestible alternative of a hard-Right government has also steered Social Democracy clear of major internal conflict between its reform-oriented remnants and its neo-liberal leadership.

Finally, political and social forces on and to the left of Social Democracy might rain on the social-liberal parade, either nationally or EU-wide. Given the weakness and fragmentation of such forces, this seems the least likely short or medium-term outcome.

With the present level of expectations and endemic instability — especially in France and Germany — there is likely to be struggle and a leftward radicalisation of a segment of the electorate. The problem is that there is no credible Left force on the national level — much less a European one — to replace Social Democracy and its allies or at least strengthen the hand of critical sectors against Social Democracy's conservative mainstream and the Right and far Right.

The role the revolutionary Left can most usefully play in this conjuncture is to assist in the recomposition of the workers movement with the aim of occupying the space evacuated by Social Democracy and points leftward. Key to this process is the building (and rebuilding) of vibrant trade-union and social movements.

From EU-wide rail strikes, to the Euro-strike against the closure of a Renault factory in Belgium, to the June 1999 European demonstration in Cologne "against unemployment, job insecurity and exclusion", to the campaign for a tax on financial transactions, a real EU-wide social movement is taking shape.

Revolutionaries will have to combine this grassroots work with specific initiatives (elections, specific campaigns, organizational unity) towards all those forces resisting the assaults of neo-liberalism and the rightward trajectory of Social Democratic parties. These includes reform-oriented social democrats, through ex-Stalinists, ecological currents and direct action activists, to those who bear no labels from the past. Some vital components of this recomposition process include parties such as Rifondazione Comunista in Italy, the PDS in Germany, Izquierda Unida in Spain and, more modestly, the Scottish Socialist Party in Britain.

The electoral agreement between two far-Left groups in France (the LCR and LO) for the European Elections in June should be seen as a tactic in this realignment to the left of the Left; and not the launching pad for an illusory revolutionary workers party. The same goes for the emerging far-Left electoral alliances in Britain.

Given the forward march of the EU project — an historic defeat for the Left — the focus must in part shift to building specifically EU-wide social movements and political initiatives. No real breakthroughs will be possible any longer on the national level alone.

Revolutionaries also have a somewhat more prosaic role to play. We must, for example, be the best

defenders (and practitioners!) of democracy, pluralism, feminism and self-organization within our campaigns and movements.

We must also be the strongest proponents of unity and dialogue between the different components of the trade-union and social movement. In a context of growing social exclusion and poverty it is not always easy to ensure harmonious relations between trade-union activists and campaigners for (and from) the poor and unemployed.

For the same reason, there is often a split between those working on 'social' questions (poverty, unemployment, and so on) and those working on 'moral' questions (racism, women's rights, ecology and international solidarity, for example). We must strive to overcome these divisions and misunderstandings.

In these and other ways, revolutionary socialists can be at the heart of the struggle for the refoundation of socialism. Which is exactly where we belong.

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**P.S.**

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