

# Is European social democracy in irreversible decline?

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After the defeat of the Spanish Social Democrats - almost every country in western Europe is now ruled by a conservative government, writes Dave Stockton. In a time of capitalist crisis, why are the mainstream centre left parties doing so badly?

Ten years ago the social democrats were in office in 15 European Union countries. One-by-one most have lost power.

Since June three of Europe's remaining centre-left governments have been ousted: two (Portugal and Spain) in elections by right wing parties, while in Greece the Papandreou government was forced out by the bond markets and the Troika (the EU Commission, European Central Bank and IMF). Only in Slovenia, Norway and Denmark are there still governments headed by social democrats, while in a few countries, such as Austria, they serve as junior partners in coalitions.

Journalists are puzzled as to why the biggest capitalist crisis for 80 years, with rising popular anger at the resulting poverty, unemployment and cuts, has seen the relentless retreat of 'the left'. Marxists understand however, that it is not at all the case that capitalist crises particularly periods of mass unemployment automatically produce upsurges in the class struggle, let alone election victories for reformist parties.

The trough of the Great Depression in the 1930s almost universally saw right wing governments in power in Europe and North America. Also the severe recession at the end of the 1970s and beginning of the 1980s saw Thatcher and Reagan come to power and begin the 'neoliberal revolution'. Why is this?

The Russian revolutionary Leon Trotsky, in his analysis of crisis-torn Europe in the 1920-30s, pointed out that when capitalism enters a major period of crises this upsets the social equilibrium of the classes, radicalising the working class and the middle class (the latter to the right as well as to the left) and finding its expression in the struggles between political parties. The resulting defeats or victories of these struggles in turn affect what will be the response to the next challenge.

If the radicalised working class is led by a party not just unready to lead the necessary struggle but prepared also to impose the costs of the crisis on the workers and defend capitalism, then workers' resistance can be hampered and they may suffer defeat.

In the present crisis the 'centre left' parties have implemented austerity, hitting their traditional voters - the poor, public sector employees, precarious workers and pensioners - leading to a drop in support and fall from office. For nearly a hundred years, social democracy, 'the party that leans upon the workers but serves the bourgeoisie' (Trotsky), has gone through this process.

Europe's ruling classes recognise they need to put their workers on rations if they are to escape from the state debt crisis and go on to compete with the USA and China. Only in Germany and France has the last two years' limited economic recovery allowed them to avoid confronting their strong working classes, but this is coming to an end.

### **End of an era**

Social democracy no longer even dreams of a return to the happy days of the long boom of the 1950-60s when the rising tide of capitalist production and wide profit margins allowed all boats to rise, with concessions to the skilled and stable workforces of Northern Europe: the 'European social model'.

This era did indeed see a massive expansion of social housing, health, welfare and education systems, and greater opportunities for the unions to negotiate steadily rising wages. But by the 1970-80s this began to be eroded under renewed crisis conditions for capitalism.

The relatively weak recovery of the globalisation years (1992-2006), based on a financially fuelled boom, meant Social Democracy experienced an Indian Summer in many countries. But its reformism was markedly different from the post-1945 era.

The Third Way ideology adopted by Tony Blair in the mid-1990s or the Neue Mitte of Gerhard Schröder represented major concessions to neoliberal economics. For Blair this meant sustaining education, health and social services not by taxes on the corporations or the rich, but a huge expansion of credit. 'Reforms' now meant 'freeing up the labour market', i.e. cutting workers' rights, marketisation and privatisation of public services and utilities, tax reductions for business and the deregulation of finance. In Europe this also meant accepting the neoliberal orthodoxies of Maastricht Treaty, and the 'strong' euro policy imposed by the Bundesbank on the European Central Bank (ECB).

Social democracy was able 'as long as the financial boom lasted' to preserve, to a degree, the historic gains of its core electorate (in Germany industrial workers in the big enterprises, in Britain the public services). However it unloaded the burdens onto the low paid, casual, young or migrant workers. This led to repeated outbursts of mass working class resistance on the streets in France, Germany and Italy, as union leaders bowed to pressure from below to act.

Take Germany as an example. Schröder became Chancellor in 1998 in coalition with the Greens. Hopes that the SPD, out of power for 16 years, would restart the process of reforms were shattered. Instead a series of attacks led in 2003 to 'Agenda 2010': tax cuts, lowering of pension entitlement and unemployment benefit, and freeing up the labour market. There had been were four million unemployed when Schröder entered office 'when he left in 2005 there were five million. Real wages stagnated. After losing the federal elections in September 2005 the SPD continued in coalition with Angela Merkel's centre right Christian Democrats. In 2009 it was finally ejected from government with its lowest vote for nearly a hundred years, 23 per cent. Social democracy rendered great services to German capitalism but at the expense of its losing power.

### **Paying the price**

The years since the crisis first appeared in 2007 have seen defeat after defeat for the parties of the Socialist International in Europe.

In Italy in April 2008 the Democratic Party suffered a second humiliating defeat at the hands of corrupt media billionaire and buffoon Silvio Berlusconi. For the first time since the era of Mussolini there were no deputies in the Italian parliament who identified themselves as Communists.

Swedish social democracy, with its famous welfare state model, also succumbed, despite being the natural party of government from 1932 onwards. For the first time in history the conservatives won two

consecutive terms in 2006 and, with an increased majority, in 2010.

In the last general election in 2006, the Dutch Labour Party lost a quarter of its core support and finished with just over 20 per cent.

In Hungary in April 2010 the neoliberal right wing party Fidesz won a landslide two-thirds majority, bundling out the Hungarian Socialist Party (MSZP). In 2006 the MSZP had gained 42 per cent of the votes and 190 MPs; in April 2010 this collapsed to 19.3 per cent and 58 seats, only a little ahead of the fascist Jobbik's 16.67 per cent and 47 MPs.

Sigmar Gabriel the present leader of the SPD claimed in a recent interview in Der Spiegel that:

"We, the Social Democrats, are convinced that capitalism needs to be tamed a second time. The first time we achieved that in Germany for many decades with the social market economy. That is no longer enough. Now we need to do it in Europe and even globally... This is not about reviving the pseudo-alternative of communism but about re-conquering the social market economy."

How he proposes to tame a global capitalist tiger ? not in a period of a long boom but in a "decade of austerity" ? he does not say.

In fact there is no sign that François Hollande in France, Sigmar Gabriel in Germany or Ed Miliband in Britain will fundamentally reverse social democracy's subservience to capital or ideological decomposition that Lionel Jospin, Tony Blair, and Gerhard Schröder, carried on for so long.

The credit crunch, the banking crisis and then the sovereign debt crisis ? the opening phases of a historic crisis for capitalism ? have damaged the European social model beyond repair. It has undermined electoral support for social democratic parties and led to a disillusion with politics in general, expressed in falling voter turnout and cynicism. Among the youth in Greece and Italy this has led to a growth of anarchism and autonomism.

So can social democracy survive? Yes. It still has huge reserves of power stemming from its past hegemony and its material roots in the trades unions and local government ? above all in the absence of a serious electoral alternative to it in most countries. But can it get back into government? Ironically this depends on something its leaders hate like sin: the militant class struggle.

If the rising tide of resistance to the demolition of the social gains of the last sixty years results in sustained general strikes, as happened in Tunisia and Egypt this year, Europe's conservative governments could be brought down. The parties that rest on the workers but serve the bourgeoisie would be summoned once more to perform their role of defending the system by diverting and frittering away the strength of their working class supporters.

If workers are to prevent another round of betrayals, they need to build an alternative, in the struggle, for the struggle ? an anticapitalist revolutionary party.

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