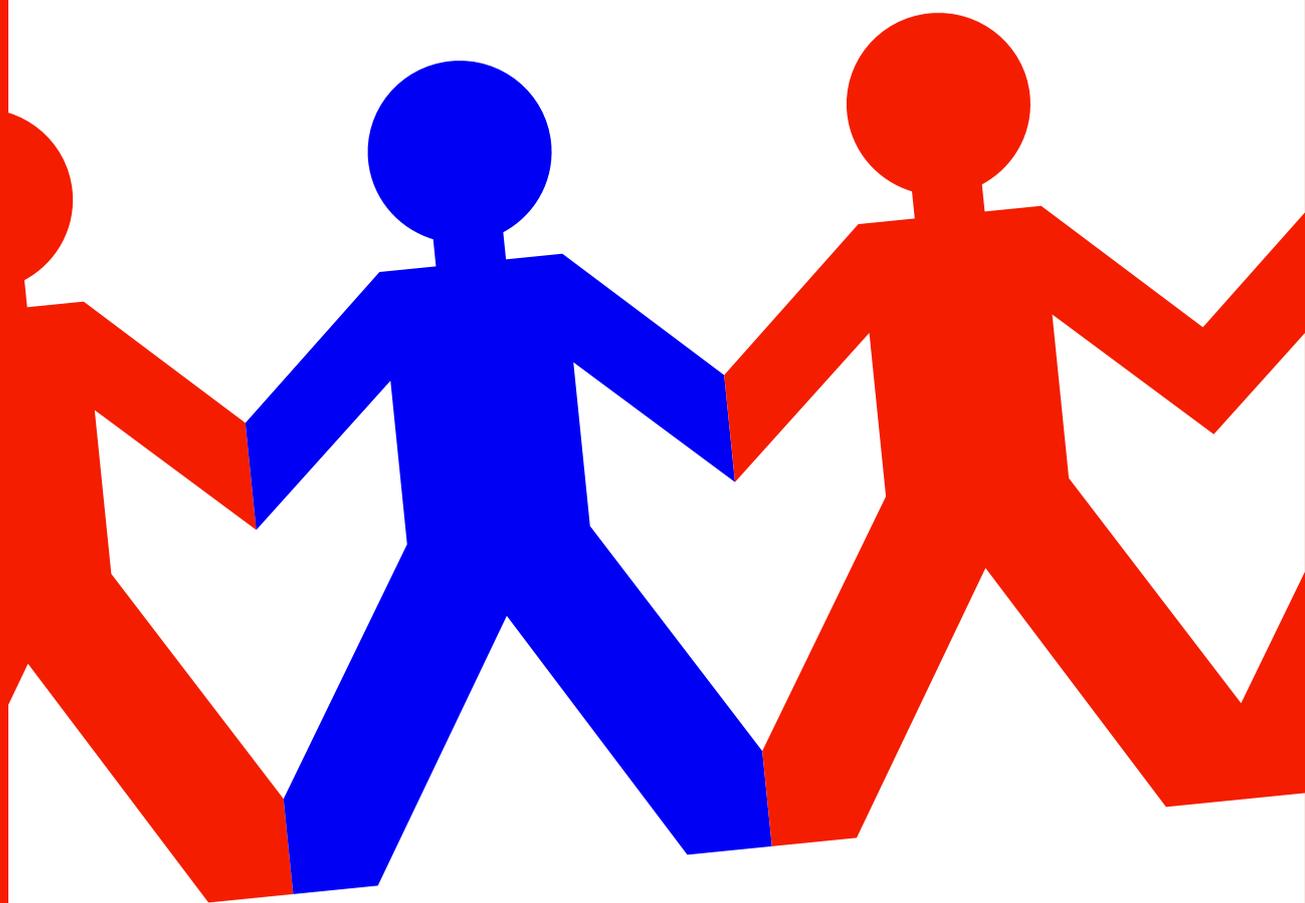


Reforming Social Democracy: The Good Society Project



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Social Democracy and The Crisis

When the global financial crisis hit half a decade ago, many social democrats in Europe believed that their time had finally come. Deregulated financial markets had developed into a self-referential system that was becoming more and more detached from the wider economy. And when the finance industry collapsed it had wide-ranging consequences given global economic interdependency. The crash of Wall Street brought down not just other financial centers, like the City of London, but plunged the whole of the global economy into a deep crisis that is still not resolved to date.

It also became clear quite quickly that this global meltdown was bound to have significant political repercussions. Surely, this should be a 'social democratic moment' as the Oxford historian David Marquand mused. Wasn't it social democracy that had always argued for appropriate regulation to steady inherently instable markets? Wasn't this just what had happened? Real world evidence that one of the main planks of social democratic theory is right and that markets need to be regulated to function properly?

More than five years on it is fair to conclude that the 'social democratic moment' has not happened yet. In Europe the political repercussions of the crisis have materialized as substantial political volatility and semi-permanent emergency politics. The problems of the financial sector also corresponded with major shortcomings in the construction of the Euro. What had started as a financial crisis became a crisis of the Eurozone and the European Union at large. The resulting political discontent has not benefitted social democrats even though on the surface the conditions might have looked that way. So why is this the case and what does this mean for the future of social democratic politics?

Social Democracy after the Third Way

In order to answer these questions one has to understand the development of European social democracy in the decades before the economic crisis. In the 1990s and 2000s social democratic parties assessed their situation and tried to determine the reasons why they had significantly lost electoral appeal ever since the late 1970s. There are of course many country-specific variations but one common concern was that against the backdrop of the emerging free market doctrine traditional social democratic politics looked outdated. The old ways were identified as the reason why electoral fortunes were declining.

In reaction to this, and inspired by the experiences of the New Democrats and Bill Clinton in the USA, many social democratic parties started a renewal process to adjust their political programs. This 'Third Way' adjustment period basically led to different forms and degrees of social democratic accommodation towards the neoliberal mainstream. New

Labour in Britain and the *Neue Mitte* in Germany were just two examples of different 'Third Ways' that emerged all over Europe.

This programmatic renewal had several consequences. As it meant moving towards, rather than challenging, neoliberal political orthodoxy the development of real political alternatives and visions was neglected. Especially the acceptance of the 'economization' of almost all areas of politics, including social policies, led to a monolithic political discourse. Political renewal is always necessary and social democracy should of course learn lessons from conservative, green and liberal ideas. But the extent to which this political adjustment process was conducted in many cases led to the accusation, that one still hears to this day, that social democratic parties have sacrificed their core beliefs and have become almost indistinguishable from their political competitors.

In electoral terms, the Third Way worked well for a time. At the end of the 1990s all but a few EU member states had governments led by social democrats. Many of them had implemented bold policy agendas based on their new politics. The Third Way seemed to have won the day. Even though cracks started to appear a bit earlier, the problems really began when the financial crisis revealed that all the old-fashioned social democratic talk about the inherent instability of markets was not that outdated after all and that we were entering a period of global economic turmoil.

At this point, what seemed like strengths before the economic collapse became fundamental weaknesses: as social democrats had neglected the development of an alternative political program in the previous decades, the crisis hit them intellectually unprepared. There simply was no real political alternative on offer. Even worse, as many social democrats in government had pushed through deregulation agendas they were not just seen as politically clueless but, moreover, as collaborators in a failing system. This led to a breakdown of trust and alienated significant parts of the traditional social democratic support, already disaffected by unpopular policy measures, even further. Against this backdrop, it is unsurprising that social democrats were not the political beneficiaries of the crisis.

The reasons why the 'social democratic moment' never happened also present the backdrop to the contemporary challenges of social democracy. European social democrats struggle with the rapid change that is taking place around them. The Eurozone crisis requires bold decisions and further steps towards European integration that seemed unthinkable only a few years ago. The alternative to the integration leap forward is a slow renationalization, which has equally been unthinkable until most recently. The European Union's core competence of 'muddling-through' has reached its limits and will not be good enough to stabilize the situation for good. And Europe's citizens, some of whom are suffering from severe economic hardship not seen in modern times, are confused, disillusioned and unconvinced about any direction.

This political storm, that requires bold leadership, has hit social democrats ill prepared. The evolution from the global financial crisis to the Eurozone crisis has further intensified the social democratic malaise. The Third Way period is over but a genuinely new social democratic politics has not been established yet. The list of urgent tasks is daunting: social democrats have to redefine their political offering, rebuild credibility and trust, and, as if this was not enough, have to achieve this in the most turbulent political times in decades. The current struggles of social democracy are therefore unsurprising.

Building the Good Society

But not all is gloomy. Clarity about the task ahead helps addressing it. A group of thinkers and practitioners from all over Europe have worked on a new social democratic politics for several years now. What has been developed under the concept of the 'Good Society' is a new social democratic narrative that takes a thorough value-driven analysis of our current economic and political problems as a starting point to craft a new politics. The underlying idea is to develop a political vision that provides direction. The goal is to define the 'Good Society' to make a 'better society' possible and sketch the political way towards it. Such a value-driven political compass provides an important tool to navigate the stormy political seas we are currently facing and is a useful starting point from which to address wider challenges.

The idea of a Good Society is based on democracy, community and pluralism. It is democratic because only the free participation of every citizen can guarantee true freedom and progress. The Good Society is based on a community approach because it recognizes our mutual interdependencies and joint interests. And it is pluralistic because it draws vitality out of the diversity of political institutions, economic activities and cultural identities.

In practical terms this means reestablishing the primacy of politics over economic interests. It means defending and expanding citizen rights where possible and transforming the relationship between individuals and the state into a new democratic partnership that strengthens transparency and accountability on all levels. The primacy of society means the supremacy of general social goods such as inclusion, education and health over market interests. It also involves redistribution of wealth and power. The economic philosophy of the Good Society is rooted in the idea of an ecologically sustainable and just economic development that benefits the whole of society, not just a few at the top.

It is the lesson of the last decades that we have to rethink our current politics. One of Willy Brandt's key observations is as potent today as it was several decades ago: "What we need is the synthesis of practical thinking and idealistic striving". The Good Society's

ambition is exactly this: to be the synthesis of a realistic vision of a better society and the practical steps needed to get there. Will the way be easy? Of course not. But “it always seems impossible until its done” as the late Nelson Mandela once said.

The Good Society approach also breaks with some of the political techniques that have run their course. During the Third Way period policy-making had a rather transactional character. Based on political research and focus groups a political offer was developed that sought to cater to the identified needs of the electoral customer. The resulting politics was reactive rather than transformational. But in times in which the limits and constraints of our current economic and political systems have become all too obvious, a more ambitious politics is needed.

The task for European social democracy is to analyze the current situation, read political trends and develop a new politics based on this. The focus must be on the development of a new and convincing political agenda that is able to stand its ground and win in the electoral competition rather than reverse-engineering a political agenda that has its starting point in a specific electoral target.

In the political arena, there is also an additional reason for why a new value-driven approach such as the Good Society is needed for the revival of European social democracy. Societies are becoming more and more idiverse and the logical consequence is that if you try to generate electoral success by targeting specific social segments with transactional politics you are chasing groups that are continuously becoming smaller and more differentiated. Politics is thus becoming narrower and more exclusive in the process. A value-based political agenda should be able to create a broad buy-in and unite otherwise diverse social groups drawn in by a positive social and economic vision.

Political change is, however, a slow process and takes place only in small steps alongside the necessities, and within the constraints, of day-to-day politics. Creating a new distinctive social democratic agenda is also difficult because the political competition is not static either and because in an interdependent world, it is simply not good enough to think a Good Society in a European shell, let alone within national borders. The global dimension of the Good Society approach therefore deserves special attention.

The Good Society on the global, regional and national level

Many of today’s most important issues, such as rising inequality, issues in the workplace and environmental degradation, simply cannot be addressed on a national or European scale. The Good Society project therefore aims to revitalize the internationalist tradition of social democracy and seeks to build alliances across the globe. The global nature of many

political issues means that they are also experienced, albeit differently, in countries across the globe.

Reaching out and building bridges to other progressive traditions in other parts of the planet is therefore a vital part of the Good Society project. How are the same or similar political issues perceived in different parts of the world? What are other progressive solutions to these problems? And where are there connection points for discursive and political alliances that can help to conceptualize and address today's pressing issues in a more joined up way? These are crucial questions that give the Good Society a truly global dimension; a dimension that social democracy has neglected in recent decades.

A new regional political dimension is also a constitutive part of the Good Society. Be it in Europe, Asia, Latin America or Africa, a new quality of regional integration of political ideas and discourses is a requirement for effectively addressing today's pressing issues. The Good Society project is a hub for creating improved regional connections. It seeks to nurture and inspire the development and exchange of ideas.

And last but not least, national Good Society activities should also be pursued in different national circumstances. It is a great strength of the Good Society that it is not a one-size fits all approach that seeks to implement the same policies everywhere, regardless of specific circumstances and national traditions. The Good Society is, moreover, an approach that is conceived as a political toolbox consisting of best practices and general policy guidance. These policies have common roots in the analysis of today's pressing problems and the social democratic values underpinning this analysis. The continuous adaptation of the Good Society to different national circumstances therefore remains an important line of work.

The Good Society going forward

The underlying idea of the 'social democratic moment' was that the political center ground has shifted in the wake of the economic crisis and that it has shifted towards a more social democratic view of the world. This is certainly true to an extent and the fact that social democrats have not benefitted from this shift so far does not mean there is no chance to benefit from it in the future. A new value-driven approach, which the Good Society offers, is a realistic way forward.

Social democracy is in transition and it needs to adapt to the current political and economic circumstances. Small or simply rhetorical adjustments will not suffice. But the direction of travel has become clearer and there is a real chance that social democracy can be rejuvenated and also have an enlarged global impact.

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