

EDITORIAL

Postcards from the world of social democracy

Eunice Goes, David Klemperer and Eleanor Lowe

The last decade or so has not been kind to social democratic and centre-left parties. Around the world, social democratic parties struggled to craft a progressive response to the 2008 global financial crisis and were harshly punished by voters in the era of austerity that followed. Since then, social democratic parties have been languishing in opposition, feeling disorientated and powerless. In some cases – France and Greece – they face the distinct possibility of extinction. In the rare cases where social democratic parties are leading governments – Germany, Spain, Denmark, Portugal, Australia, Brazil, Chile – they have either ceased to believe in their capacity to transform the societies they lead or are struggling to implement the structural reforms required to address the big challenges they face in a social democratic way. Too often, they are reduced to offering short-term remedies – policies designed to mitigate the effects of unequal economies, without addressing their underlying causes.

In the interview that opens this issue veteran scholar of social democracy Adam Przeworski told David Klemperer that social democrats have retreated from their historical mission of transforming society. Instead, argues Przeworski, social democratic parties ‘are only coping with new problems’. They claim to be able to cope better than their opponents, but ‘they are not transforming anything’. It is true that the new problems – from the climate emergency to the crisis of democracy, to rising insecurity and war – are hugely challenging. But as Keir Starmer has argued, short-termist ‘sticking plaster politics’ is inadequate to the challenges we face. Social democracy needs to return to its transformational roots.

Understanding the challenges

How can social democratic parties get back into the business of transforming society? Perhaps the first step in that direction involves understanding the electoral, political, and cultural challenges they face. This issue of *Renewal*, entitled 'Postcards from the world of social democracy' seeks, amongst other things, to contextualise the current crisis of social democracy, and to dispel certain misconceived assumptions about the appropriate strategies to adopt.

As Line Rennwald, Tarik Abou-Chadi and Jane Gingrich explain in the roundtable discussion, social democratic parties are fighting elections in highly fragmented party systems. They face polarised electorates and have lost voters to centre-right, green, and radical left parties. Moreover, as Rennwald shows, a considerable chunk of their own voters has stopped participating in elections altogether. But these parties are also misdiagnosing the causes of their unpopularity. Contrary to conventional wisdom, social democratic parties should not focus their electoral strategies on elusive 'median voters' or on voters with authoritarian views on immigration and civil rights. Instead, Abou-Chadi suggests they have the potential to build winning electoral coalitions based on both 'economically left and culturally progressive positions'.

Jonas Hinnfors's analysis of the authoritarian turn in Scandinavian social democracy, illustrates Abou-Chadi's point. Hinnfors shows that this 'authoritarian turn' in immigration policies did not create the magical pathway to electoral success imagined by some strategists. In Sweden, the Swedish Social Democratic Party's (SAP) restrictive immigration policies did not lead to victory at the last election. In Denmark, the 'authoritarian turn' may have kept social democrats in power, but contributed to the normalisation of far-right views on immigration. This turn also raises important questions about the social democratic identity of these parties.

Balancing ambition and compromise

The second step towards rediscovering social democracy's transformational mission involves learning from the strengths and weaknesses of the approaches taken by the social democratic parties that have already found their way back into power. These 'lessons' can be particularly useful to parties like the UK Labour Party, which have been in opposition for more than a decade.

This issue contains analyses of several social democratic and left-wing parties now in government – in Europe, but also in Australia, Chile, and Brazil. These parties have begun to address the multiple crises their countries face but political and

economic constraints forced them to temper their ambitions. These compromises have, to varying degrees, shaped what social democrats have been able to achieve in office.

The first social democratic party to return to power in Europe was Portugal's Socialist Party, which in 2015 managed to turn an electoral defeat into a road to power. As Marco Lisi explains in his contribution, a quasi-coalition agreement with the Communist Party and the radical Left Bloc enabled the socialists to reverse some austerity measures, substantially raise the minimum wage, public sector pensions and wages, and introduce a range of small measures (for example, universal free childcare and free textbooks to all school children) which cumulatively made a difference to voters' standards of living. The Socialists have won two subsequent elections since then. However, despite their electoral success, Eurozone rules still limit their ability to invest in both public services and the green transition. Interestingly, neither the Portuguese socialists nor the Spanish accept the European macroeconomic status quo, pushing for the reform of the Eurozone rules.

Spain's Socialist Workers Party (PSOE), in power since 2018, has found itself in the similar position of trying to govern ambitiously in face of constraints. In their contribution, Paul Kennedy and David Cutts highlight the role of Pedro Sánchez's combative leadership style in enabling his minority left-wing coalition government to deliver an impressively radical social agenda. Successful reforms passed by the coalition include the near elimination of insecure and temporary work contracts, a 47 per cent increase in the minimum wage, and a law on Historical Memory designed to undo the legacy of Francoism. Alongside this agenda, astute economic management has resulted in falling unemployment and a growth rate higher than the Eurozone average. At the election in July, it was this record of socio-economic delivery that allowed the PSOE to resist the onslaught of attacks from the Spanish right, who unsuccessfully attempted to delegitimise Sánchez through personal attacks and culture war sloganeering. Sánchez now looks likely to return to power at the head of a new coalition.

Ongoing coalition dilemmas in Germany meanwhile suggest that social democrats in southern Europe will continue to be constrained by the EU. In her contribution, Isabelle Hertner explains that the German Social Democratic Party's (SPD) liberal coalition partner – the Free Democratic Party (FDP) – opposes the proposals made by the European Commission to reform the Eurozone rules in a way that would give member-states more autonomy and breathing-space on public spending. She also shows that the SPD remains ambivalent about those reforms even as it recognises that the existing Eurozone rules need changing. This deadlock is highly consequential. Without a reform of the Eurozone rules, social democrats within the EU will be severely limited in their ability to pursue a transformational agenda.

Political developments in Europe will also have repercussions for the next Labour government in the UK. As Charles Grant's piece argues, deciding on what relationship to seek with the EU will be one of the key questions facing Keir Starmer should he become prime minister. Grant suggests that a Labour government could find the EU difficult to deal with. European leaders are focused on other issues, and they have not forgotten the behaviour of Conservative governments during the Brexit process. To unlock the development of a new relationship, the British government will be expected to offer EU leaders something in return. He suggests that a Labour government should begin by taking unilateral measures to rebuild trust and to ensure the smooth working of the Windsor Framework, before opening negotiations to revise the UK's Trade and Cooperation Agreement with the EU. Grant argues that a more fundamental alteration to the post-Brexit EU-UK relationship would require a clear long-term strategy, along with some deft statecraft.

European social democrats are not the only ones forced to seek a balance between caution and ambition. As Emily Foley and Rob Manwaring explain in their article, the Australian Labor Party (ALP) has paid a heavy price for its cautious electoral strategy. The electoral coalition developed by Anthony Albanese was the product of policy retreats in the ALP's fiscal, social and environmental approaches. These compromises may have resulted in election victory, but because of them it is unlikely that the ALP will have many substantial achievements to boast about at the next election.

In South America the challenges are different. In Chile and Brazil, where the social democratic left and the new left have registered significant gains in the last years, the problem is not lack of ambition. Francisco Panizza and Diego Sazzo show that in Chile, Gabriel Boric promised an ambitious and radical agenda that would 'bury neoliberalism'. However, series of scandals and setbacks made him realise that transforming society 'was easier said than done'. Nonetheless, Boric's contact with reality did not dampen his reformist drive.

In Brazil, the savvier representative of an older left, Luiz Inácio Lula da Silva, narrowly defeated Jair Bolsonaro at the 2022 presidential election. To garner the support of the centre-right voters he needed to win, Lula moderated his economic programme, but was nonetheless able to re-establish the popular social welfare programme Bolsa Família, launch a new housing programme, and take measures to limit the deforestation and mining of the Amazon region. The reforms introduced by Boric and Lula are incremental steps that, on their own, cannot erase the structural inequalities of Chilean and Brazilian societies, however cumulatively they show that to govern as a social democrat in the twenty-first century involves a combination of pragmatism and commitment to transform society.

Rediscovering agency

All the examples examined in this issue suggest that the third step in the process of recovering social democracy's transformational mission requires parties to rediscover their agency, that is, their desire and capacity to change the status quo. Social democracy was a transformational ideology when social democratic parties were confident about what they could accomplish. As Przeworski notes, social democrats did successfully deliver transformational reforms. Despite the seemingly insurmountable challenges they faced at the time, social democratic parties played a key role in the democratisation of Europe in the late nineteenth century, and in the taming of capitalism and development of welfare states in the post-war period.

Even into the 1970s, as Aurélie Andry explains in her article on 'Social Europe', social democratic leaders like Willy Brandt, Olof Palme, and Bruno Kreisky, along with Eurocrats such as Sicco Mansholt and Henk Vredeling, proposed and tried to implement far-reaching transformative agendas. At that time, their goal was to create a socialist European project, defined by social, political and economic democracy. But for a variety of reasons explained by Andry, including a lack of unity on the European left and unwillingness to mobilise grassroots activists around European issues, the project of developing a social Europe was abandoned. European integration increasingly moved in a neoliberal direction.

Following the neoliberal turn of the 1980s social democrats stopped believing in their own capacity to transform society through politics. Crucially, they stopped believing in the power of an active state to regulate and reshape capitalism. They accepted too, that economic policy had to be subject to the discipline of the markets. Instead of transformational change, social democrats offered accommodation to the neoliberal settlement, tempered by investments in skills, education, and public services. These were important policies that improved the lives of millions of citizens, but which left important inequalities unaddressed, and corporate power unchallenged.

This 'sticking plaster politics' contributed both to the electoral decline of social democratic parties, and to their frequent travails in government. Coping strategies do not offer solutions to structural problems, and they ultimately leave voters frustrated and angry. Fatalism then, is not the answer. This issue of *Renewal* shows that some social democrats are on the threshold of rediscovering their agency. In Spain and Portugal, social democrats have used left-wing coalitions to push ahead with ambitious redistributive policies. Within the EU, social democrats are calling for reform of the Eurozone rules to expand the scope for public investment. And in Brazil and Chile, while progressive leaders accepted the need to moderate their transformational zeal, they did not give up on their mission. We hope that this and

other issues of *Renewal* can offer encouragement to social democrats in the UK and beyond to finally cross that threshold.

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