

New Social Democracy in the South?

Reflections from India & Indonesia, related cases & Scandinavia in comparative perspective

Olle Törnquist

with inputs from John Harriss

The Problem

With the vote for Trump and Brexit, it is common knowledge that increasingly large numbers of people affected by the ills of unregulated globalisation are drawn to populist right wing nationalism rather than mainstream liberal welfarism and social democracy. Beyond the US and Europe this challenge applies to the Global South too. In India, for example, the Hindu fundamentalists' identity politics is thriving along with provisioning of their private social services and neo-liberal oriented economic policies, nurturing an Indian version of the American dream. This undermined the Congress and Left parties' efforts from 2004-2014 to supplement market driven development with social rights and public welfare. In Brazil, the more ambitious attempts to combine neo-liberalism with welfare programmes lost popular trust with shrinking commodity prices, poor governance and the failure to scale up democratic participation. In the Philippines, a murderous president was elected by promising jobs for the poor and deals with the Maoists. In Indonesia, opponents of the reformist president and his governor of Jakarta managed to get huge masses out on the streets in late-2016 by utilising the combination of Muslim identity politics and urban poor peoples' resentment against evictions in favour of developers and affluent middle classes. Are there any alternative roadmaps?

In the 1930s, several social democratic movements stood tall against Nazi- and fascist welfarism. Alternative policies included Scandinavian collective wage agreements, social security and farmers' protection along with free trade, as well as Roosevelt's more inward oriented 'New Deal', followed by the engagement in the war and the Marshall programme. But partially, such roadmaps are dated.

First, they thrived in the context of imperialism. So although many people benefitted in the North, similar movements in the South were very difficult to follow up with economic development. And Lyndon Johnson's 'Great Society' at home came with 'politics of order' overseas, such as the 'middle class coups' in Indonesia and Latin America, and the war in Vietnam.

Second, the globalisation of capitalist production makes yesterday's social democratic policies to reduce the differences between winners and losers increasingly difficult to apply, even at home. Worst, more jobs and rising incomes in parts of the South is the sunny side of extremely uneven development. The rise of capitalism in the North was uneven too, but industrialisation was more comprehensive, and states were more efficient and democratically oriented. So, the radical opposition could be based on unions and social democratic parties that were sufficiently strong to foster growth pacts between unions and employers, participatory governance and welfare states. Economically, the prime social democratic model, the Scandinavian, is rooted in these pacts. They followed up on early Keynesian

policies against the world economic crisis by adding national collective agreements, basic social protection and representation of the main interest organisations in public governance and administration, thus sustaining and further developing investments, full employment and extensive welfare reforms. The pacts presupposed well-coordinated strong unions within which a majority were interested in holding back the top wages and in increasing the lowest. This was also attractive for the modernisation oriented and similarly well-organised employers, as they wanted stability and productive welfare state measures to reduce conflicts and invest in higher productivity and international competitiveness.

Today, however, uneven development in the South includes instead persistent extraction of natural resources along with land grabbing and urban rent-seeking within ‘property development’. Moreover, the new globalised industrialisation comes with subcontracting, cheap and increasingly informalised labour, and professionals with precarious employment. In India, for example, less than ten per cent of the labour force has regular employment in the formal sector (i.e. companies with more than ten employees). This makes broad unified organisation extremely difficult. Moreover, it generates environmental destruction, mounting inequalities and increasing numbers of poor people outside the circuits of accumulation – plus biased democracy and crooked governance. So given the challenges in the Global North as well as the South, what, if any, are the chances to reinvent social democracy as an alternative to populist right wing nationalism?

Bernie Sanders’ proposition to update Roosevelt’s inward looking ‘New Deal’ and Johnson’s ‘Great Society’ (and substitute international solidarity and environmental concerns for old-time imperialism) might work in a huge and more integrated US economy. But it is not a viable proposition for the fragmented European Union; and it is unfeasible in by necessity open economies like Scandinavia, Britain, Germany and most of the countries in the Global South. Hence, while social democrats in the North may favour socially responsible adjustment at home to inevitable technological change and globalisation, they also need to engage in inclusive growth in stagnant European countries *and* in the Global South. At least if they want to expand Swedish export markets, not just for arms but for products that are important for ordinary people and environmental protection. The special case of Norway has been less focused on self-interest in this sense because of its ability to sustain ‘social democracy in one country’ through extremely favourable terms of trade. But this is exceptional and may be reduced with lower oil prices. In any case, countries like Sweden and Norway would also benefit from less unfair development in the South as it would help reduce unemployment, conflicts and streams of refugees. And likeminded leftists in the South also need to reconsider the chances of fostering social democracy at their end in the new global context.

One proposition, then, is a ‘Global Deal’ on decent work and inclusive and sustainable development, inspired by lessons from the Nordic Model. This may be possible to promote within the United Nations (with its Agenda 2030) and the International Labour Organisation. And it may generate framework agreements between unions and international corporations that are sensitive to their customers’ opinion, such as the H & M. But sustainable and socially responsible inclusive growth presupposes also broader and stronger support on the ground. Those directly involved in globalised trade and chains of production are important, but social democratic change calls for majorities, progressive policies and social contracts. And social

contracts that are democratic need to rest with organisation of employers and broad sections of the population. The absolute majority of labourers and professionals in the Global South are unorganised, informally employed or self-employed. And they short of democratic representation of their own. Hence, they are instead susceptible to populist leaders, at worst right wing. In short, a fair 'Global Deal' calls for increased democratic power of labour and the precariat within local contexts and countries where people can come together and organise in favour of social democratic policies and contracts. So the politically viable question is whether and how this is feasible.

The prospects seem bleak. As noted, the counter movements and social democracy that grew strong during the industrialisation in the North are not likely to be repeated under uneven globalised development. Yet, social democracy is generally speaking about democratic politics to combine equity and sustainable growth. This may be possible under different conditions and in different ways; and the names of groups and movements may vary. Globalised uneven development might give rise to new openings and alliances. And from *that* point of view, some of the old insights may be useful.

Critical analyses of such dynamics call for comparisons in historical perspective. We argue that there are signs of new dynamics in the cases of Indonesia and India, which we know best. We also wish to draw on insights from Scandinavia in particular, in addition to Brazil, South Africa and the Philippines. The methodological challenge, however, that these are not similar cases with different outcomes to be explained, or different cases with similar outcomes. In addition, we are not in the business of demonstrating the value of applying a certain theory or fostering a model, such as the Nordic. So as legendary Indonesianist Benedict Anderson (1983), who said he could only write his path-breaking book on nationalism (*Imagined Communities*) because he was expelled by Suharto and therefore began to ask new questions from his exile in Thailand, we are merely in search of fresh perspectives. This means to engage in the comparative method of observing and advancing explanations of similar processes in contrasting contexts.

To this end we have first specified the universal processes that drive social democratic development: the formation of (i) democratic political collectivities based on broad popular interests and (ii) democratic linkages between state and society; (iii) the establishment of equal civil, political and social rights in society and working life; and (iv) negotiation of social growth pacts between capital and labour, and those self-employed in primary sectors.¹ Thereafter we have analysed historical and current experiences in these respects in Indonesia by asking questions with India, Scandinavia and other cases in mind, and vice versa.

The essay is part of an ongoing effort to combine results from (i) studies with colleagues and experts in the Indonesian democracy movement of their problems and options in historical perspective, (ii) comparisons with similar movements in Kerala and the Philippines, (iii) the joint work with John Harriss and Indian and Scandinavian colleagues to study whether and how social democracy can be reinvented, and (iv) long-standing workshops with likeminded

¹ For elaboration of these dimensions, see Törnquist with Harriss (2016: Ch 1)

scholars on broader comparative experiences in these respects. When nothing else is specified, sources and references are in the main reports from these studies.²

First generation social democracy

The intellectual origin of social democratic politics was the critique in the late 19th and early 20th century of the syndicalist proposition that the basis for transformation should be workers' management of industries, Kautsky's thesis that the crisis of capitalism would generate socialism, and Lenin's position that it would take a political revolution. The dissidents inspired by Eduard Bernstein argued instead that socialism would not come without politics, but also that politics should be democratic, both within one's own movements and, as far as possible, even when resisting authoritarian regimes and employers.

Historically, the development of the four dimensions of social democracy was most successful in the context of comprehensive capitalist industrialisation that enabled the rise of broad labour movements – especially in countries with comparatively equal citizens, democratically oriented politics and effective public administration. Scandinavia, for example, was in the forefront. This is not to say that social democracy is impossible elsewhere, only that it is more difficult.

Second generation: democratic shortcuts to progress

Social democracy was particularly difficult in colonial and post-colonial contexts where industrialisation was held back, where administration was poor and indirect, and where citizens' rights and democratisation were shallow or negated. In these contexts therefore, the argument about 'shortcuts to progress' was well understood. The shortcuts were in terms of enlightened leaders and cadre parties. They were assumed to substitute for weak labour movements by directing national independence, strong states, land reforms, industrialisation – and thus the development of social democracy. The shortcuts came in many versions, of course. Some said revolution was inevitable, including the Maoists. They lost their compass. Others wished to proceed in less authoritarian ways, but had to resort to armed struggle and centralised leadership to avoid elimination, such as the movements in Cuba against Batista and the US interventions, in South Africa against apartheid, and in Vietnam against the French and US imperialism. In these cases the command structures came with damaging logics. In contexts with less unequal citizenship and some freedoms, however, there were openings for more social democratic governance (today at times associated with the notion of a democratic developmental state). On the one hand there were tall leaders like Nehru in India. For them, visions of social rights were certainly important, but civil and political rights were prioritised; and when the emancipatory struggles ended, social rights were neglected. Moreover, most

² At first hand, Törnquist (1984), (1984a), (1989), (1991), (1996), (2002) and (2013), Budiman and Törnquist (2001), Harriss, Stokke and Törnquist (2002), Prasetyo, Priyono and Törnquist (2003); Priyono, Samadhi and Törnquist (2007), Samadhi and Warouw (2009), Törnquist, Webster and Stokke (2009), Törnquist, Tharakan and Quimpo (2009), Törnquist, Prasetyo and Birks (2011), Stokke and Törnquist (2013), Savirani and Törnquist (2015), Törnquist and Harriss (2016), (Törnquist et al. 2017) and Djani and Törnquist et al. (2017).

post-colonial popular participation remained indirect, behind patrons and populist leaders – by contrast to representation through people’s own organisations.³ On the other hand, the communists who adjusted in the early-1950s to the elitist democratic framework gave priority to social and economic change. But efforts at equal citizenship and democracy faded away in the mid-1970s as the Communist Party of India (CPI) supported Indira Gandhi’s state of emergency. It is true that dissident leaders with more grass-roots support formed their own Communist Party of India-Marxist (CPI-M), stood up for democracy, rose to power in West Bengal and opted for decentralisation and land reforms. But over the years they got lost in their own authoritarian leadership and clientelism, finally even neglecting poor farmers and informal labour in efforts at industrialisation, and after three decades in power suffering a humiliating defeat in 2011. The Indian state of Kerala, however, is a good illustration of the fact that consistent social democratic development is possible even under unfavourable conditions.

The Kerala showcase and stagnation

During the late 19th and early 20th century, many socio-religious reform movements among Kerala’s different casts and religious communities understood the importance of advocating *equal* civil, political and social rights to improve their bargaining power against landlords and within commercial agriculture. Thanks to additional influence of new perspectives provided by leaders within the Congress Socialist Party (who later turned communists), they thus laid the foundations for Kerala’s unique democratic human development. Similarly, there were also efforts to foster democratic integration of people into politics through educational movements and citizen action from below. The best historical cases include the history of the library movements in the struggle for citizen rights and land reform, along with peasant and labour organisations that balanced the influence of their communist party leader. From the mid-1950s, however, attempts by the leftist government to move on with agricultural and educational reforms plus industrialisation were blocked. First by the Delhi directed emphasis on heavy industries and import-substitution, which neglected Kerala’s comparative advantages within education and commercial agriculture; then by conservative forces supported by the CIA and the Congress Party, which overturned the leftist government.

The Left managed after some time to get back into office, but by way of political horse-trading. Thus the united front strategies were no longer driven by socioeconomic interests and popular demands from below for specific policies, or by the idea of facilitating agreements between employers and trade unions. The left-led coalition governments between 1967 and 1981 rested instead with compromises between various parties and leaders with special interests. And while the CPI-M retained most of the popular base, confronting their rivals, the CPI supported the all-India state of Emergency and the Congress party. All parties used perks to foster membership and separate interest organisations among small farmers, tenants, agricultural labourers, labourers in the informal sectors and industry, as well as workers and white collar workers in the public sectors, in addition to women’s and youth organisations and

³ Populism may be delineated, generally, in terms of anti-elitism and supposedly direct relations between acclaimed leaders and a notoriously unspecified ‘people’.

cooperative associations and cultural and educational groups. Increasingly, independent civil society associations, too, came closer to politicians and parties. The benefits and welfare measures were often chosen on a partisan basis and irrespective of their effect on economic development. That said, this took place through networks of politically dependent organisations and leaders, rather than by means of populist appeals such as in neighbouring Tamil Nadu. And Kerala was less dominated by a single hegemonic political party than in West Bengal. So in spite of the negative effects of party-clientelism, divisions and some corruption, the Kerala communists have had to consider various interests and have thus retained a substantial following.

These disparate interests among the Left's following affected economic development, too. Land reforms were finally realised in the 1970s, but these, as well as the remarkable advances within health and education, did not include the weakest sections of the population and did not foster alternative inclusive development to the extent that was expected. The reforms did away with landlordism but mainly benefited the tenants, who often developed special interests of their own. Moreover, there were many exemptions; the tillers were granted rights only to their huts and small plots on generally infertile land; tribal people and the fishing communities were completely outside the reforms. Most importantly, perhaps, the reforms were not followed up with measures to foster production. Many new owners developed interests in less labour-intensive crops, and even engaged in land speculation. In addition, the reforms were implemented during the period of conflict between the CPI and CPI-M, neither of which had elected representation at the local level. Better educated, privileged groups could develop new and profitable ventures and secure good jobs outside agriculture; and the former tenants from lower ranked communities gained education and land thanks to the reforms and welfare measures. But neither group developed agricultural and other production activities of the kind that would generate new and better jobs for the underprivileged sections of the population – which remained marginalised, even if they now had the ability to read and write and enjoyed some access to health services. Meanwhile, many investors avoided Kerala, claiming it was difficult to cooperate with its strong trade unions. And, from the mid-1970s, increasingly many better educated and trained Keralites and their families sustained or improved their standard of living by way of employment as migrant workers in the Gulf countries in particular. In short, the possibly inevitable political shortcuts to progress were susceptible to misdirection, the rise of vested interests in top-down leadership and access to privileges and resources.

Efforts were made to break out of these dynamics during the 1987–1991 Left Front Government in which there was no participation of caste and community based parties. Innovative policies such as decentralisation and cooperation towards improved rice production were initiated, but held back. However, left-oriented civil society groups, especially the People's Science Movement (KSSP) with its tens of thousands of members (many in educational institutions in rural and semi-rural areas) initiated campaigns for full literacy, more democratic and socially inclusive education, and local development plans. These civil society initiatives could not be scaled up as the government was not really willing to decentralise politics and administration; but remarkably: the reformists managed to foster transformative politics! We shall return to this and to new movements in other parts of India.

The Indonesian advances with unintended consequences

As in India, Indonesia's modern independence movements argued for civil and political rights and discussed social equity, though the ethnic Chinese were often labelled colonial compradors. Many of the organisations were led by intellectuals and aspiring entrepreneurs in progressive sections of Muslim and other religious organisations. These were rooted in society rather than old regimes, in contrast to South Asia and the Middle East. The major priorities included self-help business and welfare schemes, but also popular oriented education and the remarkable promotion of a neutral *Bahasa Indonesia* as a lingua franca. The ideas of a modern and unified yet multi-cultural nation state were widely supported throughout the vast archipelago. Socialists and communists added demands for social equality, including land reforms but also union rights and nationalisation and workers' control of foreign companies; and they fought usury, not ethnic Chinese in general.

During the war of liberation against the Japanese, Dutch and British, the Republic's impressive declaration in 1945 of religious and ethnic pluralism, political and civil rights and social justice was overtaken by fierce struggles. President Sukarno and the parliament depended extensively on autonomous militias, the leftists among which were defeated as part of an understanding with the western powers, which then agreed to independence. But as the Dutch tried to sustain its influence through partners from its indirect colonial rule, the new conflict line became central versus decentralised governance, federalism (as in India) turned politically impossible, and those in favour of strong central leadership gained increasing support. Initially, however, the restored parliamentary democracy from 1946 and full citizenship rights fostered fruitful competition and compromises. Hence, the aspirations in the struggle for national independence could return to the forefront.

This was how the world's largest democratic oriented movement came into being, based on sectoral organisations among workers, peasants, informal labour, youth, students, artists, many others and, perhaps particularly impressive, among women for gender equality. The most dynamic movements were led by the rapidly growing Communist Party, PKI. Like its Indian sister-party, the PKI had turned reformist by the early 1950s while retaining demands such as for land reforms. It benefitted now from the democratic framework and the patronage of President Sukarno, who was in need of popular support. Sukarno avoided the language of class but resisted western imperialism and spoke up for the common people and small producers and traders. Most other organisations were based on patron-client relations and elitist networks, in addition to ethnic and religious solidarities. The competition was intense but mostly non-violent; and the importance of interests and ideas increased.

In the context of the cold war, however, the conflicts turned uncompromising. After the inconclusive results and communist advances in the impressive parliamentary elections in 1955, plus communist victories in local elections on Java and nationalisations of Dutch companies in 1957,⁴ those rejecting centrist governance in particular initiated rebellions and gained active support from the West. The tragic end-result was that populist President

⁴ The nationalisations were to build an independent economy, mobilise popular support and put pressure on Holland to give up Papua New Guinea, regrettably in favour of Indonesian dominance.

Sukarno and the central military officers – with the support of the communists – declared martial law in the entire country and scrapped parliamentary democracy in favour of so-called guided democracy under a strong presidency and central military leadership. Nationalism turned top-down and participation was via the supportive parties only, including PKI, plus state-corporatism with top-down-appointed representatives of similarly defined ‘functional groups’ such as the military, peasants, workers, women, and minorities.

‘Guided Democracy’ rested with an odd combination of actors with common interests in centralised governance and politically facilitated development. Some had leftist ideas of transformative reforms; others sought support for traditional Muslim schools and values; yet others wanted ‘strong state-leadership’. The latter in particular abused political favours and resources. The military leaders became economically independent by assuming control of the nationalised companies. Moral support came from the East. The communist who began to drift towards Beijing opposed ‘bureaucratic capitalism’ – but without acknowledging the political rise of capitalism from within of the very alliance that they themselves supported. Moreover, it was difficult for the PKI to break out of the alliance without being subject to repression as it could no longer rely on victories in elections. Opposition and efforts at rebellion came instead from private entrepreneurs within natural resource based business and modern-Muslim socio-religious organisations, Singaporean oriented ‘social democrats’, and liberal oriented students and intellectuals; all with active support from the West. Their civil and political rights were restricted, while the regime propagated social rights. These were to be promoted by a land reform and state control of national resources. But the military took command of the resources and the land reform was contained by resistance within the Sukarno led alliance, including in the villages. Finally the abusive rent-seeking and primitive accumulation of capital undermined all efforts at independent economic development, generating in the early-1960s a deep economic crisis, made worse by severe drought.

General Suharto’s rise to power in late-1965 was made possible by a few leftist officers’ and communist leaders’ covert attempt to get out of the stalemate by kidnapping their prime enemy generals, accuse them of treason and appoint a revolutionary council in support of the President. This failed, the generals were killed or escaped, and the actions were used as a scapegoat for a militarily, politically and religiously instigated massacre of more than 500.000 people, followed by the elimination of the world’s largest popular movement of innumerable radical nationalists and almost 20 million reform oriented communists and organised sympathisers (1/5 of Indonesia’s then population). This regime transition even became a blueprint for the so called middle class coups in the Global South. These were underpinned by Samuel Huntington’s theory of the need for ‘politics of order’ in terms of strong political institutions in cases where the middle classes were too weak to win elections and to withstand popular dissatisfaction in the process of capitalist modernisation.

Ironically however: One, Suharto’s new politics of order had gained ground within the centrally imposed ‘Guided Democracy’ and the thus enabled coercively and politically facilitated accumulation of resources. Two, the communists and radical nationalists had unintentionally paved the way for this repressive political rise of capitalism. Third, the liberal

and Singaporean oriented students and middle class activists who supported the military against the communists and Sukarno, and looked forward to freedoms and leading positions with military assistance, according to Huntington's theories, became instead technocratic assistants of the officers and their cronies and big international investors.

Although all analysts agreed, therefore, that there were no longer any prerequisites for either liberal welfarism or social democratic oriented development, the research informing this essay suggested that there was a new potential for broad alliances in favour of equal citizen rights and democracy for normative reasons but also as preconditions for fighting the dictatorial primitive accumulation and promote more inclusive development. In this view the main question was whether and how such a movement could emerge and if so what interests and long term perspectives would gain the upper hand.

From mid-1980s, there were signs of resistance among farmers and labour as well as unprivileged businessmen and professionals against the politically facilitated accumulation of capital. Yet, the New Order regime prevented any political organising on the grass-roots level, imposing instead state-corporatist mass movements. So while radical dissidents suggested democratisation of state and politics, most activists wanted to dismantle repressive and corrupt state and politics in general. Besides, they were short of organised following and did not trust 'uneducated masses'. Hence, their prime focus was human rights and anti-corruption, 'enlightened' citizen organisation and economic liberalisation. So although the demand for democracy became the unifying slogan of the 1990s, it was mainly advocated by students and dissenting intellectuals whose demands were more about freedoms and human rights than equal citizenship and popular governance. Meanwhile it was clear by mid-1996 that the attempts by soft-liners to reform the regime had failed.

Hence, the New Order was never defeated or even reformed, it crumbled – in the context of scattered discontent and ineffectual despotic leaders who had fostered so much privatisation and deregulation that they were short of instruments to handle the Asian economic crisis. This hit hard against ordinary people and finally reduced the support of privileged middle classes too, along with several businessmen, politicians and even officers. Yet, nobody within the mainstream and their foreign allies dared to tip the balance, only pro-democratic activists did, through massive demonstrations in May 1998.

Third generation: democratisation against crooked development

The misdirection and vested interests in the attempts at political shortcuts to progress in Kerala were of course minuscule as compared to the unintended enabling of repressive political capitalism in Indonesia. But the fundamental problem was similar, and now there were efforts at both ends to defy and move ahead through democratisation. Yet, whose priorities would dominate, and what would be the problems and options? While the Kerala case represents the attempts at reforming a mainstream previously glorious party and movement, the Indonesian case stands for those who tried to start anew, beyond purges.

These setbacks in the political attempts to progress were party of a general trend in the Global South from the 1960s. The Indonesian rise of capitalism with much more authoritarian means

than in India was most common, as in the Philippines and Latin America. But from the late 1970s economic globalisation began to undermine abusive regimes that did not adjust to the market. In addition, western campaigns for liberties against Moscow called for principled respect for human rights. Yet, by contrast to Kerala, the old movements had often been destroyed. Or they had proven utterly wrong in their assumption that liberal democratisation presupposed violent revolution – like the Philippine Maoists who after the ‘people power revolution’ against the Marcos dictatorship in 1986 were only able to delay further advances. So from the Philippines and Brazil and several other Latin American cases in the mid-1980s, to South Korea, South Africa and finally Indonesia, it was mainly new and often scattered leftist activists and movements that fought for citizen rights and democracy to foster the general idea of social democracy.

Where the purges had not been as severe as in Indonesia, unions were stronger and critical thinking and ideological perspectives could be renewed. The rise of the Workers Party in Brazil as a broad alliance of labourers, popular movements and civil activists that engaged in direct elections and participatory budgeting in particular was paradigmatic in this respect; along with the efforts at a Citizen Action Party (Akbayan) in the Philippines and the civil society driven reformists in Kerala. In these cases the critique of previous political shortcuts was more principled than in South Africa. Here the political hegemony of the ANC and related unions of workers with fixed employment contained further advances. In the following, however, we hold on to our two main cases to analyse results in the new struggle for democracy and social rights.

Indonesian challenges of elitist democratisation and populist openings

As Suharto stepped down and everyone called themselves ‘democrat’, most of the principled activists wanted a transitional government. This was to foster citizenship, popular organisation and participatory decentralised governance and, thus, capacity to participate in building genuine democracy and stand a chance in elections. But these genuine democrats lost out within four months. Mainstream critics of Suharto with organisations that had survived the New Order agreed instead with moderates from the old regime to introduce liberties, decentralisation and quick elections, in which the poorly organised pro-democrats were bound to lose. Advice was provided by parachuted international scholars. The thesis was that the mainstream actors, including from the New Order, would turn democrats by adjusting to new liberal democratic institutions, while the pro-democrats would join the mainstream or propel change from positions in civil society. Radical political leaders were thus placed offside, and CSOs as well as the emerging mass movements were increasingly fragmented and subordinated to the renaissance of the liberal elitist politics that had been curbed forty years earlier – but which this time excluded anything resembling the then world’s largest modern and democratically oriented popular movement.

The strategy towards elitist liberal democracy generated remarkable freedoms and stability, but governance and representation remain poor. As concluded in our national surveys with pro-democracy experts, the main causes are not only, as critics often argue, the

accommodation of the old actors, including the oligarchs, through persistent corruption but also the unfair institutions of representation and the poor capacity of the actors of change.

Regulations on parties and elections are extremely biased in favour of the dominant actors and ‘money politics’. For example, a new party that wishes to advance from below by competing for a local council or two must first be present in almost the entire country (about as big as the EU). This calls for huge resources. Direct elections of political executives (to counter elitist parties) open up some windows but foster moneyed bossism and populism, to which we shall return. There is no system for democratic representation of organised interests to substitute for previous state-corporatism, so interest and issue-based organisations turn to divisive pressure politics and lobbying. New commissions and advisory committees involving civil society actors and experts are appointed from above and accountable to their peers, not to their potential principals. And direct participation remains fragmented and elite dominated.

The poor capacity of the progressive actors of democratisation is even more crucial. Their main focus has until recently been on special interests and issues and to emphasise the role of civil society against state and ‘rotten politicians’. Thus the prime result has been ‘floating democrats’, with neither firm organisation nor social base, in spite of the fact that Suharto’s ‘floating mass’ policy was scrapped from the outset in 1998. There have been some improvements since the late-2000, to which we shall return, but there is still weak capacity to foster comprehensive long term policies. Similar weaknesses apply to the capacity to mobilise and organise people. The progressives have few sources of power to build political legitimacy and authority, beyond knowledge and some ‘good contacts’. In particular, they are short of organisation-based clout to counter their adversaries’ economic and social capital.

Fragmentation remains in spite of numerous efforts to bring together various groups. On top of ideological and personal conflicts, the already existing organisations and movements have often focussed on the victims of the New Order politics (making it hard to develop broader solidarities and common platforms among different social classes) plus on each group’s ‘own project’ and on the most rewarding ways of reaching immediate aims. This is often through personal access to influential leaders rather than long term membership based organisation for public policy reforms that many can agree on. Even active citizenship is constrained by the fact that ordinary people are short of supportive broad organisations of their own, having instead to turn to local patrons or commercial intermediaries to get access to public services such as health care. To make things worse, international democracy support has fostered implementation of specific projects according to new public management ideas rather than public institutions and long term organisational principles that would have made broad collective and strategic action more rational.

Already by early-2000, the first participatory surveys of democratisation recommended that the principled activists should not allow the elite to dominate and obliterate organised politics. Rather, the activists should ‘go politics’ and build alternative ‘political blocks’. These were thought of as alliances or coalitions or united fronts in the political space between, on the one hand, fragmented interest organisations and citizen associations, and, on the other hand, elitist politics. But the efforts came with new challenges. Over the years, one of the activists’ strategies was to intensify classical liberal lobbying such as on human rights, the environment, gender agenda and anti-corruption – but neglecting mass organising and the development of

comprehensive political alternatives. Another roadmap was to offer comprehensive political alternatives through pioneering central or local parties and party-led political fronts – but failing to organise ordinary people, to reconcile avant-gardist ambitions with those of other activists, and to overcome unfavourable rules and regulations with regard to the eligibility of parties to run in elections. A third strategy was to build a federative loose party based on the political interests of various political organisations and civil society groups – but not being able to develop a unifying political concept and to attract sympathetic actors and organisations within issue-based donor projects. The fourth model was to ‘take over’ non-active local units of national parties initiated by monied political players in Jakarta; or to opt for a ‘diaspora strategy’ by entering into elitist parties and then trying to change them from within – but lacking sufficient base and resources to avoid being subordinated to the main priorities of the dominant political bosses, ending up with only a handful successful activist-turn-politicians in the recent elections. A final strategy was to use existing interest- and issue organisations to build trade union based parties, or to develop effective political extra-parliamentary pressure, or for popular organisations to sign political contracts with leaders or parties on favourable policies to thus gain influence and get access to resources in return for providing legitimacy and votes – but neglecting the development of a unifying programme and, in this case too, being subordinated to the powers and priorities of elitist political leaders and parties.

From the late 2000, however, elitist democracy turned increasingly populist. Transactional horse-trading, rent-seeking and informal personal contacts remained crucial. But the new direct elections of political executives with increasing powers and decentralised public resources meant that successful candidates must go beyond elitist parties and personal patron-client relations. There was a need to reach out to wider sections of the population with appealing visions through media and ethnic, religious and conservative interest organisations but also attractive figures in reformist unions and urban poor groups as well as among campaigners against corruption, environmental destruction and gender biases. Moreover, the Asian economic crisis fostered rapid urbanisation and neo-liberalisation of the economy and employment conditions. This meant that politicians must turn popular discontent into votes through welfare measures, private and public. And union leaders must consider alliances with subcontracted workers and informal labour to sustain their bargaining power.

The critical question, then, is whether and how these structural openings transferred into effective counter movements towards social democratic development. To find out, we have studied the character and results of the two so far outstanding processes over time: one, the development of an informal social contract between new populist leaders and urban poor groups and campaigners in the Royal country town of Solo, Central Java; two, the remarkably broad and briefly successful alliance by the Social Security Action Committee (KAJS) 2010-2012 in Greater Jakarta between unions and civil society activists in tandem with progressive politicians to promote a law on universal health insurance. The Solo model of a social contract with Joko ‘Jokowi’ Widodo in the forefront gave rise to a remarkably successful wider campaign for new policies in the gubernatorial elections in Jakarta 2012 and the presidential elections in 2014. The KAJS campaign was followed by additional attempts from below at broad alliances for further reforms.

Generally the studies point to the potential for broader counter movements against the negative effects of neo-liberal economic development and poor public management and in favour of decent jobs and work conditions, plus effective and fair welfare state, as a basis for inclusive and sustainable economic development. But a potential is only a possibility – there were also a number of challenges to be addressed.

First, the new populism was no panacea for progressive politics. The main drawbacks include arbitrary definitions of ‘the people’ and undemocratic direct relations between leaders and supporters. In 2014 for example, populism was so skilfully applied by the authoritarian oligarch Prabowo Subianto, that this former general and son in law of President Suharto almost made a Donald Trump in the presidential elections. Jokowi’s opponents often define what constitutes ‘the people’ through religious identity politics and use this to mobilise quite legitimately dissatisfied groups. And already when his votes were counted, the team to suggest his cabinet was elite-captured.

Second, counter movements need to be sufficiently strong to not serve as partners with sufficient bargaining power to enforce a pact. For example, it was only when the urban poor organisations in Solo had become organised enough to reject minor promises along with negative instructions (about evictions) that the then major Jokowi was prepared to negotiate a social contract. Similarly, it was only thanks to strong pressure from outside parliament through the KAJIS alliance that supportive politicians could build a political majority in support of the law on universal public health services. Conversely, when Jokowi was campaigning for the position as governor in Jakarta, the Solo model could not really be applied as there was a shortage of sectoral and civic groups with popular following on the ground, beyond networking and lobbying; hence Jokowi and his team had to turn to quick fixes. Similarly, as President Jokowi was to form his administration and tried to stand up against crook politicians having financed his campaign by calling on the Corruption Eradication Commission (KPK) to screen all candidates, this was attacked by the crooks and the police and could not be countered by popular mobilisation as the anti-corruption movement had focussed on big fishes without engaging also in everyday corruption of public services that affect ordinary people.

Third, there was a shortage of long term perspectives on how certain reforms may provide better conditions for further advances. For example, once the universal public health insurance system had been accepted in parliament, informal labour groups and civil society constituents of KAJIS proved too weak to proceed by developing a gradual strategy towards decent employment conditions and more comprehensive welfare reforms. In addition, there was no concept for institutional reforms towards representation of interest organisations and citizen participation. This would have made broader alliances more meaningful than lobbying and pressurising for special interests. Moreover, it would thus have been possible for unions to not only discuss wages but also link up with partners in suggesting and negotiating welfare reforms and policies to foster inclusive development. Hence the unions and their leaders returned to their own priorities; and urban poor and, for example, domestic labour were left on their own. Similarly, the new visions of village level development and participation do not come with clear ideas of how to prevent elite-capture and be able to scale up local efforts to

address the increasingly many issues in a globalised world that cannot be managed in town hall meetings and via anarchic social media only.

Fourth, popular transactionalism. Even Jokowi and his team apply old rulers' practices of calling on supposedly vital and friendly players, rather than fostering independent organisation of crucial interests and asking them to appoint their own representatives – who would thus be responsible to their own principals rather than the politicians. Some attempts have been made to alter this, but only in relation to CSO's not popular organisations. Similarly, even Jokowi and his team continue to negotiate informally and individually with various actors. This gives the upper hand to discretionary decisions on part of the rulers and undermines predictability and trust. Finally Jokowi and his aides continue to apply quick fixes to gain popular support and contain opponents. The same applies to transactional negotiations with, for example, union leaders. This in turn has increased the temptation among many groups and organisations, even outright supporters, to act similarly (and actually just as the dominant elite) by trying to 'penetrate' state and politics in search of special favours and positions, and to then foster measures outside government, rather than to develop policy proposals, mobilise widespread support and try to foster progressive public reforms.

Attempts at renewing the 'Kerala model'

It is time to return to Kerala where one of the then 'third world's' most promising social democratic oriented development grinded to a halt in the late-1950s. Thirty years later, 1987, the Left Front formed a government without community and caste based parties and leftist civil society groups launched a number of democratic participatory development programmes from below. But the government was hampered by conflicts and the scaling up of the civil society initiatives called for cooperation with the politicians and decentralisation. So how the reformists manage to move ahead and what were the lessons?

When the Left Front lost the elections in 1991, campaigners began prioritising proposals and alliances in favour of democratic decentralisation and participatory planning. For this, they won support from concerned scholars, some mass based interest organisations and the country's most widely respected communist leader, E. M. S. Namboodiripad, Kerala's first chief minister. E.M.S. had been crucial in the paradigmatic struggles during the 1930s' for civil, political and social rights. He wanted to reinvent the fundamentals.

As the next Left Front government was negotiated in 1996, new initiatives were launched through the State Planning Board towards the now well-known 'People's Planning Campaign' (PPC). This was in spite of stiff resistance, also from within the Left Front itself and on the parts of several of the related unions and other organisations, which held on to rigid conceptions of class politics and 'democratic centralism'.

The PPC was based on the distribution of more than one third of the planning (investment) budget to the local governments – on the condition that they developed proposals through participatory planning, to be facilitated by well-trained resource persons and guided by a comprehensive set of rules. In terms of the four dimensions of social democracy, the PPC was innovative. The missing growth coalitions in Kerala between organised capital, labour, and

farmers, combined with social provisioning were to be fostered within the framework of participatory development institutions. Conventional unions and employers' organisations were expected to take part, but special space was also provided for wider participation from informal workers and the self-employed. Social and economic growth pacts would be facilitated by way of democratically prioritised investments (via the planning budget) in publicly approved projects, as well as distributive welfare measures and special schemes to foster equal rights for all, including for dalits and women. Moreover, the divisive party- and related interest group politicisation, which had evolved from the mid-1960s in particular, would be countered *not* by neoliberal market and civil society measures, as suggested by the World Bank, but by democratic fora for participation, along a long chain of popular sovereignty from neighbourhoods to representative groups and committees at higher levels. These channels of supplementary democratic participation were expected to undermine divisive lobbying by different interest groups. The same channels of participation were also to keep politicians, bureaucrats, and related contractors accountable, thus curbing corruption. In contrast to Scandinavian social corporatism, which could not be applied in Kerala (given weak industrialisation with fragmented unions and employers' organisations, in addition to 'soft' public administration), the organisational basis was, thus, democratic decentralisation with a number of new supplementary participatory institutions.

Initially the PPC was quite successful, but faced after some time five major problems. One was insufficient linkage between measures in favour of social security and the promotion of production on the basis of Kerala's comparative advantages, including commercial agriculture and sectors drawing on the state's relatively high quality education services. Second, there were unresolved problems in regard to the relations of liberal-representative democracy and direct democracy in the policy process. These should have been tackled through discussion with progressive administrators, politicians, and scholars, but blurred lines of responsibility and representation undermined deliberation generating distrust among them as well as abuse of funds. A related third problem was the want of a viable strategy for involving the 'conventional' interest and issue based organisations among farmers, labourers, and industrial workers, related to the mainstream Left. Fourth, it was particularly difficult to engage middle classes given that welfare and production measures were not universal but targeted. As in other efforts at social democratic development, involvement of sections of the middle class is crucial for gaining majorities and generating broader interests in the welfare state. This is particularly true in Kerala where inclusive development is rooted in public education, but now even many young well educated people lost interest in the campaign. Fifth, sections within the major left party (the CPI-M) and the Left Front made attempts to take over and benefit from the PPC. They also refused to support leading local campaigners as candidates in elections and slandered and isolated major PPC leaders. As a result, PPC was further weakened and it was possible for the new Congress-led government to radically alter the campaign when the Left Front lost local elections in 2000 and state elections in 2001.

Consequently the campaigners did not succeed in generating a new democratic formula for the combination of equity and growth. The increasing rates of economic growth in Kerala since the 1900s have been more related to the liberalisation of the Indian economy and the extensive remittances from the now more than two and a half million migrant labourers (out

of a population of some 35 million) primarily in the Gulf countries. The common estimate is that the migrants send back about US\$ 13 billion per year, equivalent to more than a third of Kerala's GDP. The competitive power of Keralites in international markets rests on previous struggles for civil and social rights and public investments in education, but it is certainly not the underprivileged and poorly educated people who are competitive in these job markets. Moreover, in spite of this inflow of cash, the current growth rate is only on a par with the other high performing Indian states. The remittances have not been well used to foster Kerala's own welfare system and its economic development. Rather have they have mainly been used for consumption, house construction, and investments in property and the service sector, often generating more imports, speculation, environmental destruction, and greater inequality. So, although the unemployment problem has been reduced, about the same number of low paid north Indian labourers have moved south to take the construction and service sectors in Kerala as have Keralites become well paid emigrants to other countries.

Hence there is little semblance of social democratic development in the actual transformation of Kerala during the recent decades. In addition to growing inequalities and reduction of earlier efforts at building a welfare state, the rapidly expanding new middle classes have few expectations of the state; finding it inefficient and corrupt, mainly opting for individual solutions to precarity, in addition to family and community solidarities. While sections of the old middle classes that were crucial partners in the historical achievements may still be interested in defending the remnants of the welfare state, the most vulnerable people, in between one fourth and one third of the population, including the adivasis, dalits and workers in the old informal sectors, agriculture and industries, are badly affected and have little bargaining power. Many adivasis agitate for land, some fisher folk claim basic rights, and numerous people resist dispossession and environmental degradation of their land and neighbourhoods. But these actions tend to be scattered. And even if some support is coming from leftist political parties and civil society, the outcome is rarely positive. Some from the vulnerable sections of the population abandon the Left and return to communal solidarities. Hence, the Hindu fundamentalists, currently in power in Delhi, who have always been kept at bay in Kerala, are making inroads. There is certainly new activism in civil society, including against corruption, the high prices paid for medicines by ordinary people as well as moral policing by conservative Hindu and Muslim communities. But coordination beyond what is possible through commercial and new social media is poor. The trade unions are defensive and rarely present in the new dynamic private sectors of the economy, which typically have informal employment relations. It may now only be the Self Employed Women's Association (SEWA) which does some organising among informal labour. Kerala unions make almost no effort to work among the large numbers of poorly paid migrant labourers from other parts of India, though there are some reports of scattered efforts by unions from outside Kerala. The growing problems with insecure employment relations and the need to arrange social security have not generated the renewed interest in public welfare systems that has come about in Latin America, Indonesia, and East Asia.

The newly elected Left Front Government (2016) would certainly like to alter this situation, but the priorities remain unclear. Critique against mismanagement and the abuse of power was the major factor behind the electoral defeat of the Congress-led government. But while

personal networks and clientelism are characteristic of the non-left parties, the Left Front parties remain affected by centralism and a culture of loyalty and obligation in return for favour. Not much has changed with regard to the persistent dominance of parties and politicians when people try to come together and take their problems to local government, even within self-help and residential groups and in town hall meetings. There is an obvious need for institutionalised channels of autonomous representation in government of significant interest and issue organisations. This is not to undermine the parties, parliaments and executive administration, but to counter vested party interests as well as clientelism, and to foster trust in impartial public welfare and other services. While local government institutions are now in place, they remain weak and little happens without the intervention of members of legislative assembly (MLAs) and state level ministers with access to pork barrel funds. There seems to be a growing opinion within the Left of the need to combine efforts to defend the least well off with the mobilisation of financial resources (rather than direct investments) for industrial and other development projects and to respond to the aspirations of the middle classes; but the contours are blurred. Kerala has essentially bypassed the stage of industrial development (that never really was achieved in the 1950s and onwards), in favour of post-industrial activities. The state has little of the Global North's broad labour movement and production-oriented class of employers that demonstrated themselves to be capable of negotiating social pacts that allowed for the combination of growth and welfare, facilitated by the government. As a result Kerala needs to foster democratic organisation and fora to negotiate the current phase of rapid uneven development, which, if left unchecked, threatens to dispossess the weakest sections of the population of their land, livelihood, and housing without providing decent alternatives that could also address environmental destruction and workers' and middle class concerns about jobs, employment conditions and welfare.

Wider Indian struggles for social rights and impartial public services

Meanwhile struggles for civil and social rights have advanced in India more broadly. The tortuous expansion of capitalism comes with fairly extensive but scattered resistance. The relatively few workers and other employees in organised sectors resist reduced benefits and informalisation. The humiliating defeat of the organised Left in West Bengal 2011 was partly rooted in the neglect of informal labour and has caused some rethinking. Unions around India engage more in organising within unorganised sectors. But they are slow in building alliances with informalised labourers, casual- and migrant workers and self-employed. In attempts to affect politics, moreover, they tend to remain party-politicised rather than building broad labour alliances as a basis for campaigns and negotiations. Many informalised workers and employees try separate organising. Given the evasive 'flexible' employment conditions, one strategy has been to turn to the state. As politicians need votes and as private business wants 'flexible' labour, it has at times been possible to gain government support for welfare measures and the initiation of tripartite negotiations with employers too. Informal labourers such as the self-employed women who come together in SEWA have also initiated cooperative businesses.

In addition, numerous social movements and supportive action groups resist the increasing primitive accumulation. This is mainly through politically facilitated land grabbing, to get hold of mineral resources, construct dams, build roads, and provide space for factories, parking places, malls and housing complexes. The movements and groups vary with local conditions and strategies, from armed struggles in remote areas to pressure politics. In spite of attempts at coordination such as through the National Alliance of People's Movements there is no long term agenda that may foster broader attempts at social democratic development.

Meanwhile social activists and related scholars have also tried to facilitate the resistance and generate transformative policies by drawing attention to the fact that social rights were neglected in the elitist negotiations about the Indian constitution and that, for example (aside from Kerala in particular) investments in public education and health for ordinary people remain very low even as compared to other developing countries. Hence they have engaged in judicial action as well as in campaigning for strategic policy proposals. Pressurised by middle-class-led civil society organisations, and individual policy entrepreneurs, together with the left parties, and with the blessings of Sonia Gandhi, the Congress-led United Progressive Alliance (UPA), governments in 2004–2014 made efforts to combine liberal economic policies with more extensive social provisioning. The most crucial legislations include the Right to Information Act, the world's most extensive public works programme, the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA),⁵ the Right to Education Act and the National Food Security Act. With the partial exception of the right to information legislation, however, that was propelled in particular by the Mazdur Kishan Shakti Sangathan (MKSS)⁶, no 'broad-based coalition' was involved, nor has one emerged. We are not surprised; the policies that have been pursued in India are directed at providing welfare supports for the excluded majority of the population, rather than growth-supporting social development based on popular interests and organisation.

In addition, the issue of corruption has become increasingly important with the political facilitation of primitive accumulation related to natural resources but increasingly also land for industries, roads, parking lots, stadiums, malls and middle class housing. Parallel to the resistance of those immediately affected, a mighty activist and middle class driven movement called India Against Corruption (IAC) emerged around 2006, focusing initially on monitoring the accounts of the Commonwealth Games in Delhi but soon considering a number of other corruption scandals too. One prime demand was for an anti-corruption ombudsman (Lokpal) with full powers on its own, separate from the 'crooked politicians' (quite similar, thus, to the Indonesian Corruption Eradication Commission KPK). This attracted extensive media attention, from right wing as well as liberal and leftist critics of the Congress led government at the time. As the immediate demands were partially fulfilled, however, and as there was growing critique of activists trying to backseat drive the parliament without being elected and responsible to any constituency, a major faction transformed in late-2012 the movement into a party, the *Aam Aadmi Party*, the Common Man's Party, (AAP), with the immediate aim of participating in the local election in New Delhi in early-2013. The main focus was simple: to curb corruption and put an end to dirty politics through participatory democracy. The claims

⁵ Promising rural households 100 days per year of unskilled work at the official minimum wage.

⁶ The Organisation for the Power of Labourers and Farmers.

for more democracy were also related to the growing concerns among the young generation in particular over gender rights, problems of rape and other human rights issues.

Remarkably, the AAP activists managed to bypass vote banks based on party favours and ethnic and religious networks-cum-clientelism by relating some of the most immediate problems for so many people in Delhi of public provisioning of basic services, including water and electricity, to corruption. Also, the activists engaged in immediate voluntary assistance to citizens on how to claim their rights and in enrolling them in selecting candidates as well as in drawing up the main action program of the party. Every day corruption is certainly not the roots of the problems in India, and AAP does not even have a policy with regard to problems of labour such as jobs and employment conditions in addition to so many other issues that cannot be handled on the local level and by participation in neighbourhood and town hall meetings. But in this case AAP's focus related to immediate basic needs of very many people, poor as well as middle classes; and the way of addressing them through democratisation facilitated active citizenship and collective political action. It is true that a number of mistakes by the then AAP-led local government (which was short of an agenda for how to really implement many of its promises) were followed by presidential rule and total failure in the national elections in 2014 (indicating very clearly that AAP was not primarily issues and media hype but a movement on the ground which was by then organised in Delhi only). But the party made an astonishing come back in early 2015 by winning 67 of 70 seats. It is also true that in a week or so, the movement-cum-party proved that nothing shall be easy: while arguing for genuine democracy AAP could not even handle its own internal problems but began to fall apart. In fact it thus stood out as a rather top-down driven populist party without a convincing capacity to govern. Yet AAP has proven what is possible, it has made some headway in improving the conditions for people in New Delhi in spite of the special limitations regarding control of law and order in the capital, and in addition to anti-corruption welfare issues such as education and health are major issues as AAP is now also trying to advance in the state elections in Punjab and Goa. //Update after results by March 11//

In conclusion, so far...

...it was possible until the late 1950s to foster conditions for social democratic development in Kerala and partially in Indonesia. The then focus on top-down political shortcuts and alliances at the expense on equal citizen rights and democracy, led to stagnation in Kerala and catastrophe in Indonesia.

Resumed struggles for rights and democratisation have then held back some of the despotic rise of capitalism and generated new freedoms. But major challenges in the context of elitist democracy and neo-liberal economic development include (i) biased institutions of representation in favour of dominant actors, 'money politics' and 'good contacts'; (ii) shortage of capacity among progressive actors to develop broad-based transformative policies and politics to overcome atomisation and fragmentation related to the focus on single issues and special interests, lobbying and 'access' rather than democratic organisation plus the informalisation of employment relations; (iii) protective and targeted welfare policy proposals

at the expense of productive and universal reforms that may attract wider support, including among middle classes and employers.

Moreover, the local alternatives at participatory development have been difficult (i) to combine with representative democracy and interest based organisation; (ii) to scale up and coordinate to address problems and options beyond villages and town halls; (iii) to 'protect' against dominance and abuse by established elites and parties. The new attempts at social movement unionism and to develop understandings with reformist populist leaders are also ridden with challenges such as the persistent dominance of union priorities and informal and transactional top-down leadership.

In short, the experiences so far point to severe challenges for a politics of social democratic development along the four dimensions of democratic organisation based on broad popular interests, democratic linkages between state and society, universal citizen rights, and welfare policies, plus lasting coalitions that support policies which combine equity and growth. Results by colleagues suggest that similar problems apply with variations in other cases such as Brazil and South Africa too.

Foundations for renewal

Yet, this is not the end of social democracy. It is true that the political shortcuts to progress undermined the efforts at democracy, which would have been necessary to fight the authoritarian rise of capital; that today's elitist democracies are too shallow; and that uneven development means that yesterday's social democratic development in the North will not be repeated in the South. But the shallow democratisation and uneven development come with new contradictions. And one may also consider Karl Polanyi's arguments about the rise of broader counter movements in the North. (Polanyi 1944). He explained them as a response to 19th century pursuits of economic liberalism in an attempt to make a reality of the capitalist claim that markets are self-regulating. This view may also apply to the current global resistance against uneven development.

Yesterday's northern countermovement depended upon the establishment of an alliance of a much broader set of social groups and interests than those of workers alone, even in the circumstances of labour intensive industrialisation when there were – by comparison with the present – massive battalions of more or less well-organised workers in a burgeoning proletariat. As Polanyi saw it, not only workers but also peasants and landed elites and fractions of the middle classes came together in defence of society and in favour of public policies against the destructive effects of economic liberalism. While parts of Polanyi's analysis can be challenged, his emphasis on the importance of building a broad-based coalition among key actors in support of social justice – which means bringing about economic growth in such a way as to make for socially fair outcomes – is surely theoretically valid and empirically supported in the history of the South too. A good example is Kerala's outstanding struggle in the early 20th century against colonial, feudal and caste related repression and exploitation. This was based exactly on broad alliances for equal civil, political and social rights. Are there any prospects for the development of such broad-based coalitions and public policies, with a social democratic orientation, in the present?

The Indonesian and Indian experiences that we have discussed point to three such tendencies. Firstly, social unionism in terms of unions' need to link up with broader sections of labour, to sustain their bargaining power in response to the very uneven character of growth, including subcontracting and informalisation of employment. There are certainly a number of challenges involved, including the lack of strong democratic organising and representation of informal labour. But the general tendency is also confirmed by the broad alliances of labour, peasants, the new middle class precariat and others in the historical struggle for progressive policies in Brazil and South Africa. And the humiliating defeat of the left front government in West Bengal, including because of neglecting informal labour, is a warning of what is to be expected in South Africa if ANC and the mainstream unions do not consider the problem of unemployment in particular. (C.f. Seekings 2015)

Secondly, the widening interest, way beyond Indonesia and India, in public regulations of work conditions, social security and other welfare schemes on part of unions as well as broader sections of labour, rural and urban poor, the middle class precariat – in addition to parts of business and definitely politicians in need of votes. There are uphill challenges in terms of developing and negotiating labour market institutions and social security and welfare policies that protect people, including the middle classes, and strengthen their bargaining power while also fostering effective production. But this has happened before, including in Scandinavia. Perhaps more difficult: the lack of capacity and trust in public institutions and administration to implement impartial programmes and services.

Thirdly, however, there are also extensive interests in widening the long standing middle class struggle against corruption regarding special favours and the abuse of tax payers' money to broader citizen concerns too. While the populist AAP-party in New Delhi is embroiled in many problems, its landslide victory in 2015 testified precisely to the potential of widening anti-corruption campaigns from focusing on major crooks to also fighting undemocratic governance and the abuse of welfare and other services for ordinary people. Similarly, the Indonesian president *Jokowi*'s rise to power is much thanks to consultations and agreements with urban poor as a precondition for metropolitan development – although improved popular organising and representation are absolutely necessary to sustain and foster such cooperation and agreements.

Most crucially, these tendencies are related and may combine. Thus, they actually suggest that the new contradictions of uneven development open up a space for the renewal of social democracy through an alternative sequencing of its basic pillars. While the extensive welfare state in Scandinavia grew out of the strong labour movement's quests for citizen rights and, then, the social pacts on making this favourable to growth and a comprehensive welfare state, priority in the South, in particular, may now be given to struggles and democratic representation to negotiate and implement public welfare, social rights and decent work before such growth pacts are feasible. The potentially concerted struggles for welfare, rights and fair implementation may in turn generate stronger and more unified organisation as well as institutions for interest based representation that enable them to negotiate the combination of equity and development.

The lasting relevance of early Scandinavian insights

From the point of view of these specific contexts, we argue that five clusters of experiences from the Scandinavian history of the intrinsic dimensions of social democracy other than the social pacts remain instructive.⁷

First, the problems of ineffective governance in the South call to mind the successful Swedish anti-corruption reforms during the 19th century. These were ahead of formal democracy, but that does not mean that they could be commanded through statist shock therapy. For the decisions to work, it was also necessary with active and locally rooted citizenship. (Svensson 2016) Without active citizenship on the ground, today's focus in the South on rules, regulations and anti-corruption agencies will thus not make much sense even if there were more committed leaders and bureaucrats at the top. In Scandinavia active citizenship had developed in the old parishes and among the independent farmers, in combination with increasingly efficient states. The efforts in the South at similar citizenship have often been associated with decentralisation and participatory local governance. Kerala's people's planning campaign tried a combination of central directions and local involvement, and the Brazilian participatory budgeting rested with political interventions too. But while similar efforts in South Africa were much more politically dominated by the ANC, which turned into a major problem, the Indonesian attempts have instead tended to be depoliticised without regulations and democratic space that would ensure extended rights and capacities to ordinary villagers to control the village elite.

Second, moreover, all these efforts have suffered from localism. So many crucial issues cannot be handled in town hall meetings only. Here too the Scandinavian experiences are instructive. With industrialisation it was necessary to scale up poverty relief in municipalities and through civil societies to universal state welfare programmes. Agricultural communities could not take care of all the new labourers, and associations and unions could not assist all the vulnerable people. (Sandvik 2016) In the South today, attempts at local citizenship and self-help (such as through participatory budgeting) must also be related to universal welfare systems and social rights. Otherwise, it is impossible to contain the abuse of power at the central level (as in Brazil), put up a fight in global labour markets, and provide alternatives to private insurance for the rich people and authoritarian and religious charity for the poor.

Third, what can be done to the poor representation of ordinary people and crucial interests in the context of elitist democratisation and fragmented civil societies? What about the faked direct contacts between 'the people' and populist politicians in addition to the informal transactions between the same politicians and leaders in civil society and popular organisations? Much of the unique Scandinavian trust in universal state and municipality programmes was based on the representation of interest organisations in public policy making and administration. In the South, this is an unresolved issue.

Fourth, the shortage of transformative policies in terms of one reform improving people's capacity to fight for another more advanced reform brings to mind Scandinavian practices, especially with regard to welfare, social rights and rights in working life. Universal instead of

⁷ (I) democratic political collectivities based on broad popular interests and (ii) democratic linkages between state and society; (iii) the establishment of equal civil, political and social rights in society and working life.

targeted reforms attracted middle classes too, thus making them willing to pay higher taxes. Protective welfare reforms that were also productive attracted business too (such as education, health, child care, and unemployment insurance). Measures towards full employment increased production and the tax base; and when subsidies were involved they were often less costly than handouts and resulted in important but unprofitable work being done. In addition, public welfare reforms that reduced the costs of labour (such as free higher education) were another way to foster wage compression (in addition to social pacts), thus increasing the competitiveness in the economy, the investments and the number of jobs.

Fifth, not even the strong Scandinavian labour movement was able to win elections and implement reforms on its own, even when women became increasingly active. There was a need for broad alliances with the farmers (about welfare for all and protection against displacement) to gain a majority in the parliament and to boost reforms and foster growth pacts. In fact, this did also contain right wing populist fascism and national-socialism. Later on there was necessary to include the middle classes too (through more universal reforms including education, pensions, gender equality). In the South, the divisive class structure and organisation in addition to the ills of right wing populism, makes broad alliances even more important.

International cooperation towards social democracy

As mentioned in the introduction, it should be in enlightened actors' interest in open economies in the North to foster social democratic development in the South too, if they want to foster their own export, reduce the in-migration of 'cheap' labourers and the numbers of refugees, plus hold back climate change. Moreover, international 'Global Deals' must be accompanied by provision of support to local actors who can come together and enforce them. In fact, these principles should also be the bottom line in international social democratic support of democracy – given that broad counter movements and interest-based representation are fundamental preconditions for alternative parties and the improvement of flawed democracies. To make a difference, the actors of change must include broader alliances that grow out of the contradictions of the current globalised and unbalanced development than the more firmly working class based movements in the North that were rooted in comprehensive industrialisation and imperialism. The analyses in the above have identified crucial problems and options. An immediate step ahead would be to find out more and to discuss roadmaps by bringing dynamic actors together in a world forum towards sustainable social democratic development from among concerned scholars as well as activists and leaders in unions, social movements, civil society organisations and thus based parties, maybe with Scandinavian seed funding.

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