

Can the idea of social democracy be rescued?

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Good discussions about the present challenges require a historical perspective. The right-wing nationalist successes came relatively late in the Nordics, perhaps due to the strength of the trade unions and the welfare state. Elsewhere, Social Democracy is often considered a spent force. At least if it is defined as it was at its apex from 1930 to 1980. Then there were interest-based popular movements and parties with democracy taken as principle and method. Social rights reforms provided the basis for agreements on economic development between unions, farmers, and employers. These reforms and agreements were fought for by way of the struggles of interest and issue-based organisations, expansion of the public sector, cooperatives and welfare programmes against the effects of capitalism, together with transformative reforms to change the destructiveness of its logic. Strong efforts for maintaining national independence were necessary to make it all possible, which required cooperation with anti-colonial and other forces against great power dominance and trade monopolies.

So why was the project undermined? The debate is often limited to the Global North and to the question of why social democrats have lost elections. The social base and the values of wage earners have become increasingly heterogeneous. Social Democracy lacks a powerful vision and voters go in different directions — mostly to the left, to the greens and sometimes to the centre, but also (and only to some extent and when issues such as migration and crime are at stake) to right-wing nationalist parties that otherwise primarily attract conservatives.¹

¹ See Tarik Abou-Chadi, Reto Mitteregger, Cas Mudde, *Left Behind by the Working Class? Social Democracy's Electoral Crisis and the Rise of the Radical Right* (fes.de) <https://library.fes.de/pdf-files/a-p-b/18074.pdf>

But the basic questions remain as to what the power relations are that have caused the decline of Social Democracy, and what can be done to bring about its rejuvenation.

Olof Palme and Willy Brandt were among those who responded already in the 1970s. In the South, anti-colonial democratisation had been held back by support for authoritarian regimes. Some of these also enjoyed oil rents or invested in low-wage industrialisation for export, in cooperation with international companies and financiers. In the North, Social Democracy was run over when the international currency regulation established at Bretton

Woods was abolished in 1971, and when capital was internationalised, to avoid national rules and agreements. In addition, the oil countries did not invest in inclusive development that could have created increased international demand. Consequently, said Palme, Brandt and others, nationally limited Keynesianism and Social Democracy must be internationalised. They launched a "New Economic World Order", "Partnership between North and South" and "Common Security". But their initiatives failed.

Instead, neoliberalism broke through and became global, from the late 1970s, with Margaret Thatcher and Ronald Reagan in the forefront. Radical Social Democracy, as was attempted in Francois Mitterrand's France and Sweden's wage earners funds had to be shelved. The new keyword was "structural adjustment". Credit markets were deregulated. Financial ventures became more profitable than productive investments. The North became post- industrial. Tony Blair and Gerhard Schroder's "third way" sought to combine neoliberalism and welfare but failed to build a broad coalition of modest winners and losers. And then there was the financial crisis of 2008. Meanwhile, Scandinavia and Sweden in particular was also affected by economic inequalities and cultural differences within the country. On the one hand, there were those with the right education, jobs in competitive sectors and opportunities to obtain their own insurance and to speculate on housing and cheap credit. On the other hand, were the regions, wage earners and small business owners who were only given standing room. Among them - through rarely women - were many who considered migrants to be the main competitors for jobs and welfare. This fed right-wing nationalism. The refugee crisis was a turning point.

In the meantime, the hope was that democratisation in the South and East would create better conditions. The wave of democracy began when the United States lost in Vietnam, the

liberation movements in the Portuguese colonies contributed to the fall of the dictatorship in Lisbon, and Spain showed that a transition from fascism to democracy could be negotiated. The Socialist International was revitalised in support of democrats in the South and East. There was much progress — but for some time now there has been a trend of autocratisation, which has affected Social Democracy in the North as well. So why did the democracy wave collapse? To move forward, we need to know.

It is well known that Michail Gorbachev's social democratically oriented attempts at reform were not supported, and instead Russia was taken over by Boris Yeltsin and neoliberal shock therapy. This created social and economic insecurity for ordinary people but delivered opportunities for the oligarchs to loot the state — followed by support for a "strong man", Vladimir Putin. Eastern Europe in general is beset by similar problems. It is also known that the West's "war on terror" made matters worse in Iraq, Afghanistan and Libya; as well as the insufficient support for the progressives in Syria, Turkey and Kurdistan. But why did things go wrong even in the many promising cases in the South - where, for example, military dictatorships fell in Latin America, dictators like Ferdinand Marcos and General Suharto were deposed, Nelson Mandela took over in South Africa and a centre-left front won the national elections in India. In my studies with colleagues, we arrived at three major factors.²

First, the absence of common class interests. The wave of democracy was not backed up with inclusive social and economic policies as in Western Europe after the Second World War. The limited industrialisation in the South was combined with the plundering of nature, inequality, miserable working conditions, widespread unemployment, lack of class identity and organisation. There were constant difficulties in uniting people with insecure jobs. Popular movements cannot be built in workplaces alone, because the majority of people with temporary jobs and in the informal sector are ignored. Scandinavian growth strategies that require relatively low unemployment and strong parties in the labour market are insufficient, painfully illustrated in South Africa.

The second reason is the lack of democratic representation. In countries where dictatorships were replaced by democratic rules of the game, these came to be dominated — with

² Olle Tornquist, *In Search of New Social Democracy. Insights from the South - Implications for the North*, London and New York: Zed-Bloomsbury(2022) <https://www.bloomsbury.com/uk/in-search-of-new-social-democracy-9780755639793/> and <https://olle-tornquist.com/>

international support — by elites and businessmen, who had no interest in including others in politics and in fighting corruption. So genuine democrats and embryonic popular movements had little opportunity to make a political difference. There were exceptions, but frustration and protests grew. Things went wrong even in celebrated examples of liberal democratisation, such as in the Philippines, Indonesia, South Africa, and Brazil. Democratisation in Burma was crushed by the same military that the West had said would accept it. Neither was left-wing populism with popular enthusiasm behind charismatic leaders a solution when these were not controlled through democratic representation, from, for example, Joseph Estrada in the Philippines to Hugo Chavez in Venezuela.

The third factor is that "bottom up" was insufficient. Ideally, it would be possible to promote democracy and inclusive development from below. But civil society groups, unions and social movements that really tried to build democracy on the ground and combine different interests and issues rarely made a political difference. Marginalised in internationally guided negotiations for transition from dictatorship to democracy, they mostly became fragmented pressure groups that failed to broaden their base even as politics was decentralised. The dominance of political bosses, businessmen and vigilantes was not challenged. Even Brazil's participatory local budgeting could not stop corruption higher up in the system. The main exception was the Indian state of Kerala where popular movements ran educational campaigns, mapping of local resources and brought about a huge state-coordinated programme for popular participation in planning at the municipal level. Yet, until recently, even there it has been difficult to institutionalise the advances that have been made, to promote production, engage sceptical citizens and left-wing bosses, and to create links to other administrative levels and other actors than those involved in the public planning.

All in all, many positive movements gained more room for action during the wave of democracy but could not build a credible social democratic alternative to neoliberalism. As in the North, it led to frustration and protests. This allowed right-wing populist nationalists to take over. Compliant oligarchs were acquitted, while migrants, addicts, LGBTQ people, the left, and ethnic and religious minorities were blamed.

In the North, meanwhile, social democrats ignored their unredeemed internationalisation, which was also made more difficult by the setbacks in the East and South. This became

particularly clear in Sweden from 2012 when the new party leader and prime minister Stefan Lofven's team tried to return to the basics of Social Democracy. The agenda emphasised more welfare, cooperation between unions and employers, a corresponding "global deal" around the world, cooperation with the Greens against the climate crisis, feminist and human rights-based foreign policy, and support for refugees. But to realise such priorities remained at least as difficult as it had been for Mitterrand and Palme in the early 80s. The employers ignored cooperation with state and unions, nationally and internationally. The unions were sceptical of the Greens and put the profitability of export industry and good jobs within it ahead of radical foreign policy. This also lacked strong foreign partners. At the same time, a lack of broad international commitment to the progressives of the Middle East and North Africa contributed to a wave of refugees that the Swedish municipalities could not cope with. So in the fall of 2015, Lofven gave up. After this the party leadership first adjusted to the increasingly strong right-wing nationalist opinion, following the pattern of the Danish social democrats - and then, when Russia invaded Ukraine, abandoned Sweden's 200-year-old non-alignment in favour of NATO. The aim was to win the 2022 election, but this was lost. There was no analysis of the consequences of the shift in policy for social democratic partners, which instead Turkey's President Erdogan keeps illustrating by calling for an end to Swedish support for Turkish and Kurdish pro-democrats to support Swedish membership in NATO.

Ukraine must be supported. But Putin is not the only right-wing nationalist in the world who prevents democratic struggle against the existential crises — from nuclear threat and climate collapse to social insecurity, inequality, and more refugees. NATO is not meant to solve this. For that, other alliances are required. We must return to Palme and Brandt's analysis that the nationally limited Social Democracy needs to be internationalised to become strong again.

Palme and Brandt's main hurdle was that they had only weak partners. That problem might have been solved during the global democracy wave, but as we have seen, it collapsed. We

also know what is needed, and why: support for democratic development as in Europe after the Second World War, broader alliances than on the shop floor level, more inclusive democratic rules of the game, unification of the progressive forces. But can this be achieved?

Research shows that it is possible to build fronts with progressive politicians and different movements when they focus on demands for more democracy to promote coherent reforms

— against economic and social insecurity, and for sustainable development. A prime example was the broad alliance in Indonesia around 2010 (with the support of international Social Democracy) for a universal healthcare reform. The problem was the lack of follow-up reforms and a democratic negotiation system for action groups, unions, employers, and politicians. Kerala then proved how reforms can be followed up. The cooperation there between municipalities and civil society that began in the 90s was supplemented by state health and welfare programs in the fight against the pandemic, followed by the setting out of a knowledge-based development strategy. As a result, the left was victorious in the elections. Narendra Modi's right-wing nationalism didn't stand a chance. In Chile, a similar broad alliance for democratic reform and social rights recently paved the way for the Left Front. In Colombia there is the front for peace and Social Democracy. In Brazil, Lula built a broad coalition against right-wing nationalism and is trying to combine social rights reforms with the fight against climate change.

The challenges are myriad, including outlining transformative reforms and democratic negotiation systems between politicians, action groups, unions, and employers. But we have experience of that in Western Europe and especially Scandinavia. There is the potential for collaboration to secure fair and sustainable development. If at least such issues are linked to non-alignment and promoted by an ecumenical left-democratic network with good roots in the South, the internationalisation of Social Democracy can resume. And perhaps also contribute to peace in Ukraine on more democratic grounds than the recent negotiation proposals by BRICS countries.

(After the electoral breakthrough of the right-wing nationalist Swedish Democrats, even North Americans who deemed Scandinavia to be a good example are asking whether the left's focus on national welfare and security is sufficient. Olle Tornquist was recently invited to "discuss what is missing - if both North and South are taken into account" within the lecture series *On the Frontlines of Democracy* at the Toronto Public Library on May 11. This is his summary of the arguments.)