

The current situation of the Centre-Left in Europe

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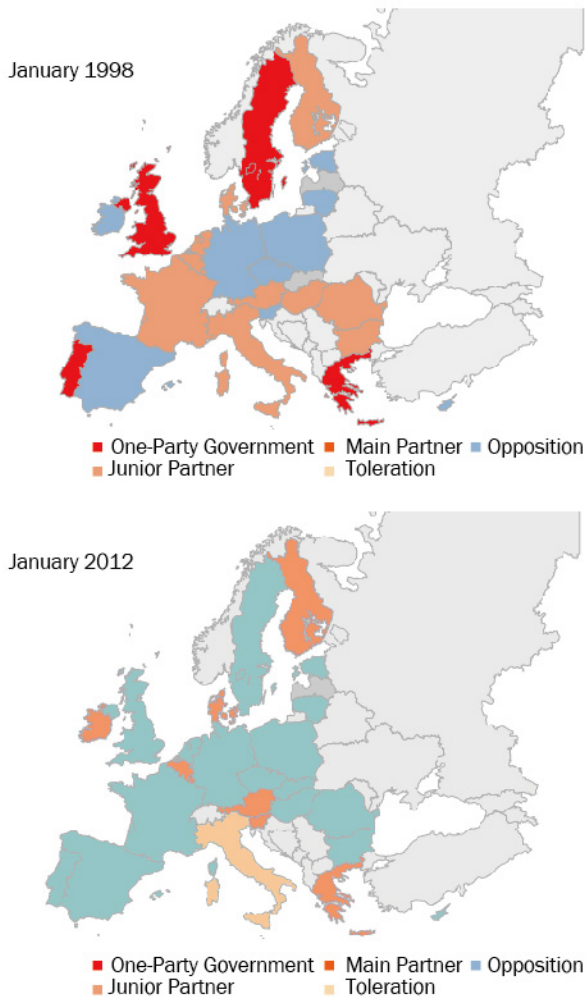
At the end of the 1990s, centre-left parties governed 13 out of 15 EU member states. Summits of the EU governments looked like family meetings of the European left. Fifteen years later, this dominance had given way to a much gloomier picture: social democrats all over Europe fell from power, losing elections in several cases with the worst results for over 100 years. Even if some electoral results in recent times – such as the election of François Hollande in France – may indicate that the worst period for European centre-left parties may be over, the picture is still not a positive one. The massive crisis of financial capitalism since 2008 has strongly delegitimised neoliberal thinking and policies, but has not (yet) resulted in a new electoral dominance of the centre-left.

How can we explain this paradox? The answer must be sought in the political, social and economic outcomes of the long period of government of centre-left parties in Europe in the past fifteen years. The central promise of the 'pink wave' of the 1990s had been to combine the economic efficiency of free markets with a serious commitment to a modern welfare state. This approach, theoretically and conceptually elaborated especially by Anthony Giddens in his 'Third Way' writings, was adopted by a large majority of social democratic parties in Western Europe. The different varieties of this project were similar in content: they were based on the combination of moderate neoliberal economic and fiscal policy positions with an insistence on a continuing role of the (welfare) state and public

policy interventions. An emphasis on liberal standpoints on cultural issues and moral value questions was used to demonstrate the ongoing 'progressive' character of the political project, shifting the centre of gravity of centre-left political identity from socio-economic to socio-cultural issues. Labour market and welfare systems were reformed and streamlined, and redistributive elements in tax systems reduced. Pro-business politics were supposed to spur macroeconomic growth, creating additional income, jobs and tax revenues, while reducing welfare dependency and unemployment. The privatisation of publicly owned companies and services that had started under conservative leadership in the 1980s continued. New EU legislation reinforced liberal and deregulatory tendencies all over Europe. In short, the centre-left parties presented themselves as technocratic reformers and »more effective managers of capitalism«, trying, initially with great success, to lure voters from middle class and professional backgrounds to the left. However, the dramatic electoral defeats of centre-left parties since the mid-2000s show that this strategy no longer works. The technocratic approach of the 'Third Way' has proved counter-productive in the long term and has left centre-left parties with a much weaker electoral base than they had a decade before.

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Graph 1: Social-democratic Parties in Europe (Comparison 1998/2012)



Source: <http://www.fes.de/ipa/inhalt/monitor.php>

The Reasons for the Decline

The reasons for this massive disillusionment on the part of voters can be summarised in six points:

(i) Deficient delivery in socio-economic terms

Third Way governments were unable to fulfil their promise of more dynamic economies and less unequal societies. With very few exceptions, social inequality rose during their period of government. This development also affected parts of the middle classes, whose

interests and needs the reformist left of the 1990s had promised to defend in particular. A drastic case was Germany under Gerhard Schröder (SPD), when inequality rose even more quickly than during the same period in the United States of George W. Bush.¹ This development reflects long-term distribution trends, which the centre-left was unable (and unwilling) to change: the Gini Index of social injustice has been rising in most Western European countries since the 1980s. An OECD study stated in 2008 that »there has been an increase in income inequality that has gone on since at least since the mid-1980s, and probably since the mid-1970s« (OECD 2008). The wage share – that is, the proportion of wages and salaries in gross domestic income – has fallen continuously in the European Union over the past 25 years, from 72.1 per cent to 68.4 per cent. In parallel with this, the employment rate has risen from 61.2 per cent in the mid-1990s to 68.6 per cent today. This means that an increased number of workers share a relatively lower amount of wage income. The distribution of accumulated wealth is even more unequal than the distribution of income. The main winners of these trends are a small class of super-rich, whose income and assets have grown enormously and whose excess capital has fuelled the speculative bubble on the international financial markets in recent years.

Unemployment stayed high, especially for young people, despite real growth and painful labour market reforms. At the end of the Labour government in the UK, youth unemployment in the UK stood at 20 per cent, in the PSOE's Spain at 40 per cent (with an EU average of 25 per cent). The promises of a progressive »education revolution« have proved to be relatively hollow. Social mobility has not improved in educational terms (if anything, it has deteriorated) and the number of secondary school graduates in the EU has barely changed over the past 20 years. In Germany, the number of university students has risen by a meagre 0.5 per cent over the SPD government period. New jobs

¹ Post-war Germany has traditionally been a relative equal society with a moderate Gini Index, far less unequal than the United States. The liberal reforms of the government of Gerhard Schröder – liberalisation of labour laws and deregulation of the labour market (boosting temporary employment and an expansion of the low wage sector) – and tax reforms (favouring higher income groups) had a strong effect on the distribution of national income, favouring better-off groups and increasing income inequality.

were created not primarily in the highly-paid sectors of the service economy, but at their lower end. In Europe today young people, including the well-educated, not only suffer from above-average unemployment but also are relatively poor: 37 per cent of the under-30s in the United Kingdom, 42 per cent in Germany and 49 per cent in the Netherlands are »poor« in statistical terms.

(ii) »Activating« welfare reforms hit the core electorate of centre-left parties at the lower end of the labour markets

Labour market reforms were introduced to overcome labour market rigidities and bring into work the long-term unemployed. These policies had a certain positive effect on overall unemployment figures. But they also triggered widespread negative side effects, such as a rise in informal employment, temporary work and – especially in Germany – a rapidly expanding low-pay sector.

As part of the reform package, centre-left parties introduced welfare reforms aimed at cost reduction, higher efficiency and reintegration of long-term inactive welfare recipients into the labour market. Welfare payments were to be conditioned on means testing and focused on extreme poverty. This focus of welfare on the »most needy« (with clear overrepresentation of immigrants, who tend to have lower skills levels, lower incomes, higher unemployment rates and larger families) was punishing the »working poor« at the lower end of the labour market, who, although living under strained economic conditions, fell out of the bracket of the »most needy«. Furthermore, this needs-based »universalistic« approach to welfare entitlements disconnected welfare benefits almost completely from the financial contributions made to social systems (via tax and compulsory social security payments). This raised massive doubts about the »fairness« of the welfare state: those who pay are not those who profit. Also in Europe, public acceptance of the idea that people should be able to draw welfare benefits irrespective of their prior contribution is very low. It is in this context that the American-British sociologist

Richard Sennett speaks of modern societies' »hatred of parasites« and its fears of being drained by »unjustified claims« (Sennett 2004).

(iii) Structural changes in society undermine the acceptance of redistributive welfare politics

At the same time, the general social preconditions for welfare politics were changing. Historically, solidarity-based welfare systems in Europe could count on a deeply rooted sense of shared class and national identities, creating strong social ties within society. But these large socio-economic class identities of the industrial age are dissolving, giving way to much more individualistic societies. A multitude of new professional, cultural and social milieus have emerged. Massive immigration during the past four decades has led to an enormous rise in ethnic, cultural and religious diversity in Europe. As a result, everyday life in Western societies is today marked by the cohabitation of an increasingly broad spectrum of values, cultural patterns and behavioural norms. The notion of a »common culture« or even of »common values« when referring to the population of a given country sounds increasingly artificial. »The problematic thing about the term post-industrial society«, the French economist Daniel Cohen wrote several years ago, »is not the term ›post-industrial‹. It is the term ›society‹.« (Cohen 2006). These changes do affect the acceptance of redistributive policies and »solidaristic« welfare systems. In *Die Einbeziehung des Anderen* (The Inclusion of the Other), Jürgen Habermas has argued that the weakening of the nation-state (and national identities) in Europe, combined with the fragmentation of collective identities, is a fundamental problem for left-wing politics in particular. Only by appealing to a »constructed« national identity had it been possible to create the cultural substrate on which the concept of redistributive solidarity could grow as a political ideal in the first place (Habermas 1999). But it would be erroneous to link the weakening of solidarity within European societies only to their growing heterogeneity and individualization. Politics itself has also done its bit to weaken the ideal of

solidarity. Capital, business revenues and profits have increasingly become exempt from contributing to welfare systems. Many countries have introduced a taxation ceiling on the highest incomes, while openly tolerating massive tax evasion by the »happy few«. Solidarity, according to French philosopher Marcel Gauchet, today essentially means asking »the relatively poor to support the very poor« (Gauchet/Winock 2008).

(iv) Rise of new socio-cultural questions and conflicts

In the past 20 years, new "social-cultural" questions have gained political importance. Many of these questions are linked to the massive immigration to Western Europe since the 1960s. Whereas traditional working class constituencies tend to have a sceptical view of the effects of immigration, centre-left middle class voters tend to favour open borders and immigration. The question of how to accommodate the new arrivals with different linguistic, cultural and religious backgrounds splits the population between advocates of assimilationistic strategies and those favouring a »multicultural« approach, inviting the newcomers to live and affirm their original cultural identity also in their new environment. This question became literally explosive with the rise of anti-Western »Islamist« thinking among Muslim immigrants in the past two decades and the 9/11, Madrid and London bombings. Whereas the parties of the centre-left stayed true to their »multiculturalist« approach, large numbers of their voters, especially in working class environments, were shifting to harder, anti-immigration and more assimilationistic positions. The questions of immigration and multiculturalism were decisive for the rise of new »populist« right-wing parties (such as the Front National in France or the Lega Norte in Italy) which have since siphoned off an important part of the »traditional« working class vote from the left. In many countries, right-wing populist parties have overtaken socialist or social democratic parties with regard to the vote share of »proletarian« blue-collar workers.

(v) Ideological alienation between progressive parties and parts of their electorate

Globalisation and European integration gave rise to a new ideological divide in Western societies between liberal »cosmopolitans« and more nationalistic »communitarians«. This divide runs right through the middle of the »social democratic« voting coalition of the well-educated middle classes and blue-collar workers (Kriesi 2005). Electorally dependent on working class votes, centre-left parties tend to be increasingly dominated by the middle classes, from which they recruit the bulk of their members, leaders and parliamentarians (Butzlaff/Micus/Walter 2011). Party elites and activists tend to be strongly pro-EU, pro-globalisation, pro-immigration, while their working class electorate sees these processes with growing scepticism. As a consequence of these developments, centre-left parties have become alienated from a substantial part of their historic electorate. The parties are no longer capable of connecting to popular sectors of society; they neither speak the language nor share the problems and worries of this part of the population. Instead, new right-wing populist movements – and some left-wing movements – are pushing their way into this gap. These movements are increasingly being used by marginalised population groups as a vehicle for the articulation of their feelings of frustration and dissatisfaction.

Currently, there exists a real possibility that the social alliance that had formed the strategic bedrock of the European centre-left since World War II – the alliance between the working class and parts of the lower middle classes – will break down. But contrary to the basic assumption of Third Way politics – which was geared to reassure »volatile« middle class voters – it is the working class vote that is leaving. At the last general election in the UK in 2010, for the first time, Labour's middle-class (ABC1) vote was larger than its working-class (C2DE) vote (Goodhart 2011).² Ed Miliband, the new party leader of the Labour Party,

² The NRS social grades are a system of demographic classification used in the United Kingdom. The classifications are based on the occupation of the head of the household: A – upper middle class; B – middle class; C1 – lower middle class; C2 – skilled working class; D – working class; E – those at the lowest levels of subsistence. The grades are often grouped into ABC1 and C2DE and these are taken to represent the middle class and the working class, respectively.

stated shortly after the electoral defeat of 2010 that »it was predominantly our working-class support that we lost: for every voter we lost from the professional classes, we lost three voters among the poorest, the low-paid and those on benefits. Add in skilled manual workers and the ratio goes to six-to-one« (Miliband 2010).

(f) »Post-democratic« crisis of representative democracy

Many Europeans, especially in lower social categories, have lost confidence in the representativeness and efficiency of the political system and its institutions. Voter turnout, albeit still much higher than in the United States, is falling consistently all over Europe. There is a strong sense of social and political »disempowerment« which not only touches the precarious underclass, but is also running deep into the middle classes. Only a minority of citizens still believe that the existing channels for political participation give them any real power to influence politics or government action. Traditional centre-left voters are particularly sceptical: a survey conducted some months before the 2009 general election showed that 0 per cent – yes, zero per cent – of blue-collar workers in Germany believe that their voting behaviour has a significant impact on how government policy is shaped. Even before the current debt crisis and the accompanying unconditional surrender of European politics to the demands of the financial markets, people's lives were dominated by feelings of disempowerment and loss of control (Sennett 2006).

This crisis of confidence in representative democracy has been fuelled not least by the technocratic character of centre-left politics over the past decade, which underscored the impression that there are no real political alternatives available to voters. The emergence of a multi-level political system in the EU and the corresponding disempowerment of national, regional and local political bodies has accelerated this development. Equally important, however, seem to be processes that the British political scientist Colin

Crouch has summarised under the term »post-democracy«: a loss of political influence of major social institutions such as the trade unions or churches; an increasing professionalisation of politics, whereby politicians are recruited from an ever more limited range of social backgrounds; the decline of mass membership parties and the cultural disembedding of the elites from the national context as a new global and transnational »elite ideology« comes to the fore (Crouch 2004). »Ordinary people« feel largely excluded from political negotiations, as other interests, capable of articulating themselves more powerfully, have a far stronger political impact than the weakly organised interests of average citizens.

Centre-left parties have been very slow to react to these developments. Their growing alienation from »ordinary people« has made them hesitant to adopt or advocate more active forms of democratic participation. These would have set limits not only on »progressive« socio-cultural politics, but also on technocratic reforms in welfare and economic questions. But falling voter turnout and loss of confidence in the transformative potential of democratic participation tend to affect the electoral fate of leftist parties much more strongly than those of their conservative counterparts.

Prospects for the coming years

As a result of these developments, the current situation of centre-left parties in Europe is contradictory. Negative general conditions – most of them direct or indirect consequences of their own political actions in recent history, from financial market deregulation to European integration – are partially outweighed by more favourable short-term factors that stem from the current crisis of neoliberal orthodoxy.

– Centre-left parties suffer from a considerably reduced electoral base, having lost an important part of blue-collar voters to the populist right on socio-cultural issues. In the coming years, centre-left parties in Europe are about to become smaller outfits, whose electoral base will be concentrated among public service/civil servants, lower academic middle classes

and migrant communities. A study conducted on behalf of the Party of European Socialists (the EU-wide confederation of social democratic and socialist parties) in the wake of the 2009 European elections showed that the reliable core of voters has shrunk to about 13.5 per cent of the European electorate, with another 13 per cent likely to vote for a PES party. This means that the electoral base of these parties currently stands at about one-quarter of European voters (PSE 2011).

– There is a clear lack of ideological and programmatic orientation: the Third Way approach is yet to be replaced by a new overarching political concept that reflects today's economic and social situation. Almost all of Europe's centre-left parties are currently trying to modernise and reform their party programmes. A new convincing »narrative« is yet to evolve. Nevertheless, several elements of a new narrative can already be identified. They include a stronger insistence on social justice, re-regulation of the markets, ecological sustainability and questions of quality of life and work-life balance. More active participation of citizens in party decisions as well as in general political decision-making will also be important elements (Hillebrand/Maass 2011). Compared to the political programmes of the Third Way period, this means a certain turn towards a more egalitarian and ecological interpretation of progressive politics in the future.

– Exercise of power and political influence will increasingly hinge on coalition politics, essentially with liberal middle class parties, such as the LibDems in the United Kingdom or »green« parties in Germany and France. The differentiation of the European party system will probably increase even further in the future, mirroring the growing heterogeneity and diversity of societies. Majority positions will be reached in the future only in coalitions within a fairly fluid and flexible system of »like-minded« mainstream parties, which will include also moderate right-wing parties, such as the German CDU.

– The situation of centre-left parties is particularly problematic in Eastern Europe, where socio-economic »delivery problems« have been combined with

widespread corruption and enrichment among top party echelons when in government. This has added a strong moral dimension to the disaffection of voters, making a short-term comeback much less probable than in Western Europe. In various Eastern European countries, the traditional centre-left parties – especially the »reformed« ex-communist parties – are on the verge of electoral insignificance. The reliable core vote of these parties is shrinking also for demographic reasons and is structurally smaller than in West European countries, where social democracy can count on a strong attachment to the welfare state and long-standing organisational traditions.

On the other hand, not all is gloomy. The current crisis of financial capitalism is undermining the ideological dominance of neoliberal thinking and the credibility of conservative and liberal policy proposals. For the moment, due to their own active participation in liberal reform policies and the deregulation of the financial sector, centre-left forces are not profiting directly from this development. But the public support for deregulatory policies and neoliberal market fundamentalism has almost completely vanished. Conservative parties tend to be more closely associated with these policies than the centre-left. Furthermore, the current economic and financial crisis has clearly shifted public concern back to socio-economic questions. This helps to mitigate at least partially the divisive effects that socio-cultural issues have produced within the leftist electoral coalition. At the same time, there is a real threat that the strong pro-European positions taken by centre-left parties will create a new »wedge issue« that can be used by conservative and right-parties to split off parts of working class vote from the left.

Given all these factors, the most probable mid-term scenario for the centre-left in Europe is a slow recovery, marked by an increasing number of participations in coalition governments, especially in Western Europe. Substantially weaker than in the second half of the twentieth century, social democracy will still be a political force to be reckoned with. With more active leader-

ship, new policy proposals that aim to reconnect with working class voters and a strategy that reflects the concerns and interests of strongly individualistic societies, these parties even have the potential to again become the leading political forces of their time. Their aim should be nothing less than a thoroughgoing modernisation and transformation of Europe's industrial societies, based on the principles of individual freedom, political empowerment of citizens, ecological sustainability and social equality (Hillebrand 2009).

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