



Reinventing Social Democratic Development: Insights from Indian and Scandinavian Comparisons

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BOOK REVIEW

Reinventing Social Democratic Development: Insights from Indian and Scandinavian Comparisons Olle Törnquist and John Harriss with Neera Chandhoke and Frederik Engelstad (eds) (*Copenhagen: NIAS Press, 2016*)

A comparison of Indian and Scandinavian experiences with social democratic development might appear a little unusual in today's world. Social democracy tends to be seen as belonging to the European past rather than future and India presents itself as belonging to the new world economic order, economic growth taking the country forward rather than state-led development and welfare strategies. Does social democracy have contemporary relevance for these countries?

As the foreword to the book states, social democracy has taken a battering in the last 40 years. Its defence takes its starting point in the success Sweden and Norway have had in achieving and maintaining greater equality than in most other countries, based not least in their welfare state models. The weakening of inter-generational poverty, often under-rated in its importance, has probably resulted in Scandinavia being the best place to pursue the "American dream" of upward mobility. Despite this achievement, the focus is more often on the "negative" impact of the high tax revenues required for such an inclusive welfare approach and on the political reactions to policies involving universal redistribution. These critiques question the sustainability of a Scandinavian approach to social democracy and welfare in today's world.

Why bring India into the discussion? While the contexts in India and Scandinavia are quite different, India has national experience with social democratic policies starting with Nehru after independence and West Bengal and Kerala provide important local case studies. Comparison of these experiences and their contexts permits a more systematic review of the political and economic processes giving rise to these policies and the effects of their implementation.

The book is framed around four processes identified by Törnquist as being necessary for social democratic development: (i) broad sets of interests and ideas being translated into democratic political collectivities; (ii) the emergence of strong democratic linkages between state and society; (iii) the pursuit and acceptance of universal civil, political, social rights around welfare and work; and (iv) the establishment of growth coalitions (social pacts) between capital and labour and between labour and agrarian producers. The subsequent chapters then explore these dimensions from their authors' respective fields of expertise.

There is much detail in the book, not least historical, the interpretation of which carries considerable potential for debate and disagreement. For me, the trick is to see the broader argument being developed in the volume and not to become lost in contesting the detail too much. The coherence of the book's structure is excellent as one is guided through different histories of political formation, governance reforms, social rights and welfare achievements (and failures) in India, Norway and Sweden.

Can a new (or reinvented) social democratic development present a potential future for India and Scandinavia? In considering this question the volume leans more towards the political case for or against, as seen in the four processes that provide the framework. However, Moene's contribution on "Social Equality as a Development Strategy" focuses on the important economic case for reinventing social democratic development. If social and economic inequality is undermining the possibilities for a future social democratic development, then pushing for economic readjustments rooted in the organisation of production and the distribution of gains is critical. Making the case for this economic transformation

provides the basis for a political case: tripartite agreements and social dialogue to improve the condition of labour, the provision of universal social rights and the improved state provision of welfare. These are measures needed to benefit labour and, through workers' improved livelihoods, are also to the benefit of capital.

The challenge is considerable as in the short term, wage compression (higher wages at the bottom, restraining wages nearer the top) appears to only benefit workers and the socially and economically marginalised. It would appear to be of little benefit to those who own the means of production or help to administer its organisation. Gaining the acceptance of the latter that there are longer-term gains that are mutually beneficial requires economic success and political accommodation. These can secure the generation of a coalition of interests around growth-with-welfare and weaken tendencies towards inequalities based upon exclusion and marginalisation.

How such a strategy might come to lie at the heart of a government's approach to development presents more questions than answers. A key issue for several of the contributors concerns the sequence of transformation, and therein, the role of a middle class. Their analyses vary but have in common the underlying questions: (i) does a country require a middle class in order to bring about a democratic transition? (ii) if it does, then will policies be dominated by the needs of economic growth with a political dominance by the owners of production until the middle class(es) begin to assert their political interests? and (iii) did India go against this sequence by developing political collectivities too effectively and too soon, undermining the potential for a broader economic transformation?

The last appears to have been partly true according to Harriss, Törnquist, Bardhan, Chandhoke and Saxena. When compared to similar processes in Norway and Sweden it is found to have introduced an "upside-down" scenario in India that limits the potential for economic growth with social equality and strong welfare policies. Here, uneven economic development is seen to meet with weak collective actors and poor governance.

Törnquist argues in one of the two concluding chapters that the social democratic development project is facing serious challenges, structural and political. The recent Scandinavian responses to refugees and economic migrants is an excellent case in hand, where policies and practice struggle to address conflicting commitments to citizens, taxpayers, asylum seekers and economic migrants. It is also the case that the region has begun to witness a growth in inequality and a weakening of political support for social democratic parties.

As the volume suggests, the time is ripe for a revision of the social democratic agenda in which a stronger global dimension is introduced while maintaining a focus on local manifestations of social democracy in practice. Will a social democratic development continue to characterise Scandinavian and/or Indian development? Törnquist and Harriss conclude with an element of optimism in the case of India. For Norway and Sweden, the reader is left with a rather brief and pessimistic statement that social democracy has not been sustained in Sweden and that it remains in Norway due to its high oil revenues.

As for the book, to move between the anti-colonial struggles of Kerala and West Bengal and the politics of collective action in Swedish forests and Norwegian valleys within the same discussion is no mean feat. It more than succeeds in doing this in a strong analytical and richly detailed manner much to the credit of the editors and authors. It contributes to a discussion that hopefully will grow and take root not only in the works of political scientists and development theorists, but also in debates and discussions with politicians, political parties and the general public.

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