

A stylized map of Europe composed of a grid of dots. Most dots are light gray, but several are colored red, highlighting specific regions or countries.

In Search of a New Political Narrative for a Solidarity-based Society in Europe

Ten Key Questions about the Future
of Social Democracy in Europe

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- Even though we are now in the third year of the financial crisis, Europe's Social Democratic parties still find themselves on the defensive in terms of both political power and ideas. They have benefited little from the crisis of financial capitalism and from people's continuing attachment to the notion of the welfare state in Europe.
- For all their diversity, similar questions about the future are arising in all Social Democratic parties that need to be answered in the course of formulating a new political narrative. Social Democratic parties in Europe are being called on to re-establish themselves in their national contexts and to find a common thread in their policy on Europe, without neglecting specific national considerations.
- The present paper formulates ten questions for European Social Democracy. They range from the future of Europe through the contemporary interpretation of solidarity to the strengthening of citizens' democratic participation, freedom and self-determination.



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Political action, even in the post-ideological age, needs to be embedded in a grand narrative which joins the past and the future. Such narratives confer meaning on everyday decision-making. As myths, they provide encouragement, but they are also a resource in the struggle for power.

Herfried Münkler, *Frankfurter Allgemeine Zeitung*,
10 August 2010

Europe's Social Democratic parties are still on the defensive, in terms of both political power and ideas. They have not benefitted electorally from either the crisis of financial capitalism nor of the deep attachment to the welfare state in European societies. In comparison to the previous decade they are still governing only in a few European countries. Since the last European elections, the institutions of the European Union have been dominated by liberal-conservative majorities.

Social Democracy in Europe is thus confronted by a two-fold challenge. On the one hand, it is being called upon to re-establish itself in its national contexts. On the other hand, it needs to find a common thread in its policy on Europe, without neglecting specific national considerations. For all their diversity, similar questions about the future are arising in all Social Democratic parties that need to be answered in the course of identifying a new political narrative. The questions range from the future of Europe (and of the euro) through the prospects of a post-neoliberal economic strategy to questions of the interpretation of solidarity, the strengthening of democratic participation and the safeguarding of individual freedom and self-determination. Only together may the answers to these questions provide a foundation for a new Social Democratic vision of the future.

As a »road map« on the way towards a new Social Democratic narrative the present paper formulates ten key political and strategic questions on the future of Social Democracy in Europe:

1. What is the meaning of solidarity in the current social and economic climate?
2. What ways are available for achieving more economic and social justice?
3. How can freedom and self-determination be reinforced?

4. How can democratic participation be revitalised and strengthened?
5. How can people's desire for identity and belonging be satisfied?
6. How can gender equality be reinforced in practice?
7. How can we achieve the ecological transformation of industrial society?
8. What will be the relationship between state and market in the future and how can the state's (financial) viability be ensured?
9. What should the European Union's future role be?
10. How can »discursive hegemony« in politics be regained and what are the cornerstones of a strategic capability?

1. What Is the Meaning of Solidarity in the Current Social and Economic Climate?

The notion of solidarity is central to Social Democracy's political thinking and concepts. However, a growing number of people are becoming more sceptical of existing forms of solidarity – the redistribution mechanisms of the modern welfare state – than in the past. There is growing support for calls to limit the welfare state and to cut back its (public and private) bureaucracies. »Ordinary citizens« increasingly regard themselves as the permanent financiers of such systems from whose services they don't benefit, whose abuse they deplore and for whose necessity they are not responsible. The weakening of collective »identities« in increasingly heterogeneous societies is undermining the socio-psychological preconditions for collective and individual solidarity. In the countries of the former Eastern Bloc exists a deep mistrust of state actors, institutions and compulsory solidarity.

Given this development, European Social Democracy will have to adapt its ideas on solidarity and the welfare state. The conceptual challenges relate not only to the operational rationale of the welfare state – as in the debates on »preventive« versus »remedial« conceptions of the welfare state – but also to the basic mechanisms and

principles in accordance with which social solidarity is organised:

- Who finances the system and how can it be ensured that the financial burden of welfare systems once again falls on more and broader shoulders?
- What are the limits of the responsibility of the state or the community? What are the important welfare state challenges and tasks today and what practical policy priorities arise from that?
- How can the principle of fairness and of recognition of individual contribution be reinforced in the entitlements of social security and pension systems?
- How to deal with the weakening of the socio-psychological preconditions of social solidarity: shared collective identities within the framework of class and national consciousness, the principle of reciprocity and the feeling that »support in need« is limited in time and scope?

2. What Ways Are Available for Achieving More Economic and Social Justice?

Social inequalities are widening throughout Europe: The wage rate is falling and the poverty rate is rising; the remuneration of work is increasingly decoupled from productivity gains; and income distribution is changing to the detriment of labour. Social Democratic parties have not been able to prevent these developments. Attempts to compensate for its consequences by state-organised redistribution are increasingly turning into an overburdening of public finances. However, the shifting »balance of power« between capital and labour in a globalised economy is not the only thing responsible for the fall in the net wage rate. The state, too, by raising taxation of wage income and social security contributions – while at the same time lightening the load on profits and earnings – has a considerable responsibility for the income losses of wage earners. In this context a series of questions confront Social Democratic parties:

- How can the fair value of work be restored to the centre of the economic and social policy debate?
- How can the unequal distribution patterns of capitalism be effectively counteracted by public policies:

through genuinely progressive taxation; maximum and minimum wages; or compulsory investment ratios?

- How can the position of workers and employees as central stakeholders in the economy be strengthened?
- How can the taxation of work remuneration by the state and social insurance be reduced?

3. How Can Freedom and Self-determination Be Reinforced?

The usurpation of the concept of individual freedom by a radically-individualistic, anti-state interpretation was a key element of the rise of neoliberalism to ideological hegemony in recent decades. The Social Democratic movement faces the challenge of recapturing the concept of individual freedom for itself. Genuine freedom is not only – in the liberal sense – »freedom from« but, more comprehensive and emancipatory, »freedom to«. This has institutional – legal and political – but also economic and social conditions. The task of the Left will be to convince people once more that individual freedom necessarily requires collective arrangements. Yet, in contrast to the nineteenth and twentieth centuries, social groups can no longer be at the heart of Social Democratic conceptions of freedom and emancipation. A contemporary concept of freedom must be individual-oriented: the freedom of every single person to lead a self-determined life, to realise his individual ambitions and potentials and to engage in its own personal pursuit of happiness. Efforts to develop such a notion of a socially »embedded« personal freedom must also consider how to boost people's control over their own lives:

- How can social and economic inequality of opportunity be effectively reined in? How can educational and training opportunities contribute to that?
- How can asymmetries in economic and political power – also in favour of administrations and bureaucracies – be reined in?
- What can be done to give (or restore to) people a feeling of control over their own lives? How can they be enabled to realise individual ambitions and notions of happiness?

4. How Can Democratic Participation Be Revitalised and Strengthened?

It is crucial in this context to extend people's rights of political participation by means of participatory and direct forms of democracy. Western societies are characterised by diminishing trust in existing forms of representative democracy and by a widespread feeling of »post-democratic« disempowerment. People are sceptical about the possibility of influencing politics, but also of the latter's ability to make a real difference and to solve problems. This tendency is likely to have been exacerbated considerably by governments' capitulation to the financial markets and the way the financial crisis since 2008 has been handled at the almost exclusive expenses of tax payers and public finances. New challenges in the age of »manufactured uncertainties«; a quantum leap in the options available to citizens for political self-organisation in the age of Web 2.0; and growing expectations about political participation in the context of individualised societies appear to render the established forms of representative democracy increasingly old-fashioned and unsatisfactory. It goes without saying that all procedures of direct democracy, too, must remain within the bounds of constitutional principles and subject to the EU Charter of Fundamental Rights:

- How can people's opportunities for democratic participation be enhanced through the extension of forms of direct democracy (for example, referendums) and participatory procedures at municipal, regional and national level?
- How can Europe's multi-level governance system be shaped in such a way that democratic participation and accountability of politics is not completely undermined?
- How can established political institutions – not least political parties themselves – be made more citizen-friendly and amenable to participation?

5. How Can People's Desire for Identity and Belonging Be Satisfied?

Half a century of mass immigration to Western Europe has increased cultural, ethnic and religious heterogeneity enormously. How this diversity can be managed politically and socially is one of the most important policy

issues facing Europe. The Left's multicultural strategies are increasingly encountering resistance among their historical core electorate. At the same time, the »European Utopia«, as opposed to the old nation-state, is facing growing scepticism: the European integration process is increasingly perceived as going hand in hand with the curtailment of political agency and social protection. If it is to have any hope of returning to political power, the Left must find a satisfactory answer to the question of identity and the yearning for a »sense of belonging« characteristic of the human *zoon politikon*:

- What roles will the nation-state and national identity play in the future? Are not redistributive policies in particular based on a shared »national« sense of collective identity? Doesn't this require at least a mildly assimilatory policy focusing on national culture and values? Or could the old forms of collective identity be replaced by new multicultural and European templates?
- What is the *polis* of left-wing politics? Whose social, cultural, political and economic interests does it wish to support and represent? Social Democrats' claim to represent above all the »underprivileged« and blue collar workers is becoming less and less evident in a whole series of countries. Can we – and do we want – to bring these groups back into the Social Democratic electoral fold? Or are we going to accept a creeping transformation into parties of public sector employees, migrants and left-liberal (educated) middle classes trying to fashion government majorities through new forms of coalitions and alliances?
- What kind of collective identity does the Left wish to construct and what kind of policies are needed for that purpose in order to appeal to people's emotional need for belonging?

6. How Can Gender Equality Be Reinforced in Practice?

The legal equality of men and women is one of the greatest progressive political achievements of the twentieth century. However, behind formal legal equality a wide range of everyday forms of gender discrimination persist. These forms of discrimination are most pronounced in the economic domain, where considerable pay and career gaps between men and women persist. On the

other hand, the classic left-liberal conception of emancipation, emphasising active participation in the labour market over family roles is increasingly regarded as one-sided. Especially in Eastern Europe, after the experiences of state socialism, women are looking for new ways of exercising freedom of choice and striking a better balance between work and family roles.

The Left must find a new balance between emancipation, family policy and »quality of life issues« that offers women new options for self-realisation, and real equality of opportunity and fair reward.

- What institutional reforms are necessary to eliminate gender-specific wage differentials, unequal career opportunities and the under-representation of women in executive positions?
- What institutional arrangements are necessary to give people genuine options between going out to work and family roles?
- What can be done to combat misogynistic world-views, contempt for women and hostility towards emancipation, especially among ethnic-religious minorities? How can the rolling back of advances in equality and sexual liberation on the pretext of religious tolerance be prevented?
- In the face of ageing populations and low birth rates do we need a policy to boost social recognition and to »revalue« child care, nursing care and welfare work?

7. How Can We Achieve the Ecological Transformation of Industrial Society?

The ecological renewal of industrial society is a challenge for Europe as a whole. Greater resource efficiency in production and consumption is necessary not only from an environmental standpoint, but also for the economy. It is a key component of preserving Europe's competitiveness in the global economy. Furthermore, a Social Democratic approach to the ecological renewal of industrial society must go beyond a mere »green growth« strategy. It must also pose the question of the sense and purpose of material production. More consumption and material well-being does not automatically lead to more human satisfaction. Instead, equality, justice, strong social

ties, stable employment and individual freedom are much more important determinants of human satisfaction in modern societies:

- How can we link the ecological renewal of production to quality of life improvements and opportunities for self-realisation? How can we ensure that the »third industrial revolution« also creates more scope for a better work–life balance and more humane employment relations and working conditions?
- How can we speed up the changeover of material production to more environmentally-friendly and resource-conserving methods? In what domains can we rely on the market and in what domains do we need tighter regulations and stronger political intervention? And how can we ensure that this restructuring is implemented throughout Europe and not only in the structurally strong regions of Western and Northern Europe?
- What conception of well-being and progress do we want to set against neoliberalism's purely materialistic and consumption-oriented concepts of well-being and growth?

8. What Will Be the Relationship between State and Market in the Future and How Can the State's (Financial) Viability Be Ensured?

It was hoped that overcoming the financial crisis would also help to bring about a redefinition of cooperation between civil society, the economy and politics based on the principle that the market economy should be strongly embedded both socially and politically. In the meantime, the international financial crisis has developed, via an economic crisis, into a crisis of public finances. Suddenly, the old neoliberal doctrines of salvation have re-established themselves, although now preaching the inherent need for austerity and spending cuts. The causation of state indebtedness is increasingly fading from view. The twin imperatives »save!« and »privatise!« are imposing strict limitations on the ability of the state to manage the economy and society. Over the long term this harbours dangers for both the welfare state and democracy. In Germany, an imperative to limit state spending has been enshrined in the Constitution alongside the rule of law and the welfare state. Where state and local representa-

tives no longer have a say in the scope and direction of public services, political involvement will wane:

- What steps can be taken to ensure that the financial sector resumes its serving function to the real economy? Are the current national, European and global regulatory frameworks adequate for the financial sector? What forms of European and global governance are needed in order to regulate – at least to some degree – global (financial) market movements?
- In order to be able to guarantee high quality services in the domains of education and social protection significantly more investment – both public and private – will be required. How should the available public resources be strategically deployed? Are education, capacity for innovation and investment in social and democratic cohesion the decisive factors for the future?
- What are the effects of demographic change on public finances? Is all state expenditure productive with regard to economic and social policy goals? For what purposes are people willing to pay more taxes? How can the funding of the state budget be more equitably arranged in future?
- How can a European coordination of economic policies be set in motion that would impose obligations on surplus and deficit countries equally, alleviate macroeconomic and cyclical divergences within the Eurozone, provide for harmonisation of tax policies and does not lose sight of the goal of a social Europe? Given the shrinking financial leeway and diminishing feeling of solidarity already within the national framework, can anything resembling Europe-wide financial equalisation be politically conceivable?

9. What Should the European Union's Future Role Be?

The old narrative of European integration as a peace project in a continent shaken to the core by conflicts and wars no longer holds water. It is not only the current crisis of Economic and Monetary Union which is nurturing scepticism among all social classes with regard to the achievements of European integration. The »remoteness« of Brussels makes it seem like an »undemocratic monster« or even a »Trojan horse« for market funda-

mentalist globalisation. In light of this development many people see salvation in a return to the nation-state. However, there is a whole series of problems that the European nation-states are no longer capable of solving in a world with new geopolitical power structures. National regulations require a European complement, for example, in combating global financial crises, controlling environmental risks, evaluating and containing technological risks, dealing with militant conflicts or controlling international immigration.

In the past, Social Democratic parties contributed significantly to the regulation and social dimension of national economies. Under the aegis of globalisation the Europeanisation of this regulatory dimension offers them a major opportunity to improve their profile. One model could be a welfare and security union which could set in motion the convergence of economic and social developments with the help of policy competences – while preserving national sovereignty – and, on the basis of common democratic principles and values, meet security policy challenges. Without socially underpinned political cohesion (Jürgen Habermas) in Europe, the continent's much prized national diversity, cultural wealth and welfare state provisions will be crushed between global economic dynamics and new geopolitical power constellations.

The way forward is extremely uncertain, however. Against the background of the current crisis-debates in the Eurozone, critics point to the stability problem, the social divide, the economic policy coordination deficit and the lack of democratic feedback. With the most recent enlargement rounds and again highlighted by the latest financial and economic crisis the structural heterogeneity within the Community has also increased. Finally, the European decision-making institutions are securely in liberal-conservative hands. Social Democratic parties find themselves on the horns of a dilemma: more Europe, certainly, but what kind of Europe? A strategy for a left-wing European policy compass must provide answers to the following questions:

- What is the right response to the declining acceptance of the EU throughout society? How will the model of a social Europe be fleshed out with practical Community policies? What solutions are available for the assessment of the contradictions between deepening and enlargement, as well as between national self-responsibility and

collective solidarity, which is disputed between the governments and the citizens?

- Where are Europe's borders – geographically and institutionally? Do we want a Europe of nations or a European nation? How can we protect national achievements and the democratic powers of national parliaments?
- Where and, perhaps, how are the EU's common governance structures to be established? In what domains do we want more Communitisation – and in which ones do we not? How can we interpret the subsidiarity principle in a way that establishes a meaningful and democratically legitimated balance between the domains of action of Europe, the nation, the region and the local community?

10. How Can »Discursive Hegemony« in Politics Be Regained and What Are the Cornerstones of a Strategic Capability?

After losing power in their traditional strongholds and the decline of the Third Way approach, Social Democratic parties at present have no clearly defined political strategy. There is still too little systematic reflection on paradigms, projects and key issues, leadership, government options and communication strategies for the sake of winning back discursive hegemony in politics and society.

The spill over effects of the financial crisis, transforming it first into economic and then budget crises has furnished Social Democratic parties with a mobilising conflict from which political capital could be made. As the debates on public debt in Europe and the United States came to a head in summer 2011 even some conservative commentators began to criticise the financial markets. In the *Daily Telegraph*, its former editor and biographer of Margaret Thatcher¹ Charles Moore, in an article entitled »I'm starting to think that the Left might actually be right« (22 July 2011), asked whether the Left was right and that the primacy of the economy serves only the rich. However, Social Democratic parties have so far been unable to make much headway. As co-author of the deregulatory economic and financial policy innovations of the last decades they still lack the necessary credibility. This development is accompanied by an increasing fatalism, diminishing

confidence in governments' ability to govern in the face of the power of the markets and the banks, growing volatility at the ballot box, a dwindling core electorate and an increase in right-wing populist and »watered-down« conservative Big Society rhetoric. To overcome this situation, strategic reasoning is necessary:

- How is it possible to govern in political systems with a multitude of parties, in which one-party governments and coalitions of »natural« partners are less and less attainable and result-driven »forced coalitions« are increasingly a fact of life? Will the national (big-tent) parties of the future be those that remain highly flexible as regards coalition-forming, being big enough to block any government majority that does not involve them?
- Are the trade unions still the natural partners of Social Democratic parties or is the »privileged partnership« becoming weaker?
- Are Social Democratic calls for political renewal also reflected in their own organisations? How do they react to the ageing of their membership and electorates? Will Social Democratic parties continue to consider themselves »membership parties« in the future? How will the parties select their leadership in the future?
- Leading the debate in politics and civil society also finds expression in political language. This must be firmly embedded in Social Democratic issues and values, bring to the fore the benefits of an orientation towards the common good for personal happiness, reduce complexity without relying on simple answers and convey a positive message.

1. Although the book will not appear until after her death.



A New Social Democratic Narrative

The development of a new credible political narrative for Social Democracy requires many individual steps, in terms of both contents and practical politics. However, it also requires the identification of appropriate symbolic ideas and actions that give flesh to this narrative and make it tangible. One of the greatest difficulties here is to break free from the language and ideas of both political-media elite circles and the familiar party milieu. In this respect, Social Democratic parties should not be too afraid of being labelled populist: The recent observation by a German conservative politician, that an opinion is not automatically wrong just because it is shared by the majority of the population, also applies to the Left.



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