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What's Left?
The state of global social democracy and lessons for UK Labour

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Foreword
By Lisa Nandy MP, Member of Parliament for Wigan

Across much of the world the centre-left is in crisis. In Britain, where the Labour Party has fared better than most, the left still grapples with how to respond to future challenges and is struggling to understand its place in a world where class politics has been turned on its head. In the 2017 and 2018 elections affluent voters turned left, while those hardest hit by years of austerity were increasingly willing to turn right.

This fascinating new pamphlet shows how, across the world, decades of neo-liberalism have left their mark. It tells a story of a movement that more often than not has lost its way, searching for answers to the new challenges of automation, climate change and identity politics, but lacking a wider sense of purpose. The near total control of corporations, extending beyond business to the economy, politics and society, has left social democrats who traditionally looked to the state for answers searching for new ways to restore power to people who increasingly feel its absence.

It's no surprise then that in the last decade many social democratic parties have found their support squeezed by a new and emerging radical left on the one hand, and liberals and conservatives on the other. While in some countries short-term tactical decisions have helped to stem the tide, none have escaped the waves.

This is the age of anger, where the far right is on the ascendency and growing division in society has had major political consequences. In particular the cleavage, laid bare by Brexit, between the urban, young liberals and the older, working-classes in towns and villages, has created severe challenges for the centre-left across the world. Traditionally social democrats have won by uniting those groups. But in trying to pick a side, many have lost large sections of their traditional support base and some have been virtually wiped out altogether.

Despite the severity of the age, this pamphlet also contains clues to the future. While most social democratic parties are still looking backwards for answers, clinging to old solutions and arguing over competing versions of the past, political pioneers in Denmark and Australia have rejected this approach and been rewarded for their courage. The picture painted by the authors is of a movement that is at its best when it is open to new ideas and willing to not merely acknowledge, but to embrace and confront the difficult questions.

The importance of a wider social movement is a recurring theme. No political party can thrive without reach into the electorate. Like Momentum in Britain, many social democratic parties have pioneered new campaigning techniques that have helped to bypass traditional media and speak directly to the grassroots. But new techniques have not erased the value of traditional structures. Strong trade unions, in particular, are crucial to centre-left parties who need roots as well as wings.

As politics becomes more plural, the social democrats who have had the confidence to embrace this new world have fared better than most. In Canada, for example, the New Democrats have allied with liberals and greens to gain ground at the expense of the right. Similar cross-party co-operation remains a rare phenomenon in British politics. The lessons offered here suggest that may need to change.

Whichever lessons are drawn from this pamphlet, this is a debate we must have. The collapse of neo-liberalism, the rise of angry, polarised politics and a growing public discontent has made it clear that 'the institutions and dogmas of a quiet past', as Abraham Lincoln put it, 'are unfit for the stormy present'. The future is up for grabs but only to those who are willing to question, listen, think and pioneer. In recent years, as global crises have left us buffeted, politics has felt increasingly small and parochial. This pamphlet seeks to reach out across national boundaries, drawing on our international traditions in order to seek the inspiration for change, from wherever it is best learnt.

It could not come at a better time.

Acknowledgements

Contributors

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Introduction: the crisis of social democracy and the road to renewal

By Neal Lawson and Adrian Pabst

To say the social democracy is in crisis is now glib beyond words. We all know it because we see it and taste it. The crisis has a long tale. The 2008 crash, the fall of the Berlin Wall in 1989, the election of Thatcher in 1979, the second oil crisis the same year and in the UK Jim Callaghan announcing to the Labour conference in 1976 that you cannot spend your way out of recession! But we can go back further and recognize that when in 1978 Eric Hobsbawm wrote his prophetic essay 'Forward march of Labour Halted', he was not saying that the march had halted then but had halted in the late 1940s when the size of the working class stopped growing and started to shrink. So just at the high point of British social democracy and the creation of the post-war settlement on terms dictated as much by labour as by capital, the seeds of the crisis were being sown.

If it has been a long time coming, then in part that is because of the success of social democrats and the hold we had on the popular imagination. Homes fit for heroes, health free at the point of need, social security, full employment, peace – these were huge victories. But slowly, bit by bit the foundations of that settlement and of social democracy itself were chipped away: the end of deference, the rise of individualism, the consumer society and now a form of turbo-consumption, combined with financialisation, globalisation and the concomitant tensions over nation, identity and place. Social democracy was grounded in the solidarity and relative stability of the second half of the twentieth century and now it struggles badly in the upheaval caused by the Big Bang, capital flows, mass migration and digitisation.

Like the boiling frog, few social democratic parties knew what was happening. Sure they slipped in the polls but the good times would come back? But decline continued as social democrats either worked with the grain of neo-liberalism or failed to carve out a sufficiently different space. Decline eventually led to collapse as parties began to melt down with an electorate who, post 2008, felt the social democrats had little to say and even less to offer. PASOK in Greece went first, followed eventually by the Dutch and the French. The German SPD has floundered and even the once hegemonic Swedish Social Democratic Party stares at defeat at the hands not of centrists who would prolong the main tenants of the social and democratic project but of a much harder right – the radical-right Sweden Democrats.

Of course not everything is doom and gloom. As you pick your way through the essays that follow you will see that the Australians are bouncing back, that Jeremy Corbyn is bucking the trend in the UK in opposition as are some Democrats in the USA and that in Portugal a centre-left coalition led

by social democrats is balancing the books, fighting austerity and pushing ahead in the polls. Are these exceptions to the rule or the start of a different social democracy to come? The truth is we do not yet know. Like Zhou Enlai's rumoured take in 1972 on the French Revolution, 'it's too early to tell'. But even if they continue to buck the trend, there is little that can yet be discerned as a new governing philosophy for social democracy, let alone a sense of shared project across these parties and countries which used to set the terms of national and global debate.

We come at the crisis as two authors and editors with different perspectives but a belief that any feasible and desirable response will not be owned by any one bit of the social democratic family. The challenges are too big and too complex for any leader or group to see all, let alone fix all. Instead, it will take a diversity of views and a spirit of profound collaboration nationally and internationally if the social democratic project is to be resurrected. It will also take ambition, courage and perseverance.

Adrian thinks that social democracy lost its way when it failed to renew itself and offer a vision of national renewal anchored in people's everyday existence. First the New Left from the mid-1960s onwards took social-democratic politics in a doctrinaire direction that was abstract and soulless. It equated the purpose of the left not so much with the struggle for greater economic justice but primarily with cultural liberation. Henceforth social democrats preferred progress to tradition, identity to class and free choice to common endeavour. In power, the democratic left sought to articulate an ethical vision, but successive social-democratic governments were much more committed to modernisation and liberalisation than to the common good. Social democracy became increasingly technocratic and transactional, focused on fiscal transfers and the extension of individual entitlements rather than national renewal around mutual obligations. The lack of an animating purpose and a clear defence of the labour interest explain in part why the left bequeathed economic crises in 1976 and 2008 that the right exploited to usher in a new political settlement. Can social democracy offer a renewed unifying philosophy that reflects people's experience and hopes?

Neal thinks that the crisis is rooted in the technological foundations of the late nineteenth and early twentieth centuries, the moment that gave life to social democracy. It was the era of the factory and the social and cultural machine driven century it spawned – from a rising and self-Waware working class to a system of big government that could fight wars, direct much of the economy and build a social infrastructure from the top down and the centre precisely because the factory or Fordist model allowed it. In this era the gap between the social democrat and the technocrat was wafer thin. But the shift to post-Fordism, a more deregulated economy and eventually financialisation and globalisation put paid to both the governing method of social democrats and the solidaristic culture which glued it together. In a world dominated by a culture more akin to Facebook than the factory, can social democracy, however you perceive it, be done in a world of globalized networks?

Whatever our differing analysis we share a desire to listen and learn from each other and many others. We share a belief that left to itself capital commodifies land and labour in ways that fail the test of the common good. And more than anything we share a belief in the capacity of people to organize themselves and the society they live in – by doing it together. In this it is not the people who must change but we the social democrats. Instead of being the technocrats and deliverers of a new good society – we must be the servants of those citizens and that society. Our task is not to direct, order and command the state and through it the citizens and the civil society but to serve them – to resource, legitimize and give permission to their best instincts and practices.

Both the New Left and the New Right did just the opposite. The following quote by Margaret Thatcher in 1981 sums up a lot of what is wrong with the politics of the last forty years or so: "it isn't that I set out on economic policies; it's that I set out really to change the approach, and changing the economics is the means of changing that approach. If you change the approach, you really are after the heart and soul of the nation. Economics are the method; the object is to change the heart and soul". Social democrats win people's trust and vote when they reflect popular hopes and qualities of character that are woven into the fabric of national culture.

Social democracy faces an existential crisis because it has failed to protect and represent the people it was set up for – especially the working class. Today the democratic left either stands primarily for the more affluent, secular, metropolitan elites as well as public sector workers and certain ethnic minorities, or else it amounts to little more a protest march made up of sectional interests and vocal pressure groups. Social democrats have become more homogeneous in terms of their cultural values and less representative of countries as a whole.

By contrast, in the past the democratic left built broad cross-cultural and cross-class coalitions around shared interests and values. In the social, cultural and economic cauldron that made social democrats and social democracy in the later decades of the late nineteenth century, there was an incredible outpouring of new civic, economic, social and political associations – cooperatives, mutuals, friendly societies, book clubs, the Clarion cycle clubs, new trade unions and much more. People made the good society in their here and now. In the gaps between the emerging big state and the free market they created spaces in which they could be fully human, where relationships, care and empathy were stronger than profit or the professional who knew best. That possibility of that moment was lost as the big state swept all before it and then the unfettered global market.

Both the big state model of the post-war era and the free market model since the late 1970s have broken down. These two models were modernising projects that viewed state and market as the key institutions to govern society. Whereas the first model focused on the administrative state to control from the top down previously more mutual arrangements, the second

model shifted the emphasis to the free market as the main mode of social organisation. Both provided greater individual freedoms and opportunities, but they also had the effect of disembedding politics and the economy from society and subordinating social ties to power and money.

Today we face a situation when the big state and the free market have again both been found wanting – and in the gaps and the spaces people find new ways to associate, to govern, to provide, to buy, sell, to care and express as much as possible of their full humanity.

It is in this space that the rich soil of a new politics can take root. It is here that people can find shelter from a state which can be fair but ineffective and a market which can be efficient but cruel. It is here that people are prefiguring a better world and the only question is whether it can accelerated, joined up and scaled up to become not just a few creative experiments – but the basis for a new society.

The purpose of social democracy is to democratise the workplace, the community and the country by giving the labour and other interests participation in the governance of institutions and making them accountable to the people. Institutions such as schools, hospitals, railways, water companies, post offices and housing associations generate a sense of connection and loyalty. Insofar as they serve people's needs and interests, they are a good in their lives and a source of social bonds and collective action. A social-democratic politics has to be based on values of affection, attachment and association.

And the issue is not just whether social democrats have it in them to transform their politics but whether they can do so in ways that defeats the rise of an ever more populist radical right and hard left in an age where technology provides as many solutions as it poses threats.

Just as people do, social democrats need to carry with us the spirit of the past, the present and the future, of communitarians and cosmopolitans, the cities and the towns. This will be a tense and bumpy journey – but it is a road that has been taken before. The industrial working class did find common ground with the liberal intelligentsia and the middle classes. It took verve, ambition and perseverance to do it before and it will need such skills again.

One way to build bridges between various groups is to focus on capitalism – the broken economic model and the growing popular demand for greater justice in the economy. The alternative to the liberal centre-right or the radical libertarian right is to combine a critique of capitalism with a defence of the market economy and 'the commons' – all the common resources, including open-source technology that should be available to all. Connected with this is the case to break up monopolies (industrial, financial and tech), introduce the 'living wage' across the economy, give workers participation in corporate governance and strengthen democratically self-governed institutions

(including professional associations and trade unions in the services sector). All this has to be part of a new social-democratic political economy.

Another way of building a broad cross-class and cross-cultural coalition is to respond to the popular desire for greater social solidarity, which cuts across the deepening divisions along fault-lines of age, class, geography and educational attainment. Individualism is rampant and nationalism resurgent, but a sizeable majority of people believe in 'common decency' (George Orwell), freedom, fairness, and the relationships of family, community and country. All these values rest on lived solidarity – relationships of 'give-and-receive' that involve a sense of mutual duties.

Around the globe we see social democrats coming to terms, finally, to what is nothing less than an existential crisis. Nothing about that crisis is ordained, given or determined. We only ever made history in conditions not of our choosing. So it will be again.

SWEDEN

1. SWEDEN

By Håkan A. Bengtsson

SOCIAL DEMOCRATS ARE STILL SWEDEN'S LARGEST PARTY

After the Swedish election on 9 September 2018 the question of who will rule Sweden is highly uncertain. The Social Democrats' share of the vote fell from 31 percent in 2014 to 28.3 percent in 2018 but this figure was higher than that forecast in the public opinion polls carried out during the actual election campaign. The Social Democrats are the largest party by a considerable margin and lead the largest block. However, the centre-right parties are now making a bid for power. The whole situation is further complicated by the increase in support for the Sweden Democrats in every election since 2006. Sweden has a new political landscape and faces a period of political uncertainty.

POLITICS AND ELECTORAL SUPPORT

In Sweden the Social Democrats have been in power since 2014 in coalition with the Green Party. Now, however, the country and the Swedish political landscape stands at a crossroads. In September 2018 Sweden went to the polls and the outcome of the election hardly provided a clear mandate for a Social Democratic and progressive political programme.
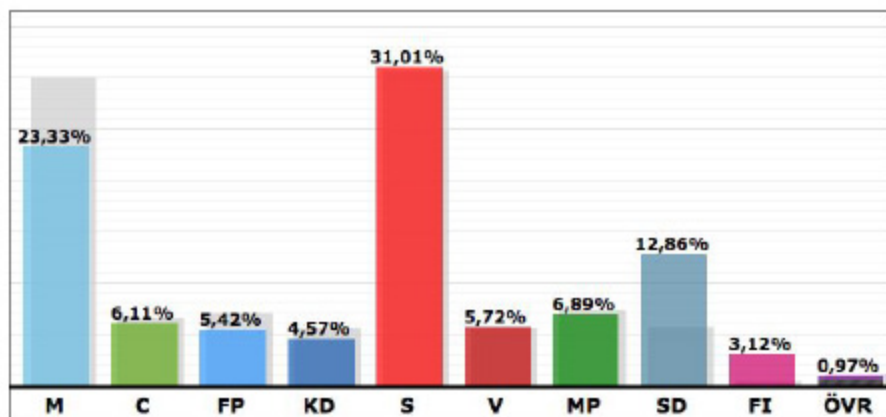
Source: Official election result

Already in 2014, the four non-socialist parties – the Moderates (conservatives), Centre (new liberal; formerly the farmers party), the Liberals (formerly the Peoples' Party) and KD (Christian Democrats) who formed the coalition government prior to the election in 2014 – lost ground while the "red/ green" parties (Social Democrats, the Left, and the Green party) either made marginal gains or losses. However, the right-wing populist Sweden Democrats made substantial gains in both the 2014 and the 2018 election. It is also worth noting that the Feminist Initiative achieved 3.12 percent of the vote but failed to achieve the necessary 4 percent required for admission to Parliament.

Although the outcome of the 2014 election was by no means a success it was still possible for Stefan Löfven to form a government lead by the Social Democrats. The party chose to form a coalition with the Green Party and decided to exclude the Left. Prior to the 2010 election all three parties campaigned on what was essentially a common platform, but as a result the Social Democrats lost five percent of its electoral support in the 2014 election.

Although the Red/Green parties achieved a larger share of the popular vote than the non-socialist block in the 2014 election, they did not command an overall majority. This was due to the emergence of a third block in Swedish politics with the Sweden Democrats taking their place in the Swedish parliament for the first time. So far, no party has been willing to negotiate with the Sweden Democrats and neither block is prepared to form a government dependant on their support. There has, however, been much discussion and disagreement within the non-socialist block, with two of the parties (the Moderates and the Christian Democrats) indicating that they might be prepared to do so after the next election while the other two (the Liberals and the Centre) having so far rejected the possibility.

In 2014 the Social Democrats formed the government with the support of the largest block in the Parliament, but they still lacked a majority. Sweden has a long tradition of minority governments and such a situation is not considered unfavourably by the Parliament. It has enabled the formation of governments which have reflected the system of proportional representation but has also provided the scope for negotiations between parties which are not within the government thus enabling them to exert a degree of influence despite being in opposition. But in 2014 the situation was different. The emergence of a large right-wing populist party, which no other part has so far chosen to cooperate with or even to negotiate with, made it more difficult for a minority government to rule effectively which is exactly what this social democratically lead government has encountered.

According to the rules for parliamentary voting procedure, the budget of a minority government can be passed if the bill has the support of the majority of members of parliament. However, since the budget enacted by the non-socialist parties in the autumn of 2014 was supported by the Social Democrats, the latter were forced to work with a non-socialist budget for most of 2015. Subsequently the governments' budgets were approved. The Social Democratic government succeeded in imposing taxes and charges thanks to the support of Green Party and the Left, which was not included in the government. In other respects, it proved more problematic. The Social Democratic government therefore refrained from tabling several bills which would not have been passed. The government succeeded in achieving compromises with non-socialist parties on certain political issues. In a number of cases, agreement was reached on a broad cross-party front. In other cases, one of the non-socialist parties or the Sweden Democrats supported a government bill. The government has on occasion tabled bills which have been

defeated in order to emphasise ideological differences. But on the whole, the scope for conducting a more ambitious social democratic political programme has been extremely limited. The Sweden Democrats are a right-wing populist party with roots in right-wing radicalism but currently describes itself as social-conservative. In recent years, however, it has espoused traditional non-socialist positions with regard, for example, to welfare and taxation.

This graph shows how support for the Social Democrats among voters has developed over the past ninety years:
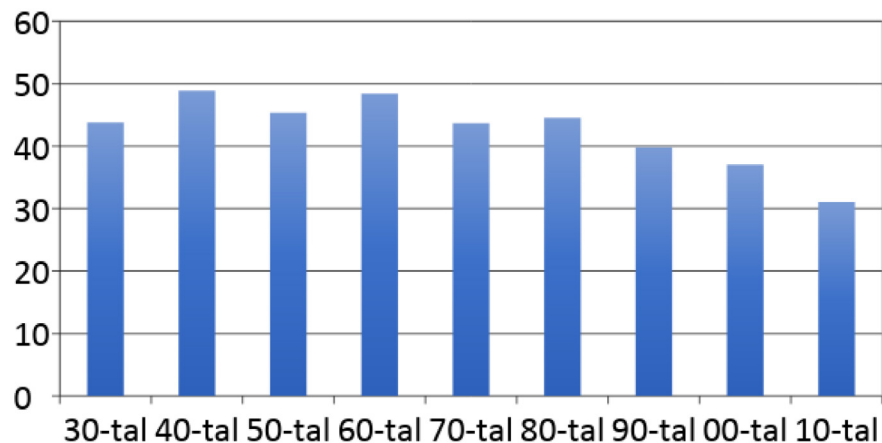
Source: Compilation by Håkan A Bengtsson. The columns show the Social Democratic election results in dual chamber and single chamber (post 1970) as an average per decade.

The Social Democrats were the party of government from 1932 to 1976 – a period of 44 years. This includes brief periods when the country was lead by national and coalition governments. The historically dominant position which the Social Democrats have enjoyed in Sweden is reflected in the election results. From the 40's to the 60's the average was more than 45 per cent. It was marginally lower during 70's and 80's but still over 40 percent. Since 2010, however, the party has so far polled slightly over 30 percent. (Public opinion polls indicate that this downward trend will continue in the 2018 election). Discussions within the labour movement relating to this decline in electoral support have been going on for some considerable time. As early as the 1970s – and, in particular, since the defeat in the election of 1976 – long-term defection among the electorate has been analysed. This decline has been attributed to structural changes in the economy, the industrial working class having reached its numerical peak during the 1960s, a change in class consciousness, identity and individuality, and not least structural transformation and urbanisation. A critical factor has been the decline in population and employment in small and middle-sized industrial towns where the labour movement was powerful and exercised a dominant influence on the local community. The party has failed to achieve the same dominant status and influence in the growing urban areas.

Social democracy has undoubtedly had an extremely strong position in Sweden. Social democracy and the left won the battle of the twentieth century. During the 2010s a paradigm shift has occurred which has changed this scenario:
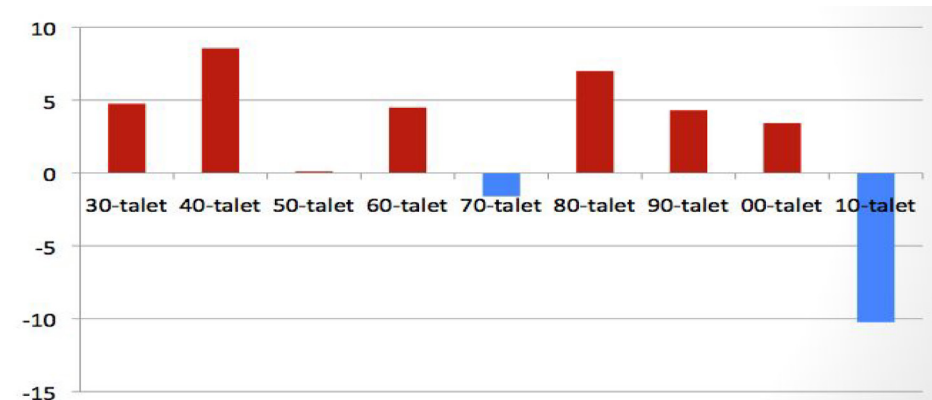
Source: Compilation by Håkan A Bengtsson. The election results are shown as an average for each decade. All left-of-centre parties – including the Green Party – are included in the red columns. All non-socialist parties including the Sweden Democrats constitute the blue columns. The results relate to both two-chamber and single chamber elections.

The compilation clearly illustrates that the left was much more successful in Sweden than the non-socialist parties during most of the twentieth century with the exception of the 1970s when the latter held the advantage, culminating in their victory in the 1976 election which brought to an end 44 years of social democratic rule. It shows equally clearly that the balance of power between left and right has changed radically since the turn of the century. This trend is further emphasised if the results of the last six parliamentary elections are shown side by side:
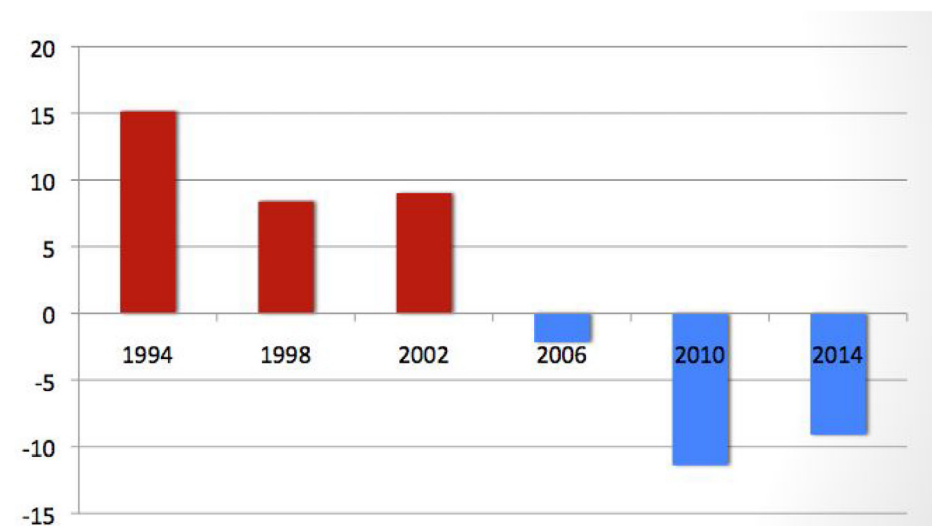
Source: Compilation by Håkan A Bengtsson. The red and blue blocks in the last six elections.

THE ELECTION RESULT 2018

In principle the result of the election has not changed the balance of power. The red/green parties are still bigger than the centre-right coalition, although the margin is smaller than previously (now by only a single seat). However, what is most significant is that the Sweden Democrats have increased their share of the vote and strengthened their position, taking 17.5 percent. This is remarkable since the party only gained entry into Parliament for the first time in 2010. This further complicates the conditions for future governments and could potentially redraw the political map.

S	Socialdemokraterna	28,3% ↘ −2,8
M	Moderaterna	19,8% ↘ −3,5
SD	Sverigedemokraterna	17,5% ↗ +4,7
C	Centerpartiet	8,6% ↗ +2,5
V	Vänsterpartiet	8,0% ↗ +2,3
KD	Kristdemokraterna	6,3% ↗ +1,8
L	Liberalerna	5,5% → +0,1
MP	Miljöpartiet	4,4% ↘ −2,5
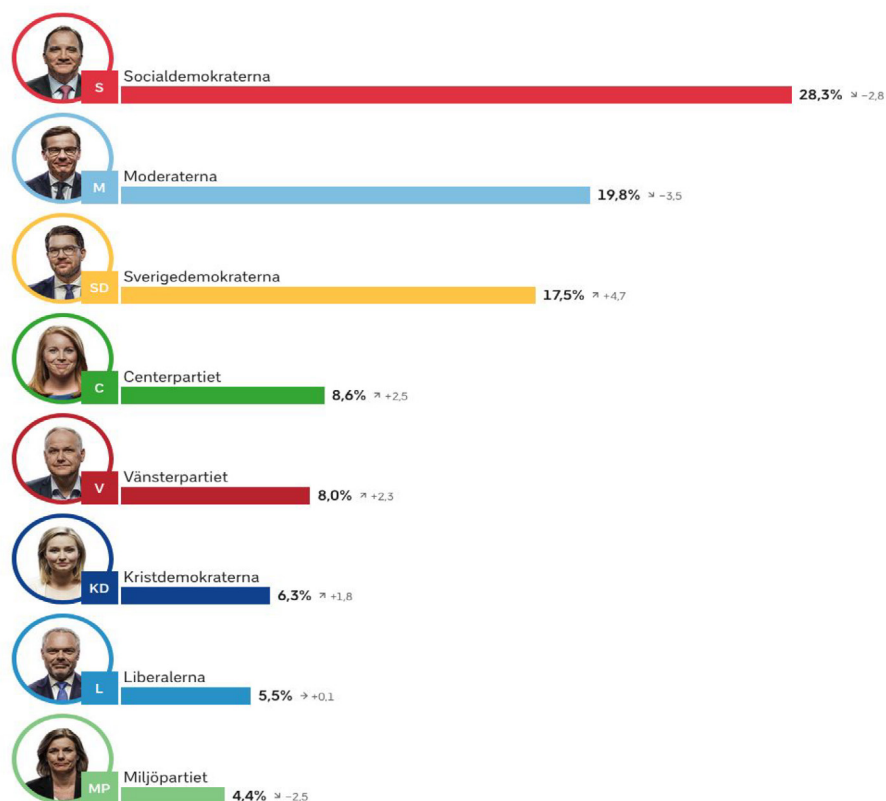
Although the Social Democratic share of the vote fell from 31 to 28.3 percent, the result of the election is considered something of a success. Compared with developments in many other European countries, despite this apparent decline in support, the Social Democrats have maintained a strong position and are by a considerable margin still the largest party. It must be remembered that the Social Democrats have been in power for four problematic and turbulent years. Furthermore, these electoral losses were not nearly as great as had been feared and certain opinion polls had predicted. During the months leading up to the election some polls indicated that the Social Democrats would get as little as 22 percent while the average rating on election day forecast between 24-26 percent. Taking this into account, the actual result of over 28 percent should be see as surprisingly good. This appeared to be the result of the mobilisation of support and a shift in opinion in the later stages of the election campaign. The Social Democrats remained, as a result, easily the largest party

for members of the blue-collar trade union LO despite considerable support for the Sweden Democrats among its members.

The Social Democratic election strategy must be viewed against a background of the difficulties experienced by the left in many countries around the world. The strategy focused on tougher measures against crime, a restrictive immigration policy and increased funding for welfare. At the start of the election campaign many social democratic activists were critical of the Party's increasingly restrictive approach to immigration. There were a number of notable defections from the Party for this reason. After this crisis the focus shifted to welfare issues – which had been the intention from the start.

The Social Democrats gave a number of undertakings regarding improvements in welfare, for example increases in pensions and an extra weeks' holiday for families with children. Just before the election they proposed an increase in taxation on capital. It is still too early to say with any certainty what accounted for the Social Democratic recovery, sufficient to say at this stage that the result of the election was surprisingly favourable despite the decline in support among the electorate.

The Left Party increased its share of the vote by over two percent compared with the previous election to 8 percent. Many observers expected that the Left Party, which was not formally part of the ruling coalition but gave its support for the budgets, would do better. The Green Party which had occupied ministerial posts for the first time declined to 4.4 percent and is now the smallest party in the Parliament. It is common for smaller parties which participate in coalitions to be punished by voters. The impression is that the Party has made too many compromises on key issues, not least its acceptance of the change in immigration policy while still remaining in the government. The environment, which is the Party's core issue, was high on the agenda during a summer which saw a heatwave and extensive forest fires in its train and this may have kept the Party above the 4 percent required for entry into Parliament. Together the red/green parties are still the largest block in Parliament – if only by the smallest of margins. The difference between the traditional left and right of centre blocks after the election is a single seat.

The four centre-right parties headed by the Moderate Party (Conservative) leader Ulf Kristersson are demanding the prime ministership. A controversial issue for the centre-right parties is their relationship with the Sweden Democrats. So far, all parties have kept their distance from both cooperation and dialogue. The question is what will happen next. Two of the parties in the Alliance (the Moderates and the Christian Democrats) have indicated their willingness for dialogue without actually doing so. The Liberals and the Centre Party have rejected outright the prospect of a government dependant on support from the SD. At the same time there has been talk of cross-party cooperation but the conflict between right and left has become sharper in this election. The Parties have hardened their positions and the common ground at the centre of Swedish politics appears to be largely abandoned.

THE RISE OF THE SWEDEN DEMOCRATS AND THE DIFFICULTIES IN FORMING A GOVERNMENT

In a relatively short time the Sweden Democrats have become a party with considerable support among the electorate. It is a party with roots in extremism and fascism but for some time it has sought to imitate other European right-wing populist parties and movements. The Party describes itself as "socially conservative" but, in reality, positions itself closer to other illiberal parties and movements such as that led by Orban in Hungary. SD has grown in successive elections to reach its present 17.5 percent of electoral support. For the third parliamentary term in succession the party has held the balance of power but is now stronger than ever. The SD aims to be obstructive and votes against any government which refuses to listen to or cooperate with it. So far, all parties have refused to accommodate them. It is this which creates such uncertainty regarding the future and who will form a government.

It is still too early to predict who will form the government after the election. It could take several weeks or even months of uncertainty. In the short term the four centre-right parties and the SD have announced that they will vote the Social Democrat leader Stefan Löfven out of office as prime minister. In all probability, the next in line will be the Moderate Party leader but whether his candidacy will be accepted by the Parliament is less certain, particularly as this will depend on what SD will do. Whoever assumes the premiership must have the capability to ensure that future budgets are approved, conduct a viable economic policy and govern the country effectively.

THE SOCIAL DEMOCRATS' NARRATIVE AND STRATEGY

The classical narrative of Swedish social democracy centres on the notion of 'Folkhemmet' – the Peoples' Home – a concept first introduced in the 1920s by Per Albin Hansson. This was actually a reformulation of what was originally a conservative political expression. Folkhemmet became a metaphor for the Swedish Model as an alternative to unbridled capitalism and communist dictatorship. As early as 1936 the publication of the American journalist Marquis Childs' book Sweden: the Middle Way established an international awareness of Sweden as an ideal. Folkhemmet is inextricably linked with the creation and development of the Swedish Welfare model but is also connected with public institutions and regulatory agencies, which have implanted the market into society both through collective agreements and collective insurance models under civil and/or official auspices.

The notion of Folkhemmet is not so appealing in today's political arena because it was essentially a national phenomenon. In today's global perspective it is no longer self-evident primarily because two decades of market liberalism have transformed the national political landscape. The financial crisis of the 1990s transformed views on economic policy, establishing a more conservative and cautious approach to financial policy and public spending. This applied to both the Social Democrats and the non-socialist parties. This view was most aptly expressed by the then party leader Göran Persson: "Those in debt are not free". After three years in opposition the Social Democrats returned to power in 1994. The challenge was to put the economy on a sound footing. The party succeeded in doing that, which accounts in large part for its rule over the past twelve years.

Effective control of the state's finances became a social democratic mantra. Today it has become a double-edged sword. On the one hand, the party proved that the welfare state could be saved, which was by no means certain when Sweden was in crisis at the beginning of the 1990s. The essential features of the welfare state have survived. But on the other hand, the party was forced to enact substantial cuts in public spending. The overall tax burden has been reduced by both the Social Democrat and the non-socialist governments – from what was, admittedly, a high level. Since the crisis in the 1990s, Sweden has experienced a period of steady increases in real pay that has fuelled an enormous increase in private consumption. Public spending has not increased at the same rate, which has affected many areas of the public sector. Social Democracy has to a high degree maintained its adherence to cautious and restrictive economic policies long after the end of the 1990s. What took place then can be aptly described as a politico-economic paradigm shift, in line with the economic dogma that dominates the EU and Eurozone projects.

There are many more private entrepreneurs in today's public sector than previously. This applies to almost all sectors within the welfare system, even core areas such as healthcare, schools and caring (pre-school and elderly). This is still financed primarily through direct taxation. However, the combination of freedom of choice, market models and, in certain sectors, a voucher system have transformed the way in which Swedish welfare functions. Many of these changes have been introduced by non-socialist governments. In general, it has been Social Democratic policy to decentralise from the state to the municipalities and to empower the individual citizen, but the party has preferred to favour non-profit organisations such as cooperatives and charities. In reality, however, there has been an enormous increase in privately owned operators who have made huge profits in the public sector.

Social Democratic governments have done nothing to replace or reform these models when this might have been feasible and in more recent times they have not had the necessary majority. This has resulted in much debate and conflict within the party between those who accept the current situation and those who urge a return to a more traditional welfare system. The party has been increasingly critical of private businesses in the public sector and in mid-2018 it tabled a bill aimed at limiting profits made by private interests operating in publicly owned enterprises. This bill is however doomed to failure since all the non-socialist parties and the Sweden Democrats will vote against it. Nonetheless it indicates that today the Social Democrats are more critical of privately provided welfare than previously. It has once again become an issue that divides the political blocks.

A social democratic slogan proclaims that "the Swedish Model must be expanded not disbanded". The Social Democrats are still the party with the highest level of trust among voters when it comes to welfare. When issues relating to health care and welfare dominate the pre-election debate this favours the Social Democrats.

But the slogan regarding the expanding of the Swedish Model rather than disbanding it is equally applicable to the challenges facing the Swedish labour market model. The Social Democrats and the Swedish Confederation of Trade Unions (LO) often speak of a "well-ordered" labour market. The Swedish and Nordic labour market models featuring comprehensive collective agreements/bargaining and what are still powerful trade unions are today under siege. For example, the collective agreements guarantee maximum and minimum pay levels resulting in relatively small pay differentials, even if these have increased over the last two decades. However, in contrast with the Anglo-Saxon countries, the Swedish model has ensured that even those with the lowest incomes have benefitted from pay increases. That has not prevented those with the highest incomes from increasing the earnings gap primarily through income from savings, the stock market and real estate.

It may be said that, in general, the strategy adopted by the Social Democrats is to focus on defending and to some degree renewing the Swedish Welfare model. The scope for more ambitious future scenarios has been strictly limited during recent decades. In purely economic terms this would have been feasible. The Swedish economy has performed well during this period and recovered relatively quickly from the financial crisis of 2008. A high level of growth has continued and employment increased, as newly arrived immigrants are finding employment more quickly than previously. However, unemployment is around 6.5 per cent which will mean that, in all probability, the Social Democrats will not achieve their stated goal of the lowest unemployment in the EU by 2020.

Nonetheless the state finances are in good shape. The national debt is at its lowest level ever. Many Social Democrats favour greater investment in welfare, infrastructure and sustainability, particularly now when interest rates are low. Fiscal conservatism is still very much alive despite the Social Democrats having the resources to boost public spending on the back of the increased revenue generated by the favourable economic development. There is widespread dissatisfaction at the shortcomings in the welfare system, particularly in areas seeing reductions in population and employment opportunities.

A catalyst for dissatisfaction has also been the level of immigration in Sweden which has been considerable for some time. During the 2015 refugee crisis, Sweden was the country thst, per capita, accepted most of those applying for asylum. This was probably due to Sweden's liberal immigration policy. However, Sweden was forced to change tack when faced with the huge influx of refugees in the autumn of 2015. Thanks to stricter application of the regulations and

tighter border controls, the number of those seeking asylum has decreased drastically. This has caused considerable tensions and divisions within the red/green coalition government, with opposition coming mostly from the Green Party but also many Social Democrats. Against this background the Sweden Democrats have been gaining ground for some considerable time, and it appears that the sequence of events since 2015 provide further reasons for voters to switch to the right-wing populist party.

A fundamental change appears to have taken place regarding the importance voters attach to different issues. Normally, the economy, employment and welfare are high on the list of priorities. Now these have been replaced by immigration as well as law and order. These are often interlinked in the minds of the voters. The terrorist attack in central Stockholm also influenced the political climate.

The Social Democratic pre-election strategy aims to highlight these issues. According to the architects of the Party's strategy, the mistakes made by the progressive political elites, which resulted in the Brexit and Trump votes, and the strategies of other Social Democratic parties must not be repeated. In the run-up to the election of 2018 the Party adopted the word "security" as its overall theme relating not only to a more restrictive immigration policy and more police to maintain law and order but also security in the welfare system – with more substantial allocation of resources to welfare, social care and schools. The aim was to stem the flow of voters to the right-wing parties by promising effective measures to deal with immigration and crime. Several parties chose a more restrictive course on immigration, in order to emphasise their undertakings on welfare policy, primarily in the later stages of the election campaign.

The choice of strategy gave rise to considerable dissatisfaction among those Social Democratic Party members who preferred a more liberal approach to immigration policy. This resulted in widely reported defections of elected Social Democratic politicians. Several Social Democratic affiliates protested.

PARTY ORGANISATION

Sweden has been a country with very strong popular movements and strong political parties. The Social Democratic Party has had close affiliations with a number of popular movements which were dominated by, had close ties to and were led by Social Democrats. It would not be inaccurate to speak of a social democratic environment of popular movements woven into many aspects of everyday life and the country's political fabric.

At the beginning of the 1980s, the Party had 1.2 million members. Many of these had collective membership through their trade union. Enrolment took place locally where the local trade union branch made the decisions. This effectively created local branches of the Social Democratic Party and played a major role in election campaigns, facilitating the mobilisation of members and

voters. Collective enrolment was abolished in 1990-91, which entailed a drastic reduction in party membership. There has also been a gradual decline in the number of individual members. For a number of years, the figure hovered around 100,000. The Party being in government has meant that membership has decreased further with the latest statistics putting the figure at around 89,000. Normally membership tends to increase during an election campaign. It remains to be seen what will happen in 2018 but bearing in mind the political climate there is every reason to believe that membership is more likely to decline further.

Against this general background there are regional differences. The Social Democrats have always done better in areas where there is a strong tradition of popular movements, and that has been reflected in election results. In recent years, the Party has made considerable efforts to recruit and involve more new members, in order to revitalise the popular movement element in the party organisation. Political programmes focusing on the popular movements are produced at regular intervals.

It is obvious, however, that the age of the old mass parties is over. All Swedish parties and popular movements have fewer members than previously. On the other hand, many of these erstwhile members were not particularly active if they ever actually attended meetings. It was claimed previously that the parties were a thing of the past. During more recent years, membership has tended to stabilise. However, there are a number of affiliated organisations: student associations, youth associations, the religious organisation "Faith and Solidarity", The Women's Association (S-Kvinnor), and LGBT Social Democrats, who are represented on the Board of the Party (comparable to the UK Labour Party's National Executive Committee).

Although collective membership no longer applies, there remains the trade union/political cooperation between the Party and the Confederation of Swedish Trade Unions (LO) with its constituent federations. LO conducts its own campaign to encourage members to go and vote – and to vote for the Social Democrats. Some federations are more enthusiastic than others. There is a shared history and there are many officials who come from a blue-collar

CRITICAL ISSUES FOR THE PARTY

Critical issues for the Social Democrats in the run up to this year's election are as follows:

* Better Welfare

It should be added that schools and healthcare have been given particular emphasis as critical political issues.

* Law and order
* More rapid integration

Although the performance of the Swedish economy is much better than many other countries there is considerable debate as to how radical the demands the party can and should make.

Although the Party has chosen to take clearer and more ambitious initiatives, it often fails to provide an adequate description of their purpose. They are often lost in a cloud of activities and ultimately fail to provide any electoral advantage. The Party has displayed an increasing readiness to criticise the activities of private operators and market models within the public sector.

The debate as to whether the Party should take a clearer position regarding profit interest in the welfare sector still rages on. The Party is also urged to invest more to reduce unemployment and boost public spending. However, the party has approved many of these companies. Despite a high rate of growth over several years and increased employment, unemployment remains high. A more adventurous political programme and a less stringent financial policy with increased public spending would in the opinion of many commentators bring unemployment down further.

One example is housing. Sweden has a growing population not least due to immigration and rapid urbanisation. This means that there is a shortage of housing, particularly in cities and large towns. In recent years, housing construction has increased in response to high demand, but is now declining due to the government's imposition of stricter borrowing requirements. This could result in the stagnation of the economy and a growing gap in social housing. The social housing policy, which provided publicly subsidised lending for housing construction, was abandoned during crises of the 1990s. The effects are now being felt. An increase in housing construction would lead to a more favourable economic development and also boost employment.

Sweden's Social Democrats do not only need a story. They need to link their policies to politico-economic solutions within critical societal and global areas.

INTERNATIONAL COOPERATION ISSUES

Sweden is a country that has shown itself to be favourable to international cooperation, within the United Nations, other international forums and in the EU. The country stands for transparency and is generally in favour of free trade, and that applies for the trade union and labour movement as a whole where protectionism has never gained.

But there are important issues relating to international cooperation that need urgent consideration, not least those relating to social democratic parties in other countries. How can the global labour market be developed to ensure the prevalence of acceptable social standards? How can we create procedures for mobility that do not lead to low wage competition? Posted companies and workers have become critical issues in many industries. Today this means that the Swedish collective bargaining model is undermined and puts pressure

on those with the lowest pay. Companies that follow the Swedish collective agreements cannot compete on the Swedish market. The internal market must be reformed. Sweden has called for a review of the directive regulating the posting of workers and has been a driving force for the EU' Social Pillar.

But there is still much to do. The need for cooperation and consensus regarding refugee policy should also be emphasised. Sweden assumed a great deal of responsibility for refugees in 2015, which led to a reappraisal of the country's refugee policy. The countries of Europe must reach agreement regarding common rules and take more responsibility than that reflected in today's restrictive manoeuvring. The "short straw" policy dominating refugee policy damages Europe's solidarity and undermines the European project.

Opinions on the EU revolve more generally around the crucial problem of finding a balance between what should be handled nationally and what internationally. The basis must be the principle of subsidiarity. However, some Social Democrats maintain that, with the internal market as supra-ideology, aided and abetted by the Europeam Commission and the Court of Justice, the EU has hampered policy-making and undermined democracy. These conflicting opinions must be resolved by the various European Social Democratic parties together with the aim of creating a consensus.

The quest for economic policies that will successfully create progressive values and ideals in the future constitutes another critical challenge. The best forum for such a project is through an international exchange of ideas. The challenge is how to formulate a progressive politico-economic approach that can ensure the development of the welfare state and its realisation in a globalised world.

The international exchange between members and citizens within the EU must also be developed. Courses and educational initiatives should be arranged for members and activists at a European level. Free interrail cards should be provided for young people. So far European cooperation has only taken place at too high a level.

THE FUTURE OF SOCIAL DEMOCRACY – FROM CRISIS TO RENAISSANCE?

From a European perspective, the Social Democratic result in the 2018 Swedish election is a positive signal. In several elections in recent years social democratic/progressive/socialist parties have seen their electoral support decline and, in some cases, significantly weakened. With that in mind the Swedish election could indicate that there is light at the end of the tunnel. The recovery achieved in the last stages of the election by focusing on welfare reforms and a fairer distribution of wealth could be the first signs of a recovery.

That is not to say that the Party does not face enormous challenges. The decline in support for Social Democracy in Sweden has been going on for some considerable time. Furthermore, in this election the Party has shed voters outside urban areas, in the previously industrialised medium-sized and small towns and communities. Whoever lays claim to govern must have broad popular support throughout the country.

A form of Social Democracy based on universalist values must address the political challenges and tasks of our time. In addition, the Social Democratic organization and its links to the people must be reformed and strengthened. Its working processes must be modernised. Moreover, Social Democracy must put forward a more coherent and substantial program targeting key political areas. This must be combined with sustained and resolute leadership which can unite a broad church of electoral support and avoid internal conflict. Herein lies the enormous challenge which faces Social Democracy in Sweden and in Europe. The outcome will determine if it will be possible to form a progressive government in the future.

AUSTRALIA

2.1. The ALP as seen by Tom Bentley

POLITICAL AND ELECTORAL OVERVIEW

In 2018, Australian Labor is poised to dominate national politics for the next parliamentary term, and perhaps the next decade. This is no small achievement, given the turbulence of the last ten years. Australia's distinctive, hybrid approach to social democracy has regained traction during uncertain times. Yet it remains vulnerable to deeper forces which have unravelled mainstream politics in many other countries.

While it is back on the front foot, Australian Labor still needs to renew its culture, organisation and working philosophy. For the party and its allies, the heart of this uncertainty is the relationship between centralised, institutional power and the need to engage a wider and more diverse community in creating the governance and policy solutions of a new era.

In a federal nation, Labor currently holds government in 5 out of 8 states and territories. The federal party, led by Bill Shorten, a lawyer and former union national secretary, holds a consistent, election-winning lead over the right wing Coalition government since shortly after the last federal election, in 2016, at which Labor reduced Liberal Prime Minister Malcolm Turnbull's parliamentary majority to 1 seat.

A decade after the onset of the Global Financial Crisis (GFC), Australia's economy and welfare state appear in rude good health, at least comparatively. Yet economic inequality, population growth, social diversity and environmental damage are multiplying as challenges, while mainstream political debate remains largely trapped within a consensus forged during the 1980s.

Australia formed the world's first Labor government in 1904. Its twentieth-century record of innovation in social democratic governance, combined with its enviable position on the edge of South East Asia's resurgence, has cushioned the nation from the harshest impacts of global recession and austerity.

As well as successful economic stimulus, the Rudd and Gillard governments of 2007-13 forged significant policy achievements, but were undermined by leadership instability fuelled by the internal contradictions of simultaneously attempting ambitious policy reform, growth in jobs and GDP and post-crisis fiscal repair.

The return of conservative governments led by Tony Abbott (2013-15), Malcolm Turnbull (2015-2018) and Scott Morrison (2018-) has demonstrated leadership instability and wafer-thin parliamentary majorities are common symptoms, rather than primary causes, of political turbulence and fragmentation. The declining vote shares of the major parties reflect the

growing disdain and detachment of citizens for professional politics and a deeper fragmentation in the social, economic and strategic environment.

The centre right, currently clinging to government, has failed to address these conditions or put forward a workable governing strategy, paralysed by its internal ideological contradictions. Meanwhile, federal Labor has successfully unified in opposition, built on the policy agenda established during the Gillard-Rudd period, and progressively sharpened its focus on economic inequality.

POLITICAL STRATEGY AND NARRATIVE: A SHARPER FOCUS ON INEQUALITY

So Australian Labor has apparently rediscovered its ability to combine pragmatic political strategy with a winning approach to medium-term policy reform. In the last two years they have out-manoeuvred the Liberal-National government with spending commitments to infrastructure, health and education, funded with budget headroom created by winding back tax concessions that disproportionately favour the holders of housing and share-market wealth.

Labor remains firmly committed to a liberal market economy, extending global trade and embracing public-private partnerships, while pursuing scientific and educational innovation in the cause of future productivity. But it has allowed itself to question more visibly the distribution of wealth and opportunity in the post-crisis global economy.

Its agenda includes increasing compulsory superannuation contributions year by year from 9.5 to 12 per cent of wages, fully implementing a National Disability Insurance Scheme, delivering more equitable needs-based school funding, and expanding university and vocational training places. Carbon pricing and national broadband, two areas which caused huge controversy during 2007-13 and where the Liberal government has changed direction, have been managed pragmatically by Labor to maintain clear party differences and expose ideological faultlines on the centre right.

TAX AS THE DIVIDING LINE

The issue now at the centre of the political contest, which has shifted decisively in recent years, is the treatment of tax, specifically the taxation of wealth, and its relationship to living standards and class divisions across the country. For the last decade, both wage growth and public revenue from corporate profits have been subdued in Australia. The share of income going to capital, compared to labour, is at its highest for more than 60 years. Wealth and income inequality have grown while generational mobility has dropped. For all parties, the question of how to lift living standards has therefore grown more urgent and come into increasing focus, alongside the challenges of increasing public spending on infrastructure and services in a country where the population is both growing and ageing steadily.

Labor's historical role as champion of universal health, education and pensions comes to the fore here. Since the 1980s, Australian Labor has also championed privatisation, free trade and market liberalisation, forging a model pioneered by Bob Hawke and Paul Keating that influenced Blair, Clinton and Schröder, among others. Today's Labor party remains firmly committed to Keating-era market economics, but has skillfully read a shifting environment, and recognised that tax concessions designed to encourage home and share ownership have become large-scale distortions. Labor's willingness to tackle these subsidies for investors in capital assets has won it policy credibility and given it room for manouevre to make progressive spending commitments.

Whether it has renewed its approach to political economy thoroughly enough to tackle the contemporary challenges of housing affordability, casualisation and intergenerational equity is an open question. But the Liberal-National government, in the absence of any other agenda, has reinforced this dividing line by putting forward long term tax cuts for companies and individuals, attempting the abolition of a whole bracket of personal income tax and a reduction in company tax that would overwhelmingly favour a small number of very large corporations. These plans have, so far, been frustrated in the Australian Senate and failed to find favour with the public.

The stage is set for what could be a threshold election by mid-2019. A decade ago, Labor would have felt it had to match and neutralise such commitments. Today its attacks on the Liberal policies reflect both the pragmatic reality of the Labor's own spending commitments and a deeper shift, which is resonating with many voters, towards stronger support for redistribution.

PARTY ORGANISATION: CAMPAIGNING SUCCESS, GOVERNANCE FAILURE

Yet while Labor has skillfully navigated a changing fiscal landscape, deeper challenges to social democracy loom. The disruptions of technology, inequality, environmental crisis, identity politics and regional conflict are still eroding the foundations of Australia's twentieth century success. The vote share of minor parties has grown from 8.6 per cent in 1980 to 23.1 per cent in 2016, and that includes a One Nation party dedicated to racist populism.[1] Engaging and persuading increasingly diverse and digitally connected communities to make the contributions and compromises required for twenty-first century governance solutions is a huge challenge.

Labor's campaign strategy and infrastructure – the 'ground game' – is consistently out-performing its competitors. Known as the Community Action Network, this model describes itself as the 'grassroots, organising arm' of Labor, and builds on Obama-era campaign models and from the campaigning strategies now used by UK Labour and other left parties around Europe.

[1] http://www.abc.net.au/news/2016-07-03/election-results-historical-comparison/7560888

Like comparable efforts in other countries, the model combines intensive use of phone banks, door-knocking teams and digital contact lists with issue-based social media campaigning by candidates. Teams of trained activists train and coordinate a network of volunteers to make phone calls and door-knock undecided voters and put on street stalls at shopping centres and community events. Affiliated trade unions and community organisations mobilise their members to add to these campaigns, creating a formidable operation.

The renewal of its campaigning model has given Labor a powerful advantage in a string of recent Australian elections. But it has not dealt with Australian Labor's great vulnerability: its inability to move beyond factionalised, machine-based decision-making in its own forums and structures, including national and state conferences, selection of candidates for public office, and overall party administration.

Every political party has factions; they are arguably an important, even a necessary, contribution to intellectual diversity and political management. The problem arises, as in Australia's case, when they form an unholy alliance of closed decision-making structures, creating a vested interest in maintaining the status quo in favour of broader engagement, more diverse participation, policy and organisational renewal.

Bill Shorten, the current federal leader, advocated in 2014 for a 'membership-based party', moving away from factions and embracing more democratic transparency. But since 2015 party reform has stalled and membership has dipped again to around 50,000. As Mark Butler, Labor's most recent national president recently argued, this does not qualify as a mass movement in a country of 27 million people.

Political players willing to risk their power base or reputation for the sake of institutional reform are hard to find, despite widespread acceptance that renewal is overdue. Meanwhile, as the stasis continues, the wider bonds between political organisation, civil society, workplaces and citizen participation are being lost.

EQUITY AMIDST DIVERSITY: KEY IDEAS AND ISSUES

Beyond the core policy agenda of education, health, social insurance and marginal tax rates, Australia faces a host of complex issues driven by the growth of a more diverse, connected and unequal society; and by a region increasingly influenced by strategic rivalry between China and the USA. These latter issues play out in the regulation of foreign investment in housing and agriculture, the availability of university services to foreign students and controversy over Chinese funding of Australian research, technology infrastructure and political parties.

As in many other countries, the impact and ownership of digital technologies and automation on the economy and labour market is also increasingly potent, bringing a stronger focus on employment rights in casualised and network-based industries and a fresh set of questions about the innovation partnerships and investments needed for future prosperity. Victoria's Labor state government has recently promised new legal penalties for wage theft and industrial manslaughter. Federal Labor is making similar moves towards creating employment protections for people working in digital supply chain industries. Both levels of government are actively pursuing policies to encourage innovative industry-education clusters.

Federal Labor is also committed to holding referendums on whether Australia should become a republic (electing its own head of state) and on extending parliamentary terms from three years to four. Migration, ethnic and religious diversity are also major issues: 28 per cent of Australians were born overseas, and while the dynamism and diversity of Australia's population are largely viewed as positives, the potential for racial and religious conflict is real. Australia's shameful ongoing treatment of asylum seekers arriving by boat, and reliance on offshore detention and processing facilities, remain an ugly scar and an unresolved policy dilemma.

Socially, Labor has become more unashamedly progressive in recent years, with state governments are helping to lead policy reform in areas where national government can follow. The Victorian government, for example, has reformed family violence laws and legalised assisted dying. Federal Labor campaigned vigorously, if belatedly, for marriage equality, which was legislated federally in 2017.

AREAS FOR COLLABORATION BETWEEN COUNTRIES

The arena in which most of these issues combine and play out is in the future of Australian cities: one of the most urbanised populations on the planet, Australian cities must rapidly transform in order to sustain greater density, social inclusion and the quality of life which attracts millions from around the world. Australian has begun shifting towards more strategic approaches to urban planning and governance and smarter approaches to economic and community development. There are many opportunities to innovate and learn around the world in how to grow jobs, services, inclusive housing and environmental sustainability, while shaping longer-term urban infrastructure to support the public interest for decades to come.

The inter-relationships between urban development, education, the concentration of economic power and shaping of social identities are a crucial focus for thinking through the political and policy challenges for social democracy and designing new responses over the decades to come. In particular, the ALP needs to confront the challenge of how to combine more dense and connected urban communities with more complex, innovation-driven economies which manage to spread economic activity, wealth and

knowledge more widely, instead of allowing them to become over-concentrated in ways which foster crisis and conflict.

Given this, and Australia's intriguing position as a past pioneer of social democracy which has largely avoided the full traumas of austerity and identify politics, there is a real need for collaboration and mutual learning in the areas where everyday experience is changing faster than the institutional status quo, and where progressive institutional designs are needed to renew the common frameworks underpinning social democratic goals.

These include:

- Regulating and governing the digital economy and introducing equitable models of taxation and worker rights into digital supply chains
- Progressive urban governance and economic decentralisation
- Public transport and infrastructure investment strategies
- Housing affordability, urban development and intergenerational equity
- Democratisation of political parties and new models for civic and community engagement in public decision-making

2.2. The ALP as seen by Nick Dyrenfurth

POLITICAL LANDSCAPE

'Something old, something new, something borrowed, something blue'. At first glance this old English rhyme sits oddly amid a discussion of Australian social democracy circa 2018. Yet it is a more than handy guide to the task confronting the torchbearer of social democracy down under, the 127 year-old Australian Labor Party, and parties internationally. The answers to our common problems demand transnational collaboration between parties, a hallmark of local and global social democracy at its best in the past, and a guiding theme this chapter returns to throughout.

The present challenge facing Australian Labor and its sister parties are remarkably similar. The shadow of the 2008-09 global financial crisis haunts Labo(u)r parties and the trade union movement the world over and failed to realise predictions of a social democratic renaissance. The global economy is precariously placed and the local outlook, despite a short-term boost to government revenues courtesy of rising commodity process and taxation receipts, remains uncertain.

Full-time work is threatened by the rise of insecure employment – casual, part-time or contract and labour-hire work. Wages growth has been stagnant for a decade. By contrast, working Australians face rising cost of living pressures – housing, rents, childcare, energy prices and health insurance – amid a growing trend of inequality and social immobility.

Australia is also deeply indebted. In just four and a half years since coming to power, the Coalition government has doubled the nation's debt. Commonwealth gross debt is over half a trillion dollars, without any meaningful investment in infrastructure, job training and more besides. The recent budget forecasts a deficit in 2018-19 of $14.5 billion and promises a slim $2.2bn surplus next financial year, based on supremely optimistic economic growth and wage growth forecasts.

These trends only compound an increasing distrust of political institutions, major parties and leaders – Australia has churned through six prime ministers in just over a decade and governments at both a state and federal level are no longer guaranteed more than a single term in office – replicated elsewhere in the developed world, while the spectre of global terrorism, resurgence of authoritarian great powers and extremist right-wing politics looms large.

ELECTORAL POLITICS

Australian Labor is not alone in facing such trials. With the exception of France, parties of the centre-right currently govern across Europe, and until recently in Canada and New Zealand. Social democratic parties have struggled in a post-Cold War world defined by free-market economic globalisation, a severe decline in union density linked to the erosion of blue-collar working-class identity, mass migration and technological change. Despite or precisely because of the apparent conquest of mass poverty, working class voters in suburban and regional Australia are less rusted onto Labor, eroding its core vote over the past two decades. Many social democratic and centre-left parties have a trust deficit as regards economic management and immigration. Meanwhile their messaging is often skewed towards a liberal universalist, aggressively secular, rights-centred agenda that can struggle to resonate emotionally with voters.

In this vacuum existed appeared the real possibility of a Trump/Brexit style phenomenon of disaffected working and middle-class Australians turning to populist parties of the Right. Yet Australia's would-be emulators of Donald Trump – from Pauline Hanson to Cory Bernardi –were poorly suited to the task of replicating his success. Most were and are obsessed with pursuing tangential 'culture wars' rather than hip-pocket concerns of working people. The populist right has failed to split the social democratic base, in part because Australian Labor is a more materialist and less cosmopolitan entity than most Western social democratic parties. Its primary campaign focus is wages, jobs and economic insecurity, in turn owing to the significantly larger institutional role of unions, no matter their well-documented decline in density, which helps to anchor the party's policy focus.

This much was signalled by Labor's improved performance at the 2016 federal election, where the party almost formed government after just one term in opposition following its 2013 defeat – its worst since the Great Depression. There have been recent victories, too, at a batch of recent state elections.

Only South Australia, where the party held power for almost two decades, has bucked the trend. Labor governs in five of eight state and territories. Polling consistently shows Labor on track to win government at a federal level at an election, which must be held before the end of 2019.

Electoral success, or its prospect, ought not to encourage complacency. There remains the task of crafting a positive, relevant Labor agenda committed to the basic concerns, needs and aspirations of working Australians, and of brokering a revived national politics of the common good, in order that the next national Labor government can enshrine a transformative legislative agenda.

STRATEGY AND NARRATIVE

One of the keys to Australian Labor's resilience, notably at a federal level, is the relative consistency and coherence of its post-2013 strategy aimed towards winning or indeed retrieving support from outside the inner-cities (in British parlance, metropolitan centres) and narrative of a 'fair go' for all and protection of the 'Australian way of life', one which has drawn sustenance from both movement and national traditions, in addition to the realisation that electoral salvation will not arrive from the coming of a Messiah, or aping the polices and narrative strategy of long-dead Labor governments. Since 2013, Labor has been far more open to a contest of ideas within its ranks, and ideas from sister parties and like-minded thinkers, notably revisionism of the federal governments of the 1980s and 1990s, and under federal leader Bill Shorten's charge largely abandoned technocratic language.

Key to that task is, as I have argued elsewhere, a reckoning with Labor's '1066 and all that' moment.[2] To borrow a phrase from Blue Labour figure Maurice Glasman, the Hawke-Keating governments (1983-1996) became for many the Platonic ideal of a reformist Labor administration by means of floating the dollar, deregulating the economy and privatising government assets. But where Thatcher carried out this agenda in the United Kingdom by attacking unions, Labor worked with them via the 'Accord' and by implementing a 'social wage'. Through an emphasis on prudent economic management and national consensus Hawke avoided his Labor predecessor Gough Whitlam's electoral fate (dismissed by the Governor-General in 1975 after a tumultuous three years in office).

This '1983 and all that' view was a repressive force in two ways. First, the party in government, as seen between 2007 and 2013, struggles to live up to those herculean standards. Second, an overweening deference to that era blocked the path to philosophical and policy renewal. Beginning with the ascent of Whitlam in the 1960s, hastening under Hawke-Keating, but reaching its apotheosis during the Rudd-Gillard era, Labor placed too much faith in

[2] **Nick Dyrenfurth**, *'Back to the future: 1983 and all that'* The Age, 28 December 2013, online at https://www.theage.com.au/national/back-to-the-future-1983-and-all-that-20131227-2zzhl.html

the ability of centralised government and free markets to solve society's problems. In short, Labor embraced a bloodless form of statist liberalism – economic and increasingly social – at odds with its original purpose and orientation towards national tradition and a language fashioned towards the basic aspiration of leading a good, secure and meaningful life: the very reason Labor was put on this earth.

As the founders of the party declared in 1890 in the wake of the disastrous 1890 Maritime Strike, only by securing representation in parliament it suggested, "can we […] ensure to every man, by the opportunity of fairly remunerated labour, a share in those things that make life worth living". It is a reminder that Labor's values and language are those of the Australian people: work, family, community, and a sense of fairness and decency. Moreover Labor has never been a straightforwardly 'progressive' party in the term's modern sense. Its disposition, rather, was as always informed by small 'c' conservatism and other traditions such as Catholic social teaching, non-conformist religions and localised institutions of working-class self-help. Appealing to such a disposition remains relevant to Labor's approach to many issues from job security, workplace power, automation as well as climate change and universal healthcare.

Under Shorten's leadership Labor has largely eschewed small-target politics and the siren song of identity politics. It has, moreover, moved on from seeking to ape the reform agenda of the Hawke–Keating years. Shorten has positioned the parliamentary party as an alternative government more resistant to exogenous shocks. Post-GFC politics, where the agenda is not overly dominated by cutting personal taxes and spending courtesy of a cashed-up government, but a precarious economy and growing inequality, seems to signal that the times might suit Labor.

Its response to the recent commonwealth budget signals as much. While it committed itself to providing taxation relief to working and middle-class Australians, and increased spending on health and education, by virtue of its prudent policy work on revenue and expenditure, it also promised to reduce national debt faster, presenting itself as the party of fiscal responsibility. Hard, collective toil remains however. Labor has formed majority national government twice in the last twenty-five years: when it neutralised or overturned the Coalition's advantage in matters economic. It is a timely and ongoing reminder: Labor is not going to win power at a national election by adopting a strategy from the progressive playbook of identity politics.

ORGANISATIONAL STATE OF PLAY

Australian Labor has been defined by its relationship with the union movement. The party was founded by working-class unionists, and unions continue to occupy a formal place in its structure as affiliated bodies. It is a rarity in this sense – most of the world manages to get by without such a party. Indeed, there are a handful of affluent, developed countries that do not

boast any major party calling itself 'labor', 'social democratic' or 'socialist' – the United States is the most significant of them. Despite Labor's electoral resilience since 2013, there have been increasing calls for 'party reform' under the guise of democratisation.

Some point to Labor's national membership, which, having increasing by some twenty per cent to around 55,000 members after the 2013 election defeat, since plateaued. In response, there have been renewed calls to open up the party's decision-making – and conversely remove power from so-called factional powerbrokers and union leaders – to rank-and-file members in order to attract new members. Since September 2013 members have possessed an equal say in helping elect, alongside federal parliamentary caucus members (MPs), the federal leader. But the call for a direct say has extended to electing federal Senators and state-based Upper House members and even the introduction of an inexpensive 'supporter' category of membership which would provide voting rights in the manner of the British Labour Party. (US-style primaries, opening up the party's preselections to the public, have fallen by the wayside).

In part this owes to factional rivalry, overlapping with a debate about the appropriate role of trade unions and union leaders in party matters. Most calls to democratise the party along these terms have come from a section of the party's Left, predominantly inner-city based and middle class, which historically perform wells in such ballots, and which is close to winning power in the party's major organisational centres of power – for instance the triennial national conference and powerful national executive. The results of internal elections for these forums and the National Presidency currently underway will go some way towards determining the fate of these proposals.

Extreme caution is required. First, boosting gross membership is a misleading aim. The challenge ought to be recruiting new members from the 'new precariat' and from suburban and regional Australia, Labor's core voter block, rather than continuing the 'middle-classing' of the modern ALP. Second, a party established by unions and mainly manual workers must necessarily ponder its policies, strategies, rules and structures at a time when unions represent a declining portion of the workforce, and blue-collar workers have dwindled to a small minority of employees. Yet unions are fundamental to the struggle against growing economic inequality. Affiliated unions still supply much of Labor's financial support and wield fifty per cent of conference floor votes. Australia would be a different place without a union-affiliated party.

Historian Robin Archer has argued that if the US had followed our lead, it is "likely that business interests would have had less influence over public policy, that income and wealth would have been more equally distributed, that unions would have been stronger and that a more comprehensive welfare state would have developed". Quite apart from valuable funds and organisational muscle, an army of unionist foot soldiers has always been essential to Laborite electioneering. When Labor emerged as a political force at the beginning of

the twentieth century, its success owed most to the unions. Strong unions ensured Labor's survival across the century amid war, depression and Cold War politics. Labor's 2007 federal election victory owed much to the hard-slog of unionists in marginal seats campaigning against the deregulatory, anti-union 'Workchoices' legislation of the then Coalition government.

As former ministerial adviser-cum-academic Trevor Cook notes, "The union relationship, at its best, gives the ALP a direct connection with thousands of activists, hundreds of community organisations and, potentially, millions of voters. Even in an era of professional politics […] this organic connection with the electorate can be highly potent". Finally, the current 50/50 balance between MPs and members in electing the federal leader is appropriate: Labor would do well to avoid the destabilising situation whereby the leader did not enjoy the confidence of his or her parliamentary colleagues. While not to be dismissed, a narrow focus on organisational 'reform' seems incongruent with the priorities of a federal election year and the greater challenge of ensuring a truly transformative national Labor government.

A NEW POLICY SETTLEMENT?

There has been relative uniformity surrounding Labor's policy modus operandi since 2013. Inequality has figured centrally, notwithstanding differences in respect of introducing a so-called 'Buffet rule' on high-income earners and a Universal Basic Income. Restoring bargaining power between labour and capital, restoring penalty rates and providing a more equitable and sustainable taxation system have each figured prominently, along with a commitment to universal health funding and greater spending on education, whether primary and secondary schooling, university or TAFE. These quibbles in addition to the long-running debate over refugee policy and migration law will be debated at Labor's forthcoming national conference. Labor's formal response to the budget promised a recalibration of the taxation system with lower taxes for working and middle-class Australians and the abandonment of the Coalition's planned $65 billion corporate taxation cuts (reducing the rate from thirty per cent to twenty five per cent by 2025), funding schools and hospitals, notably reducing Australia's national debt and much besides. Yet there is scope to shape these polices into a more transformative agenda.

One source of transformative politics pertains to Australia's workplace and corporate culture, amid a broader discussion of inequality and unequal bargaining power between labour and capital. As suggested earlier, the tenets of the Australian way of life – a fair days pay for a fair day's work, equal opportunity for all and preventing excessive inequalities of wealth, status and power – are fraying, yet remain key to Australian's sense of their national identity. Though avoiding the GFC's worst effects, inequality has risen to heights not seen since the early 1940s. Good, secure, well-paying jobs are being replaced by low-skill, low-wage insecure work. Less than half of Australian workers hold down full-time jobs; 23 per cent are employed casually. Underemployment is at record highs. Company profits increased

by 40 per cent in 2017, yet wages growth is sluggish. The fruits of 26 years of continuous, record economic growth have not been shared equally, which is bad for working people, bad for the economy, and bad for democracy, encouraging mistrust and extremism. In any case, world-beating growth numbers belie a more fragile outlook. Productive investment is poor. Exports are less diversified than any time since the 1950s. Economic institutions are not working in the interests of the majority.

To revive the Australian way, a new policy settlement is required. Australians are keen to see more bipartisanship and co-operation, and not just in politics. To address the big challenges facing our country we need a workplace and corporate culture fit for purpose in the twenty-first century, and re-creating a resilient pro-business, pro-worker framework which prizes profit and productivity as much as co-operation and fairness. Stronger, more balanced institutions are needed to sustain a high-growth, high-skill and high-wage economy tailored towards the long-run, not one sustained by ephemeral mining and property booms, or which relies upon lazy, counter-productive measures such as cutting wages.

One idea, drawn from Germany, is to encourage and, if need be, legislate for employee representatives on company boards, known as codetermination. There is not space to outline the benefits of codetermination in Europe, but suffice to say there are precedents for its Australian implementation, notwithstanding our unitary board structure versus Germany's two-tier system of supervisory and management boards.

Codetermination is worth pursuing by Labor for a number of specific and general reasons. Employee representation would improve boardroom diversity by incorporating employee voices and raise profits through greater productivity and collaboration. Workers would enjoy higher wages and better, more secure working conditions. Codetermination might militate against financial difficulties leading to the sudden collapse of firms as in the recent case of steelmaker Arrium and prevent companies from disregarding their social responsibilities, so devastatingly revealed by the current Banking Royal Commissions. It can tackle excessive CEO remuneration that does not align with performance, and thus restore public trust in corporate Australia.

How specifically could the system be implemented? We already have a form of codetermination in place: superannuation where employee representatives sit on not-for-profit, industry fund trustee boards with employers. These funds have provided above average investment returns to members as well as investing in quality long-term infrastructure investments. Buttressed by industry funds Australia has built one of the largest and most productive pools of savings in the world in just a quarter of a century, and in turn superannuation has opened the door to a more secure, comfortable retirement was opened to millions. Codetermination is a bottom-up nation-building reform which can help grapple with the opportunities and challenges of the machine age, which moves beyond the dualistic choice of state and

market. It can build a new policy settlement in the manner of the early nineteenth century, post-World War Two Keynesian bipartisanship and modernising Hawke-Keating era. It is a transformative Labor politics of the common good which can rejuvenate democracy, when our democracy most needs it.

TRANSNATIONAL COLLABORATION

We return then to the question of inter-party cooperation. There is a long tradition among western left-of-centre parties looking to the electoral strategies and thinking of fellow-travellers. Australian Labor's precocious electoral growth during the 1890s and 1900s won the attention of European observers and, in turn, owed much to the influence of various strands of socialist thought emanating from Britain as well as American-style populism. The Curtin and Chifley government's post-World War Two reconstruction programme and extension of the welfare state looked to developments in the Anglosphere. Conversely, British Labour's Third Way thinking championed by Tony Blair and others in the mid-1990s was influenced by the experience of the Hawke/Keating Labor governments the previous decade. Whitlam drew on British Labour intellectual Anthony Crosland's revisionism of the 1950s, as he modernised the ALP in the late 1960s.

For Australian Labor and other like-parties there is a pressing task to renew a relevant social democratic politics and to build a new policy settlement within and without their countries. Key is the challenge in a globalised world of building a modern, thriving and diverse economy that creates and sustains well-paid, secure jobs. For Labor it means reviving the Australian way – a dynamic social market economy underpinned by a commitment to democracy and equality. This is a policy framework which is both social and democratic in that it does not automatically look to the market or state as the first solution to a problem. Importantly, it has the potential to tackle growing inequality at source.

Conversely social democrats ought usefully look to Australian Labor as an example of a party which has by and large avoided the pitfalls of identity politics in favour of 'bread and butter' strategy, narrative and policy seeped in the national tradition. Key is moving beyond statist liberalism and recognising our rich heritage: at once radical and progressive; conservative and traditionalist; romantic and rational; patriotic and internationalist. It's our future too. The ideals and needs that drove working men and women to found Australian Labor in 1891 are still relevant, whether old, new, borrowed or blue.

GERMANY

3. GERMANY
By Christos Katsoulis

The crisis of social democracy has reached Germany in a slow and creeping manner. The SPD's polling figures have been declining steadily since 2002, and the prospect of winning elections now seems rather dim. Nonetheless, the SPD has governed under the leadership of Angela Merkel for nine of the past 16 years.

However, the party's chances of ruling in a future coalition as the senior rather than the junior partner appear slender. The SPD is currently far away from achieving the election results to which it was once accustomed. In the last three elections (2009, 2013 and 2017) the Social Democrats failed even to reach 30 percent. In 2017, party leader and chancellor candidate Martin Schulz barely polled more than 20 percent – the worst result in federal elections since World War Two.

Gone are the golden ages of the SPD in the late 1960s and 70s, when Willy Brandt and Helmut Schmidt achieved results well over 40 percent. And even the era of Gerhard Schröder, when the German version of New Labour (known as the Neue Mitte), polled around 40 percent in three consecutive elections, now seems very distant.
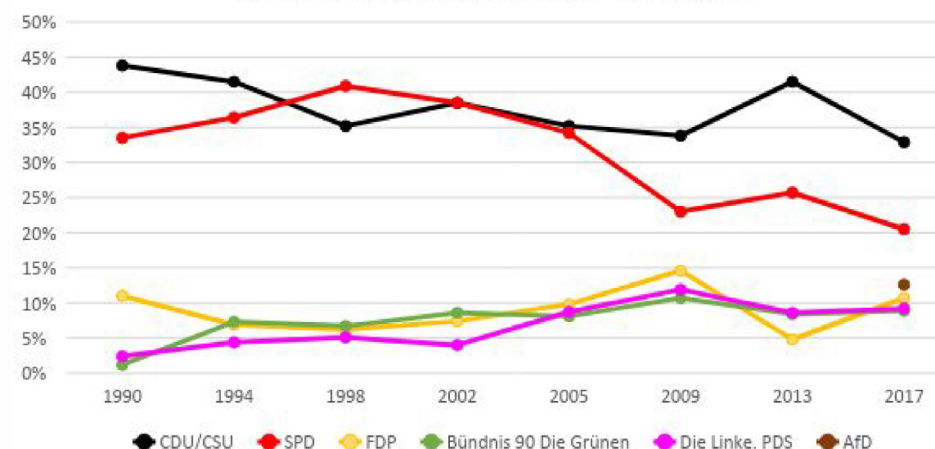
Source: Compilation by Håkan A Bengtsson. The red and blue blocks in the last six elections.

The current outlook for the SPD is bleak, not only given its weak electoral performances, but also in view of the party's ideological malaise and its limited strategic options. The SPD has struggled to cope with various developments, which, in combination, have eroded the party's electoral bases.

First, reforms to the welfare state carried out by Gerhard Schröder (known generally as the Hartz IV laws) have estranged parts of the left from the SPD

and fuelled support for Die Linke, a left-wing party which grew out of the former GDR state party PDS. Die Linke's strong electoral base in the east of the country, where the SPD has struggled to gain votes ever since German reunification in 1990, has been supplemented by defections from the SPD by disillusioned left-wingers in western Germany. Oskar Lafontaine, one of the biggest political talents of his time, left the Schröder government following a clash with the chancellor. His departure to Die Linke bolstered a party on the left of SPD that has gathered support among the Social Democrats' traditional working-class clientele, who have been harmed by the welfare reforms.

Second, Angela Merkel has moved the CDU into the political centre ground. She has adopted several policies that had been at the core of the SPD's and even the Green Party's programme, such as the phase-out of nuclear power and the transition towards sustainable energy production. At the same time, the CDU has modernised its policies on social issues such as family, childcare and minority rights. This process has given the party access to a young urban milieu that would traditionally have been inclined to vote for the Social Democrats or the Greens.

Third, Angela Merkel and the CDU have been perceived as an anchor of stability during the global financial crisis and the subsequent crisis of the eurozone. This perception of the CDU has endured despite the chaotic developments during the summer of 2015, as large numbers of Syrian refugees migrated to Europe.

Fourth, the migration crisis of 2015 fuelled the rise of a new party on the right of the political spectrum, the Alternative for Germany (AfD). This populist group capitalized on voters' worries that the government had lost control over its borders. The AfD has attempted to drive a wedge between voters and traditional parties, such as the SPD, by depicting these parties as part of the establishment. The party gained over ten percent in the last election, and has further eroded the support base of the SPD. Currently it polls at around 18 per cent, which makes it the second largest party ahead of the Social Democrats.

Fifth, and as a result of these developments, the SPD has lost entire regions of Germany. In the former areas of East Germany, in the south of the country, and in rural constituencies more generally, the party is highly unlikely to win either regional elections or parliamentary seats in federal elections. In short, the SPD has haemorrhaged votes to parties on all sides, losing support among poorer and working-class voters as well as the liberal middle class.

1. PARTY NARRATIVE AND STRATEGY

The SPD is confronted with several challenges concerning strategy and narrative. On strategy the party faces a significant dilemma in Germany's current multi-party system. At the moment, the Social Democrats are prevented by electoral mathematics and poor relations with other parties from forming a coalition with anyone other than the CDU/CSU. An alliance with their traditional ally, the Green Party, does not have sufficient numbers: nor does a three-way coalition including Die Linke. A coalition between the three parties would have produced a parliamentary majority in 2013, but was not realized due to the deep mistrust, as well as significant policy differences on foreign relations and defence, between the SPD and Die Linke. Cooperation with the centre-right FDP (the liberal party called the Free Democrats) is unlikely under the latter's current neoliberal leadership. Thus, the unloved "Grand Coalition" with the CDU/CSU represents the only chance for the SPD to govern. The Social Democrats' role as junior partner in this alliance seriously restricts their ability to determine Germany's future progress.

The narrative of the SPD has not changed significantly over the last decade, as the party still relies on the Basic Manifesto of 2007 (the so-called Hamburger Programme). Yet an examination of the last election manifesto ("Time for More Justice") reveals a fundamental issue facing the SPD. The introduction states that life in Germany is good at present, and that citizens generally have few grievances. However, the manifesto then lists a series of pledges to bring about greater social justice and to guarantee, in a rather general manner, a secure future. Here, it is evident that the party is treading a thin line. On the one hand, it is difficult to convey the necessity for redistributive policies when, as the SPD acknowledges, current conditions are relatively rosy. On the other hand, emphasising the persistence of inequality causes voters to question why a party that has been in power for most of the 21st century has not yet acted to remedy this. Since 1998 the SPD has continuously been in government, with the exception of the period 2009-2013. The legacy of Gerhard Schröder's welfare reforms, in particular, has undermined the confidence among working-class voters that the SPD has their best interests in mind.

The former party leader Sigmar Gabriel warned in 2016 that the SPD was being perceived merely as a 'welfare state repair station', and was failing to offer hope for a better society. By using this metaphor, Gabriel alluded to the absence of a positive narrative, which combines economic progress with social justice. Commentators such as Robert Misik likewise argue that the SPD's messages succeed only in conveying the promise: "We will slow down the decline".

2. ORGANIZATIONAL STATE OF PLAY – WHAT IS WORKING, AND WHAT NEEDS TO CHANGE?

The SPD has been subjected to constant reform and overhaul. Since 2005 the party has had six different leaders (not counting interim leaders) as well as six general secretaries. Digitalisation and changes in the membership have challenged the SPD's organizational structure. The party has experimented with various kinds of events, such as thematic conferences, regional events, and congresses, in an attempt to enhance communication between the members and the party leadership.

The party is regionally structured. The core elements are the 12,500 local branches, which feed into 20 regional bodies. Delegates from the regional level are elected for the federal congress, the party's main body, which elects the leader and the executive board and decides on policy direction.

One of the organizational challenges for the party has been the existence of different power bases. The party leader can rely on the SPD's administrative team at its Willy-Brandt-Haus headquarters, as well as the regular meetings of the executive board. The party's parliamentary group, however, often takes a differing line on policy, particularly when it is chaired by someone other than the party leader. This was the case during the years in opposition from 2009 to 2013, although Andrea Nahles now holds the posts of both party leader and chair of the parliamentary group.

The third power base is made up of the regional branches, especially in those larger Bundesländer where the SPD is or has recently been in government. North Rhine-Westphalia, the biggest region in Germany, was governed until May 2017 by the SPD, and the party gained power in Lower Saxony just two weeks after losing the federal election last autumn. Bringing together these power bases – the party administration, the parliamentary group, and the regions – and conveying a coherent message is a challenge that has eluded many SPD leaders in the past.

3. KEY POLICY IDEAS AND ISSUES

The SPD advocates a broad variety of ideas, ranging from classic welfare state policies to proposals on how to shape the labour market in times of digitalisation and automation (Work 4.0). However, if one takes into account the SPD's manifestos and policy implementation over the past two decades, a few landmarks can be identified.

As mentioned earlier, the welfare state reforms of Hartz IV were a centrepiece of the Social Democratic government's policies at the beginning of the new millennium. They marked a turn away from the traditional German welfare insurance system. Among the key elements were an active labour-market policy, means-testing of benefits, and the merging of the unemployment insurance with social assistance payments, which resulted in reduced overall benefit instalments. These policies were accompanied by the slogan "Fördern und Fordern" (To Support and To Exact).

More recently, the SPD focussed on the introduction of a minimum wage, the adjustment of imbalances in the pension scheme as well as in the labour market, the consolidation of civil rights, e.g. same-sex-marriage, and the promotion of equal opportunities for men and women. The introduction of an obligatory quota for female representation in corporate boards was a particularly significant reform.

During the election campaign of 2017, the SPD made European integration a key part of its platform. The party promised to increase the German contribution to the European budget, and also pledged, rather more vaguely, to promote greater solidarity in Europe – despite SPD politicians having consistently voted in favour of austerity measures for southern European countries since the eurozone crisis in 2010.

The current party leader, Andrea Nahles, has brought a more strategic perspective to the SPD. Ever since her time as the party's general secretary, she has taken part in extensive debates on concepts such as "The Good Society". More recently, during her spell as minister for labour she focused on the looming challenges accompanying automation and digitalisation. She has initiated working groups on Work 4.0 and Digital Capitalism, giving the SPD the scope to adopt a more critical stance on aspects of modern capitalism than it has done for many years previously.

4. ISSUES AND AREAS IN WHICH COLLABORATION BETWEEN COUNTRIES FEELS ESSENTIAL

The SPD faces the same challenges as other social democratic parties in Europe. Therefore, areas of collaboration and dialogue between countries can be identified in several areas.

What is the role of social democracy in the 21st century? The first industrial revolution brought trade unions and labour-oriented parties to the fore. Social democratic parties throughout Europe trace their origins and main ideological pillars back to these periods. The 21st century presents different challenges with a far more liberalised society, the question of sustainability and environmental protections, as well as a globalised economy and labour market that is changing rapidly due to digitalisation and automation. The classic task of social democracy has not been the overthrow of capitalism and introduction of socialism. It has instead been the reformist approach, the taming of capitalism and the sustaining of social cohesion despite the inherent contradictions of the capitalist system. This role needs to be re-evaluated in the new circumstances and should be discussed internationally.

How can we deal with "sins" of the past? Most of the social democratic parties in Europe enthusiastically promoted globalisation, rolling out the red carpet for finance worldwide. These policies of the past are currently being questioned within parties and societies alike and present a burden for the credibility of social democracy and the trust voters have in their representatives. For the SPD, a dialogue on how to deal with its own history in a constructive manner and create a forward-looking perspective may be helpful.

Social democratic parties have heterogenous voter bases. On the one hand, they attempt to appeal to the classic heartlands of social democracy, meaning working class constituencies and districts. On the other hand,

there are a number of young, urban, educated voters who find the agenda of social democracy increasingly attractive. These electoral groups may share a common economic agenda, but they differ on cultural issues, from the legalization of same-sex marriages to immigration. Social democracy needs to find messages that appeal to both of these groups simultaneously.

Last, but not least, election campaigns have become a multi-level contest using membership, traditional media, social media and many other tools. The development of new technological instruments is increasing steadily and is becoming hard to manage, as well as to afford.

Progressive parties need to share their experiences on which of these instruments work best in which situations. Contact between parties, traditionally the preserve of international secretaries and leaders, needs to broaden across party structures to allow for a smooth knowledge transfer, so that parties can navigate the steep learning curves on every level.

THE NETHERLANDS

4. THE NETHERLANDS

By Klara Boonstra and
Wiardi Beckman Stichting

POLITICAL OVERVIEW

Even political scientists with a benevolent view on the Labour Party of the Netherlands agree: the unprecedented defeat in the general election of 2017 had actually been a long time coming. The decrease of the party's traditional electorate is one factor of importance, but the reasons are more complex. The core of the Labour movement itself is at stake, as the party appears less successful in connecting the interests of the different socio-economic classes in society.

Dutch society may, compared to the UK for example, appear as a fairly equal society. However, a division into lower, middle, and upper class would be as valid here as in most other Western countries. The Labour Party, along with the associated trade unions, has always had the purpose to bridge that social divide by being what is called 'a people's party', meaning a party that connects the interests of all classes in society.

Under the banner of the welfare state, after World War Two the different class interests were promoted and looked after by the Labour Party. It was wholly acknowledged that these class interests differed to a great extent. Lower class people voted Labour predominantly for betterment, to improve their lot. People of the middle class wanted good social institutions, like schools and higher education and affordable good housing and transportation, and strong labour legislation. Very interesting was the position of many in the Dutch higher class, who for a long time voted quite progressively. At a first glance that may seem odd, because many of the policies that were developed in the second half of the former century by Labour in coalition governments, were not in the economic interest of the higher class. Examples like progressive taxation, the levelling of incomes, high social security benefits and fiscal transfers could nevertheless count on the support of a significant 'leftist' part of the higher class. The explanation for this was that many of these well-off voters were themselves products of the meritocracy. In their lifetimes or that of their parents or grandparents, they had experienced a rise on the ladder of society, made possible by an emancipatory education system.

Voter research shows that the connections between the classes that define social-democratic politics became undone from the beginning of the 1990s. From that time, all sorts of benefits were reduced or cut, as the social security system was seriously sobered down. Public services like schools, public housing, hospitals and the wider care sector, were all confronted with budget cuts and public efficiency measures. Although their solidarity with less well-off fellow citizens was intact, the dismantling of the welfare state meant that many well-off voters did not see their sentiments of solidarity reflected in politics anymore, and lost the incentive to vote against their own direct interests.

Although maybe to a lesser extent than other countries, the Netherlands was also tainted by neo-liberal thinking such as that of New Public Management. Overall, society shifted to a philosophy of 'everyone for themselves'. Taking the perspective that solidarity across social classes is the foundation of the welfare state, it is clear that its dismantlement led several social democratic parties in Europe, including the Dutch, into an existential crisis.

PARTY NARRATIVE AND STRATEGY

Can all the king's horses and all the king's men put the Labour Party, or even parties, together again? Nostalgia is very tempting, but hardly ever an effective strategy. Still, it is important to research and then to retain the good. A potential asset for the Labour Party is the widely shared opinion that it has historically increased the well-being of society as a whole. The building of the welfare state is acknowledged as a predominantly Labour achievement. The declining support for Labour seems to be caused more by the perceived lack of protection of the welfare state by Labour than by a specific shift in policy.

Dutch Labour is blamed for lacking resistance against, and in some instances even giving support to, the market policies that started in the early nineties, when the party experienced its own version of 'Third Way' politics. During these years, the Labour party was the leading partner in subsequent coalition governments. Many argue, albeit with the benefit of hindsight, that Labour should not have gone along with the 'marketisation of everything' of the neo-liberals in the globalising world, but should have presented an alternative direction.

A proportion of the party's membership seems to be reminiscing about the more glorious days, claiming that all that needs to be done is fall back on the party lines that worked so well in the post-war until the eighties era. However, others in the party stress that the way forward is to change in order to modernise. They point to the decline in the popularity of traditional social-democratic parties across western democracies and claim social-democrats have to reinvent themselves in order to become indispensable for progress again.

Although there is no large dispute on the basic values or philosophy of the movement, as always in any vital political organisation, some division on the appropriate approach is apparent. Notwithstanding this, members generally agree that the party should be as inclusive as possible, through uniting the interests of those it wants to represent. This implies that it needs to tap into new sources, because its rank and file, and even its supporters, do not represent the voters that the party has lost in recent elections – often to populist parties.

The narrative of the 'once in power' party leaders has to be altered to a narrative that requests a new mandate of trust from those who have become disillusioned, both inside and outside the party's rank and file. The tone of voice will need to be less governmental or authoritative, and instead be more supportive and cooperative in finding solutions for pressing problems. A confident attitude will need to be extracted not from being in charge or in the lead, but by reinventing ways by which to address the concerns of the electorate. The recently adopted leading theme of the campaign is: 'Be secure…' after which follows: good work and income, good housing, etc. (see below).

THE ORGANISATIONAL STATE OF PLAY OF THE PARTY – WHAT IS WORKING AND WHAT NEEDS TO CHANGE AND HOW

The acknowledgment that the organisation of the party was too much top-down, along with a sense among members that its leaders, when they were in government, had perhaps lost touch with the base, has led to some joint soul-searching. Changes to the party leadership, through the appointment of a new party chair and a new political leader in parliament, should allow for changes. The new leadership are aiming for a more interconnected party, where ideas and initiatives, plans and programmes (within the aforementioned 'Be secure' campaign) are developed in a bottom-up manner.

Obviously, this cannot be done by declamation, as that would be contrary to the philosophy. Changing a worn-in collective attitude is very difficult, but support for the programme of change is widespread within the party. However, restoring connections between the leadership and the membership in itself will not suffice to regain touch with society at large, because the membership does not necessarily represent the potential voters. The specific interconnectedness between classes, which used to secure the electoral base of the party, will need to be repaired to strengthen the party's voter appeal once more.

KEY POLICY IDEAS AND ISSUES

In the past year, with a view to regaining trust among a population that potentially supports Labour's principles, and also in a sense to heal the party itself, considerable thought has been given to a possible recast of the party. During this process, it became clear that the party's fundamental principles need no review. What does need to change is our perspective on how people, as individuals or as a group, relate to the societal systems in which they take part.

As this may sounds rather abstract, it makes sense to illustrate it with two examples of things that recently went wrong. The first example concerns what is called 'protected work', or work for people who, for either physical or psychological reasons, are unable to continuously deliver regular results. Traditionally, these groups were catered for through sheltered workplaces and other arrangements, run by municipalities. The last government, in

which Dutch Labour participated, decided that the existing arrangements were problematic and went on to overhaul the system, restricting entry into sheltered workplaces, and ordering greater productivity from the publicly-run workplaces that remained. The reasoning was as follows: the old system attracted ever more people, meaning that an increasing number of protected jobs were provided by the public sector, instead of the labour market at large. This development was perceived to be at odds with social-democratic principles, which favour giving people the opportunity to develop themselves through work on the regular labour market. Labour therefore supported the overhaul of protected work. However, as the policy was implemented, it was accompanied by budget cuts, while the economic crisis had made alternative jobs in the regular labour market sparse. All of this resulted in a situation where some sheltered employers had started to use labour practices incompatible with the party's principles. What was intended as a socially responsible policy change, ended up leaving individual vulnerable workers worse off.

The second example is that of student allowances, which were also subject of an overhaul by the 2012-2017 government in which Labour participated. It changed a largely grants-based system into a loans-based system. Several academic studies showed that from a systemic point of view, the latter system would increase social justice through its redistributive character. However, as it was implemented, public opinion turned against the policy, claiming that it would discourage students with less wealthy parents from going to university, as they would be reluctant to take up a loan to pay for their education. This opinion was never fully substantiated by research, and the loans were provided under extremely favourable conditions. Regardless, here again, the image prevailed that the Labour party was somehow responsible for putting the system above the people, for making individuals' interests subordinate to the system.

The Labour Party has to learn from examples like these. Both concern issues are that are key to the movement: protecting vulnerable people, making sure that all children can develop their talents, and ensuring that every policy supports equality. More examples at the heart of the welfare state could be given. However, a focus on these issues creates a dilemma when we have to draw conclusions and determine consequences. Should the Labour Party shy away from change and responsibility on these issues? Should it refrain from participating in coalitions, allowing other majorities to maybe even do far more damage without us? It is clear, and has been confirmed in party circles, that not aiming for political responsibility cannot be the answer to this difficult time in our existence.

People within the party have decided to focus on a core of issues that are key to the Netherlands. Not surprisingly, on this list are work and a fair income, housing, care and cure, education and a sustainable environment. The approach shall no longer predominately target systems or institutions, but will put the position of people first. The aim is to be an ally and to organise

power and counter-power by truly connecting people in movements. Not the party itself is key, but the people whose rights and interests the party defends and promotes. Obviously, Labour is a political party, not a protest movement. The political arena is where it acts. So it will take political responsibility in reconstructing systems and building new institutions. Dutch Labour will enter into alliances with other parties and movements. But it will always judge its own actions by assessing the impact on people first.

ISSUES AND AREAS IN WHICH COLLABORATION BETWEEN COUNTRIES FEELS ESSENTIAL

How to face globalisation, neo-liberal economics with all its damaging consequences like forced privatisation and market fetishism, platform work and robotisation, the decline of collectives and the glorification of the individual, unjustified enrichment by CEOs of companies, and flexibilisation of work? Tax evasion and unsustainable production, migration of refugees or people simply looking to find a better place to live? Sure, the Labour parties and movements in Europe and elsewhere have their different histories, they function in different societies, and may have slightly diverging philosophies here and there. But their goals are the same in all our countries: to reach a fairer, more equal society in which people are able to live freely and lead a safe and good life. That ultimate goal makes them a truly international movement. The 'divide-and-conquer' method of big business and big finance that so many governments do not resist leads to private wealth and public poverty. Labour parties should never allow the argument to be aired, that public spending is costing the country because it is creating a competitive disadvantage. Social democracy needs to cherish its achievements in founding and developing welfare states together. It is up to social democrats to demand good public services that have to be paid by a sound tax system. Labour parties need international agreements to guarantee that countries are protected against overly strong market forces. They need to learn from our policies by exchanging information about them. They need to be represented in international organisations and other forms of cooperation. They need to stand together wherever possible.

CANADA

5. CANADA

By Raoul Gebert

POLITICAL LANDSCAPE

In 2011, for the first time in its history, the New Democratic Party (NDP) became the second-largest party in Canada's House of Commons. It then suffered a humiliating defeat in the 2015 elections, losing its status as the official opposition and falling to third place with just 44 of 338 available seats. At the following party convention, delegates showed the door to NDP Leader Thomas Mulcair in a no-confidence vote.

After a lengthy leadership race, in which all party members could vote, the NDP chose its new leader in October 2017: Jagmeet Singh, a provincial politician from Ontario. He is the first non-white to head one of Canada's three major parties. Singh beat three federal MPs with 54 percent of the members' votes. The candidates differed little in their ideology, campaigning on issues including the energy sector, social welfare and electoral reform.

38-year-old Singh is a criminal lawyer with a stellar ascent in Ontario provincial politics, first elected to the legislature there in 2011 from a riding in suburban Brampton. Many Canadians see in Singh – a Sikh with a penchant for snappy suits and striking turbans – a chic, left-wing counterpart to centrist Justin Trudeau. But Singh's selection comes with risks. He does not have a seat in the federal parliament, so he'll be campaigning from the sidelines until 2019. As things stand, the NDP is unlikely to seriously dent Trudeau's popularity in the 2019 elections. Polls show support for the party at around 15 to 20 percent. Canada's first-past-the-post voting arrangements mean that the party stands to lose more seats if votes are spread thinly across several regions.

A heated debate over multiculturalism and religious symbols in the French-speaking province of Quebec threatens to derail the party's chances in that province. The NDP is currently the second-largest party there, with 16 MPs. But Singh's own Sikh faith, expressed in his choice of attire, is unlikely to convince sceptics there that he is willing to uphold the divide between politics and religious values. Equally, the appointment of the relatively unknown Andrew Scheer as head of the Conservative Party could prove tricky for the NDP. Scheer's ultra-conservative stance on social and fiscal issues is unlikely to win him votes from Trudeau's progressive heartlands of Greater Toronto and Quebec. That frees up the Liberals to focus their efforts on repelling an attack from the left.

However, "sunny ways" Justin Trudeau has recently hit a speed bump himself, now lagging in the national polls and at risk of losing two Liberal provincial governments (Ontario and Quebec) in 2018. This might reshuffle electoral fortunes sufficiently to give the NDP a fighting chance in 2019.

THE NDP'S NARRATIVE

Like most others, Canada's political system is increasingly leader-centred, and strong party brands are the exception rather than the rule. The NDPs current narrative is thus largely indistinguishable from that of its leader. Singh's immigrant background, and the discrimination he experienced growing up, pushed him into politics. He was bullied at school due to his race, and searched by police officers in Brampton on the flimsiest of grounds. He says he wants to use his new position to stand up for the rights of minorities.

The party is hoping Singh will tap into a pool of voters that the Liberals had so far reserved for themselves: the multicultural suburbs of Toronto, whose metropolitan area counts almost six million residents. Singh's relative youth – he is 25 years Mulcair's junior – could also help attract younger voters to the party. Overall, the NDP has embarked on bolder, louder messaging ("the time for timid is over") in order to recapture the hearts and minds of progressives and to mobilize a new cohort of younger, more diverse party activists.

Singh's weakness of being shut out of parliament is meanwhile being turned into a virtue. By crisscrossing the country rather than staying in Ottawa, Singh follows a long-haul party-building strategy once famously employed by late party leader Jack Layton in the run-up to the 2011 election success. One difference is that Layton had the luxury of four electoral cycles to apply his approach. It remains to be seen if NDP members provide Singh with as much patience, should he fail to rebuild the party by 2019.

Canada's cities offer another glimmer of hope for Canada's social democrats: centre-left candidates have made gains in Vancouver, Edmonton and Montreal. Rather than standing under the NDP banner, candidates form groupings with politicians from other progressive parties such as the Greens and the Liberals. This "post-partisan" approach might help the national-level NDP develop strategies to reach out to new types of voters, easily turned off by old-school campaigning and party establishments of all stripes.

The NDP's party brand reflects a red-green alliance of urban progressives and more traditional labour advocates. For a resource-rich country like Canada, such a bridge is not always easy to build. The current spat between two NDP-led provincial governments (Alberta and BC) is exemplary of the strategic pitfalls. For now, Singh and the federal NDP seem aligned with the greener, anti-development forces, but a key re-election campaign of the Alberta NDP immediately precedes the federal election 2019.

PARTY ORGANISATION, FINANCE AND CAMPAIGNING

While the party made enormous strides between 2004 and 2015 in professionalising its headquarters, and in building organisational capacity, it remains deeply indebted from the last election campaign in 2015. As of early 2018, the external debt amounted to $3 million, with further

significant amounts being owed by the central party to its local constituency organisations.

As one of the parting gifts of the ten-year Conservative reign, public financing of political parties was abolished in 2015. The Liberal government has so far not endeavoured one bit to reinstate something similar. With only $4.9 million raised in 2017, fundraising numbers for the NDP are lagging far behind Liberals ($14.1 million) and Conservatives ($18.9 million). Canada outlawed corporate and union donations in 2003, when it created the now defunct public, vote-based subsidy for political parties. Thus, New Democrats now find themselves in the worst of both worlds, with neither public subsidies nor financial support from its allies in labour.

Hence, it is doubtful that the NDP will be able to match the other two main parties in reaching the full federal spending limit of around $25 million (with another $25 million spent by local constituency organisations) and will have to seek ways to run both air and ground operations on a tight budget.

Digital organizing has been a success story. The creation of a digital department helped the NDP hauling in record numbers of donations in 2014-15, when it was the official opposition, looking to form the first ever NDP government. This still represents a cost-effective tool for fundraising, just that much of the donor appeal has now vaned.

Data-driven outreach and party organizing, a hybrid of parliamentary outreach done by individual MPs and partisan organising done by organisers, still delivers strong intelligence on movable voter groups and mobilizing core electors. With a voter participation of roughly 60%, Canadian elections do rely on much of the same GOTV techniques as American politics.

Regional branding and messaging, crafted to cater to the strong sensibilities in various parts of a very vast and diverse country, are a hallmark of NDP campaigns. Especially considering Singh's limited appeal to some regions, it can be expected that the party will deploy an elaborate research and targeting programme, carefully mixing leader-centred messages with a renewed core party brand and distinct elements rooted in regional identity, reinforcing regionally-based organizational strengths.

POLICIES IDEAS AND PROPOSALS

Blame for the 2015 defeat has been laid at the door of the platform, which supposedly allowed the centrist Liberals under Trudeau to outflank the NDP on the left. While this is not borne out by the actual platform commitments, and even less so by the actions of the current Liberal government, the conundrum remains: how could the NDP let its hegemony on social issues slip away?

For one, social democratic policy proposals need to be formulated in a more poignant, much bolder fashion because many hallmarks of social democratic policy (daycare, pharmacare, home care) have long been paid lip service to, watered down, and then partially implemented by Liberal governments on all levels. New Democrats have often been belittled as "Liberals in a hurry", but in the long run, hegemony over social policy can only be regained by proposing novelty ideas.

One such opportunity not yet looked at by the Liberals is the concept of a guaranteed minimum income (GMI). While there are many versions thereof, and pitfalls include succumbing to a "big government, big-spending" label, the GMI – in its simplicity and with its basic messaging around "economic security" – might go a long way to reconciling the urban job hoppers of tomorrow with the more traditional blue-collar working class.

Another progressive initiative has been to occupy an "urban agenda" calling for major investments in infrastructure, efficient transport and clean energy. This is an overt pitch to urban progressives but can also be adapted to aging industrial communities. Also, despite of its $100 billion price tag, the Liberal government has not been able to deliver many of its pledges in relation to the infrastructure programme, much less in a concerted, future-oriented fashion.

A coherent approach to the economy and international trade remains one of the biggest pitfalls for the NDP. The country urgently needs diversification of its economic activities, domestic and abroad, but the shaping of an economic narrative remains within Liberal and Conservative hands. A social democratic vision of sustainable economic development and fair, open trade relations has suffered repeated setbacks at the hand of the anti-development forces and continues to be marginal in the NDP.

As referenced above, the political landscape is divided along the Québec-Ontario border, when it comes to the accommodation of religious minorities and an unfettered application of the Canadian multiculturalism model. This major pitfall for the NDP is reflected in many policy areas, from decentralisation of immigration rules to culture and language policy, to well-worn questions around the national identity of Québec and its right to self-determination. In 2011, New Democrats managed to offer a third way between the "two solitudes" but have pained ever since to maintain this advantage.

HOW TO SEDUCE THE URBAN, SOCIAL-LIBERAL LEFT

One of the most obvious common struggles for aging social democratic parties is how to engage the progressive, often green-ish urban left, for which many political parties (LibDems and Greens in the UK; Liberals, Greens and Bloc Québécois in Canada; Grüne in Germany, En Marche in France) are making a pitch. What issues (infrastructure? labour market access for millennials? recreational drugs?) can win this contest, while at the same time reinforcing a social democratic narrative

HOW TO DIVERSIFY AND REJUVENATE

A related problem is how to make that larger social democratic narrative seemingly taken for granted by past generations of voters relevant to new voter segments, especially the diverse groups of immigrants and younger voters. How can they be mobilised to flock to the polls (like the Obama campaign in 2008 managed to do)? How does one rebuild trust in democratic institutions without having to bear the burden of defending their failures of the past? How did social democrats let the right-wing parties escape from that responsibility and continue to be the bearer of bad news (for Europe, for free trade, for the UN, etc.)?

HOW NOT TO LOSE THE AGING, WHITE WORKING-CLASS VOTE

While developing new voter basins, we need to learn from mistakes in some countries how to not completely abandon our previous core electorate. Many new parties, both on the populist left and right, are having a field day with our former core constituencies, posing a real electoral threat, especially in the context of needing strong regional beachheads within a first-past-the-post electoral system.

Here Canada might provide some clues. While losing the 2015 election overall, and especially the urban left, younger and diverse voter groups, the federal NDP did manage to hold and grow its support in traditional strongholds like "rust belt" SW-Ontario, semi-urban Saskatchewan and Vancouver Island - three regions that could not be more different from one another. Anti-conservative tactical voter behaviour seems to be one part of the answer, but regional platforms and branding must also be analyzed to understand this outcome.

HOW TO BUILD ADAPTABLE, DIGITAL OUTREACH TOOLS THAT DON'T BREAK THE BANK

Finally, social democratic parties in Europe, Britain and Canada can and should learn from another how to update their tactical arsenal of electoral outreach and fundraising tools on a small budget. Being dwarfed by the electoral budgets of its Southern neighbour, Canadian politics is actually an interesting testing ground for American-style, big-data campaigns on a shoestring budget.

IRELAND

6. IRELAND

By Robin Wilson

POLITICAL OVERVIEW

The Labour Party is the oldest political party in Ireland, passing its centenary in 2012. Yet it spent just over a fifth of that century in government (McCullagh, 2012: 107) and currently has only seven members out of 158 in Dáil Eireann (the lower house of the Irish parliament). Described as "a slightly odd creature", it was an outlier in post-war Western Europe where "social democracy was an immensely influential ideology and social democratic parties were amongst the most significant political actors" (Holmes, 2009: 527).

Its counterpart in Northern Ireland, the Social Democratic and Labour Party (SDLP), is of more recent vintage, dating from 1970. The party was excluded from government, except for five months in 1974, until December 1999, when the cross-sectarian coalition envisaged by the Belfast agreement of 1998 was finally established (Wilson, 2010). Suspended on a number of occasions since, the post-agreement political institutions collapsed – possibly terminally, given the polarising impact of 'Brexit' within the region – in February 2017. At Westminster, the SDLP's three seats of 18 allocated to Northern Ireland were wiped out in the June 2017 election.

The Irish Labour Party and the SDLP have both suffered from path-dependent trajectories of long duration, which have condemned them to relative marginality over the decades, with no imminent sign of recovery. Labour's greatest ever electoral success, in 2011, still left it with fewer than a quarter of Dáil seats. Irish historians usually only consider this in the national context, yet it cannot be understood outside a broader European perspective.

In their insightful analysis of the emergence of the welfare state in western Europe, Manow and von Kersbergen (2009) explain how universal welfare states in the Nordic countries – the signal victory of twentieth-century social democracy in Europe – were achieved by social democrats in alliance with agrarian parties, whereas the religious cleavage in continental Europe, associated with significant Christian-democrat parties, led to the more modest, social-insurance-based alternative. Ireland was not only a prisoner of the most intense religious cleavage in western Europe but was also influenced by the minimalist, means-tested welfare system which emerged in Britain, where the non-proportionate electoral system ensured social democracy was mostly excluded from government.

The 1918 Westminster election tripled the Irish electorate, including through giving (some) women the vote. The leader of the by-then principal Catholic party, Sinn Féin (SF), insisted that 'Labour must wait', and it duly abstained from participation then and in the 1921 election, while the Protestant Unionist Party romped home in what became Northern Ireland when the island was divided along sectarian lines in 1920-22 (Garvin, 2005 [1981]: 131-2). In the autonomous, and eventually independent, 26 counties, Labour became restricted to episodic participation in government as junior coalition partner with one or other of the parties into which SF divided during the 1922-3 civil war – with acceptance of, or opposition to, coalition a source of fracture within the party (Kennedy et al, 2006: 795), especially in the 1970s and 80s (Purséil, 2012: 76-9). In the six counties, the Unionist Party held a monopoly of power until 1972, having abolished proportional representation and being only briefly challenged in Belfast in the early 1960s by the predominantly-Protestant Northern Ireland Labour Party.

NARRATIVE AND STRATEGY

In that context, social democracy on the island of Ireland has lacked a proud historical record on which to build and to sustain it through difficult times. Indeed, any positive political assertion by the Irish Labour Party was vulnerable to attacks of 'godless communism' from the Catholic authorities, stymying a left turn in the 1930s (Ferriter, 2012). The most influential period for the party was when it developed a narrative of liberal reformism associated with the election of its candidate, Mary Robinson, as president (a titular position) in 1990, on a "liberal agenda" of a more secular, inclusive society characterised by greater gender equality (Bacik, 2012: 183; McDaid and Rekawek, 2010: 632-3).

Similarly, the SDLP's finest moments were as an advocate of 'civil rights' and 'power-sharing', as flourished briefly in 1974 and manifested in the 1998 agreement. But from the early 1970s it was on a path-dependent track towards 'maximalist nationalism' (McGrattan, 2009), leading ultimately towards the embrace of the residue of SF, initially in secret talks, at the expense of potential wider solidarities. The latter party – with a ruthless, 'democratic centralist' methodology – gobbled up over time the SDLP's electoral base.

What neither party has ever sought to do is to set out a clear strategy with the potential, first of all, to challenge the social conservatism historically embedded in such a traditionally religious society, north and south of the border – the churches still control schooling, for example, and access to abortion is highly restrictive; secondly, to move Irish society on to a more egalitarian plane, with a high investment in public goods and universal services on the Nordic social model, of which the former leader of the Irish Congress of Trade Unions, David Begg, was an enthusiast.

Thus, the Labour Party has failed to distinguish itself from the beggar-thy-neighbour nationalism of Ireland's low corporation tax and in the 2007 election its leader campaigned (unsuccessfully) on a populist ticket of lowering the basic rate of income tax. The SDLP, meanwhile, has taken for granted the communalist politics of Northern Ireland, 'designating' itself as 'nationalist' (in effect, Catholic) in the region's assembly when in being, rather than the 'other' category adopted by the liberal Alliance and the Green Party.

ORGANISATIONAL STATE OF PLAY

The crisis of social democracy across Europe has been a particularly intense manifestation of the wider 'hollowing out' of parties, as their role of social representation has atrophied (Mair, 2006), given social democracy classically sought to give voice to the classes populaires. The Labour Party in Ireland follow the British, 'labourist' model, emerging from the trade unions in 1912. Its initial name was the Irish Trade Union Congress and Labour Party and indeed until 1930 it did not allow individual membership (Purséil, 2012: 69). In fact until the 1960s it was principally an agrarian-based party, and hence comprised a "loose structure of party fiefdoms organised by and centred on rural TDs [Dáil members]" (McDaid and Rekawek, 2010: 634). Disaffiliations since the 1950s have left mainly private-sector general unions affiliated to the party. The SDLP did pick up earlier Labour fragments but it shed its Belfast 'Labour' wing in the 1970s in favour of a more narrowly communalist approach (Campbell, 2013).

This has left both parties today as electoral vehicles, rather than parties of mass membership. Access to Labour's membership database based on those eligible to vote in the 2002 party leadership election indicated a membership of under 3,600 (Kennedy et al, 2006: 795); 2,720 members voted in the party leadership election of 2014 (Rafter, 2016: 439). North and south, they have been outflanked by the populist zeal of SF in activist recruitment.

POLICY IDEAS AND ISSUES

There have been significant international trends whose impact on Ireland, were they to be absorbed, could lead to a renewal of social democracy north and south, were there to be adequate engagement with sister parties across Europe. These trends, of globalisation, individualisation and so 'cosmopolitanisation' (Wilson, 2018) have had dramatic impacts, particularly in the rapid modernisation of the republic since the election of Robinson, including the vertiginous growth of a high-technology economy in the 'Celtic Tiger' years and the collapse of authority of the Catholic Church through its association with various historical scandals of unaccountable institutional abuse.

These have allowed for a social democracy of the twenty-first century to emerge, as elsewhere, based on an alliance of the working and professional-middle classes, prominent female engagement and an appeal to idealistic youth and members of minority communities. So, for instance, a 2009 survey found that 91 per cent of respondents in the republic agreed that 'government should take active steps to reduce the gap between high and low earners' (TASC, 2010). The gelling narrative for such a politics is 'the good society', the theme which has been fruitfully explored over the last decade in a European-wide discussion of the future of social democracy in a series of round tables supported by the Friedrich-Ebert-Stiftung (Meyer and Rutherford, 2012).

As indicated in the introduction to this paper, however, that project is a long way from succeeding. Worse, a radical-right populist party (the Democratic Unionist Party) and another on its fringes (SF) (Mudde, 2007: 52-5) now dominate the dysfunctional politics of Northern Ireland, mired in sectarian polarisation, while SF has successfully represented itself as the principal alternative to the two principal governing parties in the republic.

AREAS FOR COLLABORATION

In part this inertia has carried forward because of the failure of social democrats in Ireland to engage in adequate intellectual reflection on their deficits in a broader European context, although membership of the EU from 1973 led to what one leading Europhile in the party, Barry Desmond, described as an opening up of "the isolated political culture and organisation of Labour to the policies of the social democratic parties of Europe" (Collins, 2012: 159). Adoption of the narrative of the 'third way' associated with Britain's Labour leader Tony Blair later followed (Suiter, 2012).

A hopeful moment was the launch of left-leaning think tanks, in 1995 in the north (Democratic Dialogue[3]) and in 2001 in the south (TASC). These could have provided the vehicle for progressive intellectual renewal. But Democratic Dialogue found very little traction in Northern Ireland's toxic political environment, outside of the Greens, the short-lived Women's Coalition and the non-sectarian Alliance. And TASC in retrospect pursued a somewhat economistic agenda in its early years – when the priority of social democracy is always to ensure the social prevails over the economic – although it has flirted with the Nordic social model and David Begg was for a time its director.

The enduring values of social democracy – currently facing major political headwinds across Europe with the advance of the populists (Wilson, 2018) – are liberty, equality and solidarity, as Ania Skrzypek (2011: 57) of the Foundation for European Progressive Studies, the think tank linked the Party of European Socialists, has argued. Social democracy in Ireland needs to find ways to give those values national and local inflections if it is to break out of its narrow confines. TASC has developed a useful relationship with FEPS and such involvement in wider debates in Europe, particularly in the arena of social policy, is key to any break with the well-trodden path of the past.

Specifically, of course, Brexit is a current focus, which brings the whole democratic political family in Europe, outside of the far right, together with Irish concerns, north and south of the border, including those of social democrats. At Westminster it still goes unrecogised that none of the Brexit proposals from the major parties is compatible with the invisible Irish border the EU demands.

[3] I was its founding director from 1995 until its closure in 2006.

Social democrats in Ireland thus need the support of their counterparts across Europe to stand firm against Brexit, or at least any that is more than what the British left-wing economist Simon Wren-Lewis calls 'BINO' – Brexit in name only. The cause of reconciliation in Ireland, a cause with which Europe has been identified since the 'Peace' programme, demands it.

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DENMARK

7. DENMARK

By Nicolai Wammen

At the turn of the millennium, progressive parties led governments in two-thirds of the European Union. But the financial crisis became the catalyst of a severe electoral and political crises for progressive parties, turning the too many of the centre left parties in Europe to mere shadows of their former glory. The electoral fall has been swift. Currently, only a handful of European countries are lead by progressive governments. And in far too many elections, progressive parties are reduced to fractions of their former size.

However, the lessons from Denmark show that while the people may have turned their back on the progressive parties, they have not turned their back on social democratic values and ideas. Having the will to set aside previous thinking and confront the difficult and uncomfortable questions of our time have meant that the Social Democratic Party is once again the biggest party in Denmark. And that after a steady decline in members since the Second World War, membership is now in the rise for three years in a row.

The key has been the realisation that old truths must be challenged if social democrats are to answer the questions raised by the troubles and worries of ordinary people. That political correctness and previous thinking must not stand in the way of new solutions. That for a lot of challenges, international cooperation is a big part of the solution, but that social democrats are happy to go forward alone if the rest of the international community has not yet come to the same conclusions.

THE CASE IN DENMARK

It was John F. Kennedy that said that a rising tide lifts all boats. However, in recent years in much of the western world, only the bigger boats have been lifted by the tide. The privileged have enjoyed ever-increasing wealth, while many ordinary people have a growing insecurity following a financial crisis, an influx of immigrants, and the realisation that the benefits of globalisation are often easily overlooked outside the urban centres of growth.

In Denmark, these trends have not taken hold with the force of that seen in the United States and Great Britain. Danes tend to attribute this to the Danish welfare state. An effective market economy, combined with security for workers and free and equal access to education and healthcare. However, this social contract is under pressure. The number of people losing faith that their children will have a better life is on the rise. Just like in many other countries this has given rise to parties promoting easy fixes to complex problems.

For the past decade in Denmark, we have seen many Social Democratic voters turn towards the Danish People's Party – most evidently in the parliamentary election of 2015, where Denmark became divided into red, blue, and yellow.

Very broadly speaking, we saw the cities voted for the left. We saw the countryside belonged to the right. But the areas disconnected from the prosperity, which the rest of the country had witnessed, voted for the Danish People's Party marked by the yellow colour. More than one in five Danes voted for the party, giving it the best result in an election ever and making it the second largest in parliament. The election also meant a return of the liberal-conservative government supported by the Danish People's Party.

However, the election of 2015 also marked a turning point in Danish politics. Since the election a change in policy and attitudes of corporation on both sides of the usual divide in parliament has lead to a break-up of the traditional alliances in Danish politics. The result has been a return of long-lost social democratic voters.

WELFARE FIRST

As Denmark has regained its strength after the financial crisis, differences have emerged. A growing regional and economic inequality. Unskilled workers see their jobs disappear, while foreigner workers arrive to put wages and working conditions under pressure. People with jobs in rural areas cannot get approved for a mortgage for a house, the urban population are struggling to afford housing at all.

And while our current government seem to conjure up endless schemes to lower taxes for the wealthiest, people experience a welfare system running on the fumes. Where the elderly cannot get proper care. Where the hospitals are overcrowded. Where the kindergarten teacher barely has time to comfort a child that fell and scraped its knee. This should not be the case. Denmark is too small for big differences. We needed to bridge the divides and bring Denmark back together. That is why the Social Democrats are building their platform on the basic message of welfare first.

To regain the trust of the voters the Social Democratic Party needed to be better listeners. Too many ordinary people in the parts of Denmark where growth has been limited and production jobs have been lost have previously felt that the Social Democrats did not take their worries seriously. The Party realised that it needed to speak up for the people in the rural parts of the country that saw the rest of the country growing and felt left behind due centralisation reforms in Denmark and the effects of globalisation.

Moreover, the Social Democrats needed to confront the uncomfortable truth, namely that the integration of foreigners in the Danish society for the past few decades has been a failure. In a welfare society where the state provides a long range of services without cost, it is simply not sustainable to close one's eyes to the real problems of immigration. Likewise the Party has to face the growing challenges presented by people in our society that to not share the same values, such as free speech, gender equality, LGBTI rights and democratic participation.

It is uncomfortable for some people who associate themselves with the left to say that it needs to regain control of the country's borders. That the Social Democratic Party cannot keep up with immigration. That Denmark, together with the rest of the EU, needs to stop the flow from Africa and the Middle East. That social democracy needed a different approach. But it is the truth.

Luckily, the Party's strong position on immigration issues came at the same time as a shift in the Danish People's Party economic policy. This means that new possibilities of corporation have opened up. Where previously the Social Democrats were on either side of an argument, now they increasingly find themselves aligned against the liberal-conservative government. This, despite the fact that the Danish People's Party still supports the three-party liberal-conservative minority government. For instance, the two parties have together stopped the government from making big tax cuts for the wealthiest paid for by cuts in the Danish welfare state. And the Social Democrats have stopped the plans of an increase in retirement age.

This is a huge shift in the usual two-block mentality of Danish politics. Again and again, the Social Democrats have worked with Danish People's Party to stop the government's bad proposals or to point them in a better direction.

ORGANISATIONAL STATE OF PLAY

Since the end of the Second World War membership numbers in the Social Democratic Party has been in decline. But since the party introduced trial memberships and involved the grassroots in developing a new party programme, total membership has been on the rise for three years running.

The new party programme is the fifth in the party's 147-year history and sets the broader principles and working goals of the party. This has invigorated the grassroots and helped the party focus on the topics that matter the most to our members. For instance, there was was a big desire for a comprehensive green policy initiative. So the party made one. Probably the biggest ever made in Denmark, again rethinking all connected policy areas, encompassing both climate change, research and jobs, energy policies and environmental issues.

The Social Democrats also probably could not have made the big changes in their immigration policies without the process. This has meant that the members have been aligned with the new course of the party to a much greater extent than otherwise expected.

TWO KEY POLICY-COMPONENTS: IMMIGRATION AND THE GREEN CONVERSION

For a decade the immigration debate has been entrenched between those, who do not want to see fundamental changes to their local communities and those, who want to throw open the doors and welcome as many as possible. The Social Democrats' conclusion was that neither part had the right answer. And that the policies on immigration and integration for the last 30 years have been a failure. Instead of trying to fix symptoms, the party wanted to rethink the entire approach.

Thus, it has proposed a shift in the Danish policy of immigration. First, it suggested a Marshall-plan with the purpose of overcoming the problems in notably Africa, which leads to migration. Secondly, it wants to abolish spontaneous asylum seeking at the border in favour of reception centres in the vicinity of the areas of conflict. Anyone showing up at the Danish borders will be taken here. That way Denmark takes away the incentive to risk drowning in overcrowded boats in the Mediterranean.

Thirdly the Social Democratic Party wants to regain the control of the number of refugees the country can welcome. This will be based on estimations from the Danish municipalities on how many they can handle, to make sure that Denmark does not again get a generation of un-integrated foreigners living on welfare benefits in parallel societies.

A second major policy initiative is on energy, climate change and environment. Once again the party set out to rethink the entire subject. Denmark needs to reclaim the position as the leading developer of green solutions and technology. That is why the Danish Social Democrats set ambitious goals in renewable energy, emission reductions and energy saving schemes are needed to drive innovation in the Danish companies. The party also wants to set up a global foundation to fund research in new green technologies for the future and build three new major windmill farms. In terms of the environment, Denmark needs a land reform to make sure we have bigger, connected wild areas in the country. Denmark need less air pollution and cleaner water.

Thus by combining the four policy-areas of welfare first, fighting inequality, a realistic immigration policy, and an ambition of returning Denmark to a major green power once again, the Social Democratic Party in Denmark has reinforced its core values. It is all about looking out for the everyday working people and protecting and developing the welfare state while looking out for our planet.

A FUTURE FOR SOCIAL DEMOCRACY IN EUROPE

People expect answers, social democratic answers. A future for social democracy in Europe must revolve around solving the problems concerning immigration, climate changes, and implement a European pact of solidarity. Most pressing is the question of immigration. Social Democrats need to gain control over our borders once again. Europe cannot fulfil the hopes and dreams of everyone and as long as there is no control of Europe's frontier, countries will maintain their border control.

Secondly, with Donald Trump's decision to pull America out of the Paris agreement on climate change, Europe must lead the way for more sustainable future with cleaner energy. The Social Democratic Party in Denmark wants EU countries to be at the front of the green conversion. Social Democrats must take the lead in driving the world towards a greener future.

Finally, the Danish Social Democrats advocate a European pact of solidarity. In a globalised world, EU is a unique possibility of securing workers' rights to avoid social dumping. And to fight against tax havens and global tax avoidance. In other words, we will – and we must – make Europe progressive once again.

FRANCE

8. FRANCE

By Régis Passerieux
(translated by Adrian Pabst)

A BRIEF HISTORY OF (THE ABSENCE OF) SOCIAL DEMOCRACY IN FRANCE

Social-democracy has never really existed in France. To the extent that it has been defined as the organisation of a political party seeking to apply a model of social justice and the protection of the weakest by relying on parliamentary democracy with a social and trade union movement which prepares society and the popular forces to be the actors, social-democracy in this sense has never taken shape in France.

In fact, very quickly after the First World War, it was 'radicalism' (in the French meaning), or at least the mutualist centre-left wing of 'radicalism', that dominated as the representation of the new industrial classes. After its demise, with the collapse of the Third Republic in 1940, the Socialist Party very quickly took the form of a renewed expression of this traditional radicalism. In a way, François Hollande, by his very personality, is the perfect achievement, the pure model of this. There are only two historical exceptions of the Socialist Party (Parti socialiste or PS) to this continuity. On the one hand, the Popular Front, which is some manner the initial moment when the Section Française de l'Internationale Ouvrière (SFIO – the French section of the Workers' International) is still the heir, a few years after the congress of Tours, of the workers' movement and relies on a real popular base.

On the other hand, the period that goes from the conquest of the Socialist Party by François Mitterrand in 1971 to the 'pause', the change in economic policy towards austerity decided in 1983 under the pressure of an 'external constraint' (the policy of the Franc fort to keep pace with the European Exchange Rate Mechanism). Although the absence of strong ties with workers and trade unions does not really make it possible to speak of social democracy in the strict sense of the term, there was however the will to seek a social-democratic settlement and to translate it into political action during these two periods.

Since then, the French Socialist Party – under the pressure of globalisation but also out of a desire for coexistence with the economic and institutional forces structuring the country – has accepted its transformation into a 'radical progressive party' that it had begun during the Fourth Republic. In a sense, we can say that the Socialist Party is in an implicit way the heir of the social wing of the Radical Party, the 'solidarism' of Leon Bourgeois. Meanwhile, the French centre-right is the heir of the Radical Party's wing that was always more concerned with the more affluent classes. Therefore, to find its identity, the Socialist Party had to change its outlook, having neither the courage

nor the support to forge a new economic and social model consistent with the ideals of the National Council of Resistance. It first found it in the idea of accelerated European integration, claiming that the European project was a protection against globalisation and then – when it needed a national project faced with the limits of this transfer of power – the PS found it in a societal project which changed progressivism into a promotion of unlimited individual rights.

THE EXISTENTIAL CRISIS OF THE FRENCH SOCIALIST PARTY

As a result, the French Socialist Party has been caught several times in an impasse: faced with mass unemployment and inequalities that follow from globalisation and market competition, the Party accepted a growing precariousness of French society that it only compensated for by puncturing the middle classes in order to redistribute social benefits to those classes 'left behind'. All this time, the PS failed to question the foundations of the capitalist system without barrier or border since the fall of the USSR and the triumph of monetarism promoted by the Anglo-Saxon powers. Since then the Party has logically retreated into the major metropolitan urban centres anchored in the processes of globalisation and the upper social classes. This has meant abandoning the fragile, precarious territories of the small cities and towns, as well as the suburban and rural communities that voted No in the referendums on the Treaty of Maastricht in 1992 and the Constitutional Treaty in 2005.

From this point of view, the acceptance of the Treaty of Amsterdam by the new socialist Prime Minister Lionel Jospin just after coming to power in June 1997 – when he had in his election manifesto committed himself and his Party to introducing criteria of social and political convergence in parallel with the criteria of economic and budgetary convergence – marks the definitive abandonment of an ability to analyse the failure of 1993 (when the PS was routed in the parliamentary elections) and the failure to develop a critical positioning vis-à-vis the European project.

The opposition to Tony Blair within the Socialist International and the Party of European Socialists in the European Parliament is merely a pretext for the lack of clear political line in Jospin's government: Blair's commitment to capitalism was such a caricature that it enabled the PS to look like it was to the left of the Labour Party while in reality being just as compliant and complicit with the dominant system. Since then the Socialist Party has had only one strategy: returning to power as the only party that can offer an alternative and to do so mechanically whenever the right is exhausted (as in 2012) and to establish a form of local power that is based on clientelism and support from the professional classes.

NARRATIVE AND REALITY

The narrative of the French Socialist Party then becomes that of a modern party, composed of competent and experienced leaders, turned towards the future, efficient, enlightened and providing new rights: a party of modernism. Sociologically, behind this façade, it becomes the party that allows the social progress of a whole layer of professionals of politics, without real values, without any vision of society – 'young wolves' recruited by local party associations to whom the status of the PS as an institutional party guarantees a clear career progression. The absence of a social-democratic tradition linking the party to industrial trade unions contributed more than elsewhere in Europe to transforming it into a party without roots, and prepared the ground, after brief recoveries, for the eventual defeats.

Beginning under the leadership of François Hollande, the professionalisation and lack of internal reflection within the Socialist Party has led to make it a party composed of a sum of electoral ambitions, presidential at the top and municipal at the bottom. Today the PS is totally devoid of any values and its leaders are culturally and genetically incapable of transmitting vision or experience and without any intellectual thinking. As the Dorian Gray of French politics, the Socialist Party is today in France fully identified by public opinion for what it is truly in reality: a substitute of the pre-war Radical Party. It is a party of opportunism that is cynical while being clothed in the garb of good intentions.

With the illusion no longer working, it was normal that – as the Socialist Party headed for an foretold collapse in the 2017 elections – the most ambitious among the 'professionals' who compose the PS would support a candidate who had fully embraced a modern liberal-libertarian model: Emmanuel Macron. No turning back appears possible in a reasonable way because no source of renewal, no link with organisations that are connected with workers, employees or the social movements which are powerful on the ground offer any possibility of revival. The Socialist Party is now condemned to live that which the party it inherited once lived – the Radical Party: accommodate the few remaining voters and stagnate at between 4% and 7% of an electorate which is now reduced to those who are faithful out of nostalgia and those in live in some France's major metropolitan areas.

KEY QUESTIONS FOR FRENCH POLITICS, INCLUDING THE DEMOCRATIC LEFT

Now a number of key questions and ideas are no longer represented in French society by any political party: the choice of a break with financial capitalism; the defence of disadvantaged social classes and areas; the defence of the value of work as a value of integration and progress; the defence of neighbourhood solidarity; the preservation, renovation, and modernisation of a mutualist economy and co-determination in the management of social security; encouraging social dialogue through an engagement between employers and trade unions; the creation of an economic and social model which gives a share to all in the common work of value creation. All these needs are pre-empted by protest parties that turn into an anaemic and infertile revolutionary utopia all those popular expectations that should be very concretely addressed and met by a social-democratic party with a moral compass: such a compass means that when politics deny the real, the bill is always paid by the most fragile parts of the population.

The current EU Commissioner in charge of the economy Pierre Mosovici who was finance minister under President Holland is emblematic of what the PS has been in the last 20 years. The most recent social-democratic Chancellor of Germany became a businessperson employed by Gazprom. The last president of the Socialist International, before it collapsed, represented in public opinion, as prime minister, the submission of his country, Greece, to the manipulations of international finance. The last great effective leaders of the most emblematic institutions of the new world order – NATO, the IMF, and the WTO – were great personalities of socialism, including two Frenchmen (Pascal Lamy and Dominic Strauss-Kahn). So how can we imagine an effective collaboration that makes sense between social- democratic parties in Europe and even more so in the world in a realistic way? Public opinion cannot be fooled: it has analysed and understood what has happened and it is not prepared to embrace a new internationalism that has no genuine foundation in the lived experience of people's everyday life.

It is therefore necessary – for those who want to defend society and build an intelligent and sustainable alliance between the abandoned working classes and weak middle classes – to go beyond words and to recreate a political method and a political project, which encompasses the social and democracy but by getting rid of the now-worn label 'social-democracy'. It is clear, especially in Europe (which has a special role to play in inventing and promoting a new economic model based on an economy of reciprocity) that this work cannot be done in one country alone but must be done in a concerted and connected manner.

At the centre of the common reflection there are some key themes that constitute priorities: first of all, another conception of the company, less financial and more democratic; second, the defence of work as a common endeavour to which everyone has the right and the duty to contribute; third, the definition of an economic model that does not sacrifice land, society, human relations and the social link to consumption and commodification; fourth, the definition of a fair and reasonable distribution of income between generations, areas of a country and producers; fifth, defending the values of free association and mutual support in a responsible and non-consumerist conception of citizenship. In all these fields, there is a place for a political movement that reaffirms itself as a defender of values while being realistic. The question is: can it call itself 'social-democratic' when the label has become synonymous with moral bankruptcy and the betrayal of traditional working-class and other supporters?

COOPERATION ACROSS EUROPE

Therefore, the priority cooperation between national political forces or governments that maintain the will to establish a fruitful link between society, the economy and politics must focus on the essential: (1) to defend a new economic and social model and a new conception of the company, built on new rules that involve in the production decision all the stakeholders who are the co-owners of the company, the ecosystem that surrounds it, its employees, the land in which it's rooted; (2) to define rules that prevent the economic and financial system from developing for the benefit of small, vested interests – to the detriment of ecology, social ties, social equilibrium and values; (3) to make Europe a place where we can discuss this economic and social model and finally build it together, not with the sole concern of allowing the exchange of goods and services, but with the concern of how to produce and preserve; (4) to propose a model of international society that is not based exclusively on the economic or military balance of power from power to power but which draws lessons from the failures of the twentieth century.

If it is necessary to renew Europe, it is clear now that it is not on legal rules, or even on only institutional rules that this project can be built but, by a real debate about the creation of a new economic and social model adapted to a context of a radically open and changing society around information technology. As the concentration of capital yesterday has allowed effects of domination, this technology will lead either to predation or, on the contrary, to an improvement in living conditions, depending on the manner, intelligence and determination with which politics takes it. Old social democracy died alongside the old industrial age.

PORTUGAL

9. PORTUGAL

By Joana Ramiro

It was one of those autumn nights when it starts getting chilly outside, streets go from green to auburn, and the rain leaves behind a smell of childhood comforts. I was in a rush, running late to where I needed to be, which on 4th October 2015 was the electoral results party of the Portuguese Bloco de Esquerda (Left Bloc), at Lisbon's São Jorge cinema. So I took a cab.

Cabs, I find, are the best way to know what is going through Portuguese consciousness. And even what is going on in Portuguese parliament. Which policies are having the biggest impact, which parties and politicians are leaving a mark. Because cab drivers in Lisbon drive all sorts of people around and are always up for a chat. And because, like cab drivers everywhere, they are not shy of sharing their opinion and that of those they have driven. Cab drivers, hairdressers and cafe waiters are the barometers of Portuguese society. And when in doubt, it is this holy trinity I consult. But more on this later.

What I did not know on 4th October 2015, even after seeing Bloco surge in the exit polls against all odds, even after watching friends become members of parliament and the conservative coalition lose its majority, was that the Portuguese paradigm was to become a riddle and a pharos to political analysts for years to come.

And even if I had foreseen that the harshest round of austerity measures was to end with the rise of the so-called geringonça (the contraption – a derogative moniker for the governmental agreement between the Socialist Party and the far-left in the form of Bloco, the Portuguese Communist Party - PCP, and the Greens), I would never have guessed that this new government would pose so many questions on the nature of social democracy in the 21st century.

All I knew in October 2015 was that Portugal, like many of its southern European brethren nations, was afflicted by austerity, unemployment, crumbling social infrastructures, social unrest, mass emigration, widespread discontent and a slight taste of panic. The Socialist Party (PS), which is part of the Socialist International, was floundering - both on members on the ground, as on political rhetoric. The infamous demise of its Greek counterpart, PASOK, still fresh. Conservative Catholics seemed to be doing just fine, piggybacking on the centre-right (and inaptly named) Social Democratic Party (PSD).

So what turned the Socialists' fate around? And what does it mean to international social democracy? And does it really hail the dawn of a new, prosperous era for the nations of Europe?

"In the post-crisis context that affected Portugal, Europe, and the world, where cuts were imposed on wages and public services, where household incomes and investment fell, where half a million people - in their majority qualified young people - emigrated, we had a huge and challenging path to take," PS national director Mariana Vieira da Silva told me recently. "The path was to build an alternative to the austerity policy defended by the right."

She added that "it was therefore necessary to give people back their social rights, reverse the cuts imposed by the years of austerity, and also give them back their trust in a future of growth and sustainable development." To reverse this "negative cycle", she added, "it was possible to find common ground with the other parties of the parliamentary left, and we established our joint positions in three historic agreements."

That's the inception of geringonça. And the agreements Vieira da Silva refers to could be seen as both the three budgets agreed by the Portuguese parliament this far, but also, in short, the PS' three promises to its far-left partners: to unfreeze pensions, reform a series of taxes which burdened families far more than corporations, and to stop the rampant privatisation of public services that took place in the preceding years.

And to the naked eye, these agreements were, overall, respected. The Portuguese economy seems, at a first glance, to be doing better than it was before, and the pace of its recovery is, allegedly, faster than that of Greece or Spain. But walking through the streets of the Portuguese capital one would not exactly think of this country as a shiny example of European affluence. Rather, it strikes you as the new "hot tourist destination". And, indeed, that is one of the things that helped create the mirage that is the Portuguese economic recovery. Last year, a record 20 million foreigners visited the 10 billion-strong country. And according to recent figures by the Bank of Portugal, they left behind a whopping €41.5 million a day. Yes, you read that correctly - a day.

For the average Portuguese person, however, not much has changed. There are more jobs around, but few under stable contracts. Under European diktats many public companies continue to reduce their senior and higher paid staff (through early retirement or volunteer redundancy packages), precarious and seasonal employment is on a high, and, as I known first hand, vital sectors such a journalism are a dying breed.

And it was fellow journalist and Lisbon resident Ricardo Cabral Fernandes, who explained to me how the PS government left turn was nothing but a coup of political genius.

"The geringonça was basically an exclusively tactical turn of the Socialist Party." We are in a downtown cafe in Lisbon and it's late on a summer afternoon. I've come from the beach, sun-kissed, sandy feet - the stereotype of the healthy, relaxed Mediterranean living. Except that I am a Lisboner who doesn't live in Lisbon. I live in London. My colleague, who works six days a week for two of Portugal's biggest publications and manages an entire foreign desk with one other person, looks exhausted. His voice has that bittersweet timbre of someone who was once bitter but who can't even afford that any longer.

"What happened was that the, so-to-speak, socialist/left wing of PS very quickly learnt the lessons of PASOK in Greece. So it turned its compass. And (Prime Minister) António Costa was that compass. Yes, he broke the governance arc, made a parliamentary alliance with the Bloco and the PCP, but for all else, in policy terms, it keeps the same politics."

What PS was able to do, he argues, was to radically change the way in which voters understood the Socialist Party. While it was once attacked both by the right as by the far-left, with the geringonça PS created itself some space to grow with the blessing of, or at least a ceasefire from, Bloco and PCP.

As part of that strategy was a strong message from PS arguing that, after all, austerity was not as inevitable as it had once been agreed. "After almost three years, we are in a position to say that our policies worked and that PS knew how to affirm a real alternative to those who said that it did not exist," said Vieira da Silva. Where that leaves PS' one-time support for the Troika (read, the European Central Bank, the European Commission and the International Monetary Fund - IMF) memorandum, no one is quite sure. All water under the bridge, I guess.

"The Socialist Party is an example of the possibility of building an alternative without breaking with European commitments," she insists. "We have shown that, even under a different policy, it is possible to build a more equal country, with more and better jobs, and enjoy the highest economic growth since joining the Euro. All under the same rules that apply to other countries in the European Union." She adds: "It was with this policy that we scrapped excessive deficit and reached its historic low levels. That is why Portugal today has a solid economy and public finances."

And yet, public investment in Portugal is the lowest of all advanced economies, according to the IMF. Promises to improve this record have come to little action on the ground. Public services such as the transport networks and the national health service are in acute crisis, and teachers have declared war on the government over missed salary increases.

The country's industries too have not changed much between 2015 and the time of writing. Other than tourism, of course, and much of that is controlled by foreign investment, particularly from China. Other grand investments

in Portuguese infrastructure have been by Spanish, Brazilian, and US corporations. In other words, little public revenue is to be expected from them in the coming years.

There is, however, an argument to be made about the realpolitik behind the geringonça. While it is not without its contradictions, the geringonça as a government that has not implemented austerity but is not openly anti-austerity either, has allowed Portugal to do things the Troika did not allow Greece to do.

Cabral Fernandes is in no doubt that the European Union would have fallen on Portugal - like it did on Greece in the early days of the Syriza governments - had the geringonça turned out to be a more radical government, ready to talk debt restructuring or renationalisation of public services.

"The dogmas of the European Union continue, in Greece and everywhere else," said Cabral Fernandes.

And the strategy of mollifying the "good student of Europe" and use it as prime example of how "austerity doesn't work, but really, it clearly did" is working.

"It was this policy that allowed a better life for the Portuguese and gave them back the confidence they had lost in the institutions, the European Union and democracy in general," echoed the national director of the Socialist Party. "According to the latest Eurobarometer, 75% of Portuguese people are satisfied with democracy in Portugal, which contrasts with 15% in 2013. Confidence in the government, parliament, and European institutions has also been on the rise since we formed a government."

This, she believes, has also thwarted the "populist, nationalist and destabilising projects" that have grown across Europe. "These narratives did not grow in Portugal because we believe that the core of the government's policies must be trust. The Portuguese feel that they have returned or are returning to normality. By giving them security and hope in the future, we are simultaneously fighting the threat of populism."

And my trusted barometer agreed with her. On my way back home from meeting Cabral Fernandes I took a cab. And the conversation, by chance, fell again on the topic of geringonça. My driver was a middle-aged man named Tó Vieira, and he promptly tells me that "there are only two real politicians in Portugal". One is António Costa.

He felt things were slowly turning around, yet not for everyone. Of his two children one is abroad. He's doing well, but he isn't home. The other is unsure about the probabilities of finding a job after graduating.

Most importantly, however, he told me he used to be a PS militant. "I was a member of the Socialist Party in the time of Lopes Cardoso and of Salgado Zenha, but when they left, I left," he said in a kind of jolly resignation. António Lopes Cardoso and Francisco Salgado Zenha were two heroes of the Portuguese revolution, founders of the Socialist Party, and members of its more left-wing ranks. Both abandoned the party when its socialist essence turned into the social democratic nature it has adopted to this day.

For many Portuguese like Mr Vieira, certainly for those who supported it in the early years of the new, democratic Portugal, PS went from being a party of transformation and hope to being a party of the status quo and 'jobs for the boys'. But since the geringonça there's a new-born hope. Not necessarily hope for a better life, as Vieira da Silva suggested, but hope that things in São Bento (read the Portuguese political establishment) are moving in a different direction.

And that is perhaps the strongest lesson of the geringonça - both to the Socialist Party and to political analysts fascinated with its anachronistic revival in the polls. In a time when its sister parties in Germany and France are polling at 20.5% and 6.4% respectively, PS has consistently polled around 40% since its left turn. The only other case of a social democratic party succeeding in these terms is that of the British Labour Party. There too, albeit under different circumstances, a sharp turn from social democracy to democratic socialism has taken place.

In the past decade social democratic parties, defending minor reforms, often promoting policies such as "austerity light", or shrouding privatisations in PR language and calling them public-private partnerships, became meaningless to an electorate eager for a new system. New parties with smaller support bases started mushrooming across Europe, calling not for ethical capitalism, but for the end of capitalism. And as the socio-economic situation worsened, so did these movements become bigger - as we saw with the birth of Syriza in Greece and Podemos in Spain. Minor reforms were shunned in favour of bolder political promises, including reverting many of the policies implemented by the last generation of social democrats. Indeed, pledges that many critics pointed out to be not revolutionary but regressive in essence. A de facto return to the well-nurtured welfare state of the post-war period.

And like Syriza and Podemos, so too did PS and the Labour Party succeed once more in appealing to the electorate by turning left and offering a socialism that, more than utopic, is ultimately nostalgic. In fact, PS and Labour benefitted from the fact that they had a longer history, a firm structure, and the resources to do more and reach further than the new movements. And by resources I don't mean just in terms of donations, or volunteer door-knockers and leafleteers, but also in connections and relationships with the rest of their national and the international establishments.

There are however great differences between PS and Labour, the way they've revived "social democracy", the way the establishment reacts to them and how it will influence their respective futures.

For starters, the Portuguese party's numbers on the ground - its militants, its membership - are nowhere close to swelling like Labour's. In other words, the support for PS is premised on its performance as a government - it's parliamentarian. While it navigates the pressures placed by its far-left partners, it must deliver for the electorate and yield palpable results so to guarantee its grip on power. Its left turn is not ideological but tactical. For that reason too, the reaction of mainstream media and financial institutions to its government have ranged from miffed to lenient, rather than violent hostility.

Labour did nearly the exact opposite. It started a shift at its very core for the heart and soul of the party. It is led by people who believe in the political turn as the ideological path to follow, rather than the useful step ahead. And while both are allowed in the political game, it would seem the former is of a long-lasting nature considering the political positions taken by the younger generations, read Millennials and Generation Z.

Indeed, the lesson of the new smaller parties, of Bloco and of Podemos, and even of Syriza, is that political organisations without a serious work of ideological base-building, without institutionalisation, not in terms of parliamentary politics but in terms of crystallising its internal structures, don't survive the whims of capitalism. Because capital is capable and willing to accommodate for its survival, as long as it needs, until it rears its ugly head again at the nearest opportunity. But this, rather than delivering a new system, perpetuates an existing cycle that won't end unless we will it so. Yet the future requires we must, if there is to be one at all.

To beat climate change and violent xenophobia, to extend international solidarity and resolve conflict, to eradicate poverty and bring abundance, the Socialist Party, as Mariana Vieira da Silva pointed out, must cooperate internationally. But in a polarised world the choices of whom to work with to achieve these goals are dwindling. So it is undoubtedly essential that the Socialist Party holds hands with and learns from the Labour Party, while encouraging other social democratic parties to open their arms to democratic socialism and its supporters.

Only thus, can the Socialist Party, and Portuguese paradigm by extension, go from being a political conundrum, a geringonça, to being the future of Europe.

In a global world like the one we live in, only international collaboration guarantees the solidity and innovation of a political project. Therefore, the PS focuses on international relations, with particular commitment at the

European level. It is at European level that we can best address the main challenges we face: migration, the response to financial crises, climate change or the challenges of the digital economy. All these challenges are better answered in the EU than outside the EU.

In this context, social democratic and progressive parties must emerge as promoters of community values and be able to combine them with the progressivism of their political genesis, taking advantage of this impetus to emerge as structures capable of facing and adapting to the challenges of the future. The PS is aware of these challenges and, in addition to continuously identifying them, it has offered solutions which, with the help of our European sister parties, will provide the EU with the necessary instruments to overcome.

THE UK

10. THE UK

10.1. The Labour Party as seen by a member of Momentum

OVERVIEW

On 23 February 2017, campaigners watched in shock as the northwest England seat of Copeland slipped into Conservative hands for the first time in living memory. Disagreement simmered as to whether the defeat had long or short-term causes, but whatever one's take, it was a grim winter.

The summer changed everything. While Labour did not take power in 2017's election, it moved into Conservative heartlands, deprived the government of their majority and defied the expectations of virtually every political commentator. Labour continues to poll reliably level with the Conservatives, putting Jeremy Corbyn within striking distance of Downing Street.

Labour's programme tapped into a prevailing frustration with politics; Edelman's trust barometer shows a consistent and stratospheric lack of confidence in public institutions more broadly. Various shocks – from MPs' expenses to phone hacking – have undermined faith in Britain's establishment, but ultimately people's disillusionment has material causes. The interests of finance capital direct our economy while regional and industrial bases have been eroded. In-work poverty has surged to record levels. A housing crisis blights the capital and is spreading. Austerity has failed to stabilise the economy, and has seen schools, hospitals, policing, and vital services across the board struggling to survive (Quieter work like the teaching unions' school cuts campaign paid dividends during the election.) Worsening prospects in working life propelled Labour's surge among the 25-44s; which was considerably greater than the more publicised 'youthquake'.

Popular discontent found another outlet – Brexit. While the demand for a referendum was pushed from the fringes, once on the table is served as a lightning rod for frustrations on a cocktail of issues. New, powerful political tribes remain on both sides, even if stories about Brexit identity trumping party affiliation proved overblown at the election. The precise picture of public attitudes on Brexit now is uncertain, but we can conclude that the government is not trusted to negotiate and substantial minorities are pushing for either a hard exit or none.

Labour and the Conservatives swept up an unprecedented 80+% of the vote between them; polarising forces that have fractured mainstream parties elsewhere have strengthened them here. Meanwhile the current government has shed half a dozen cabinet ministers in the last few months, and another election remains possible. Uncertainty notwithstanding, Labour's strong position and mass membership will be the envy of many parties across the international left.

ORGANIZATIONAL STATE OF PLAY – WHAT IS WORKING AND WHAT NEEDS TO CHANGE AND HOW?

On 15 June 2015, backbench MP John McDonnell sat outside the Labour office in Parliament on his knees. Minutes before the deadline, he was pleading tearfully with colleagues for the final nominations needed to put his lifelong friend and ally, Jeremy Corbyn, on the shortlist for Labour's leadership. Corbyn entered the race with 200-1 odds against him. His shock win posed immediate questions - how to organise hundreds of thousands of new members; how to negotiate the roles of different institutions within the party; and how to renew a party that had recently suffered a bruising election defeat.

Labour's strategy is to ensure 'our hugely expanded membership becomes a mass movement which can transform society'. It's what can be expected of a grassroots leadership that cut their teeth on picket lines and protests. Questions of how structures can make this approach effective are central. Do members feel they have a role in shaping their party? Are party units – liberation groups, local and regional groups, youth and students – properly resourced? Are they accessible and appealing places to be for people whom politics is one of many competing priorities? Labour's ongoing Democracy Review took somewhere in the region of 11,000 submissions and is shaping them into proposals. Outside its ambit, full-bodied debates are in progress on ideas for party renewal; for instance the proposal to hold US-style primaries for candidates.

Pro-Corbyn campaign group, Momentum, has acted as an innovation lab for new techniques. Their experiments, which include a phone-banking app or carpool planning and digital tools for potential canvassers to locate their nearest marginal seat, have been replicated by the party. In the industrial sphere, Labour campaigners have helped boost the profile of groundbreaking strikes in the gig economy, such as at McDonald's or among public sector cleaners – though there is more work to be done on labour movement collaboration. Momentum have imported US field organisers to teach persuasion techniques to canvassers, and deployed its press office to help activists sell stories to newspapers. Several dozen staff have been recruited to a new "community organising unit" which will equip local parties to become active forces in civic life outside of election time.

Though uneven, there is evidence of an intellectual revival, such as widely attended discussion workshops (including one attended by 400 in Derby.) Trade unions, thinktanks, and other parts of the British left's ecosystem are also taking part. Meanwhile a cultural revival is being attempted – from youth football leagues to disco nights. There are larger scale experiments such as The World Transformed, an ideas festival held alongside party conference.

The party's impressive performance on social media – both from politicians, and grassroots efforts which reach millions – is also worth noting. While

incomplete, there have been remarkable strides in the project to recruit and develop members, and establish Labour's presence locally as a transformative movement.

PARTY NARRATIVE AND STRATEGY

In the coastal seat of Brighton Kemptown in June 2017 the streets heaved with canvassers. Organisers repeatedly reported having too many people. A local pub offered free pints for Labour's campaigners. An entire street put posters in their windows. Days later, Labour gained the seat.

Labour's medium now plays a key role in its message. Its investment in personal political communication by using a mass membership to reach voters directly helps tell a broader story about empowerment and democratic control. It also builds trust – in the age of overwhelming streams of information, people are retreating toward relying on word of mouth for reliable information.

Activists often say their most valuable tool in the 2017 general election was Labour's manifesto. It was the first mass-circulation document seen in British politics in decades, amassing hundreds of thousands of downloads within days. It provided both a coherent vision and an accessible resource for campaigners.

The manifesto helped anchor the wider story that Labour is telling, which has shifted gradually towards according people more agency; from ensuring that 'no community is left behind' to ensuring that no-one is 'held back' by the Conservative government. The account offered by Labour is; people's potential is being held back by a government that have made a specific set of choices – to cut rather than to invest, to manage decline rather than renew, and to redistribute to the wealthiest rather than the poorest – because they continue to represent the interests of the most privileged. Labour will use state power strategically to foster greater popular power over the economy and society in order to ensure that people and communities have both the bedrock of strong public services and access to a fairer economy in which they can fulfil their potential. Or put simply, a society run for the many, not the few. In policy terms, the many and the few were identified in numerous examples, such as money to be taken from private schools' VAT to fund free school meals for all.

Tying this together is the leadership. The 2017 election was framed by the Conservatives as a referendum on individuals - strong and stable Theresa May versus weak Corbyn's coalition of chaos. As it transpired, the election became both a referendum on policy and a vindication of Corbyn's personality. In spite of ferocious media criticism, he retained the air homespun honesty that clings to him on account of decades in the relative political wilderness fighting for principled causes. This alongside his personal eccentricity and charm formed an anti-establishment pitch that was warm and caring rather than aggressive.

This story now needs to be broadened and adapted to take new events and hitherto unreached groups into account. The mass-membership is useful here; strategists have a larger sample size, and a clear conduit through which to assess what is working on the ground, and what is not. A larger party is also a more socially-representative one, and Labour will need to work to recruit messengers and spokespeople who reflect the communities they want to reach.

KEY POLICY IDEAS AND ISSUES

Copeland, where the by-election was lost, is both politically and geographically isolated. Locked in by a mountain range, a single unelectrified train line connects the area to the rest of the world. On the same day there was a by-election in Stoke, several hundred miles away. The area once exported ceramics to the world. Now around 17,000 families are struggling to afford to heat their homes.

Labour's agenda sets out not just to address deprivation but to rebuild and transform communities like these permanently. It does so according to a number of key principles; considerable state capital expenditure in order to kickstart growth and rebalance the economy; taxing the top tier to fund public services; placing key natural monopolies in public hands; and fostering new individual and collective working rights. While not original, these prescriptions would be a radical departure from an extended period of neoliberal orthodoxy; and the growing conversation about democratic control rather than mere state control (for instance proposals for ballots on housing estate regenerations) allows the programme's frontiers to be extended.

Support for the domestic agenda is gaining ground – how could it not be with police stations closing, hospitals losing beds, working people dependent on food banks and children's services in tatters? Yet Labour still has work to do to explain its plans to voters, and demonstrate its will and ability to deliver. For all the noise both Corbynism and its detractors make about Labour's radicalism, they will still be viewed as the 'same old politicians' by many undecided voters.

Beyond economic policy there are a number of fine balances to make. Squaring the Labour leadership's longstanding opposition to overseas military intervention with a robust defence and security strategy is one. Another example of a complex tightrope is migration; polling shows growing favourable attitudes towards immigration and events like the Windrush fiasco have dented people's faith in the system, but opposition remains fierce. Devising and communicating a system which is fairer and more humane than the current one whilst taking on public hostility is conceivable, but proofing it against the divide-and-rule tactics of the right is a trying task.

A semi-related balancing act is Brexit – whilst reversing it or crashing out with no deal are not popular options, a middle-ground approach will inflame hardliners at both ends. The government are floundering through a process

which is constantly in flux, public attitudes are also in flux and a parliamentary logjam seems likely. In these circumstances any government-in-waiting needs to retain a degree of flexibility. But beyond obscure procedural questions, the Brexit debate is often one about what kind of country we want to live in. Labour will hope that its answer to that question can unite not just Leavers and Remainers, but different sections of an increasingly fractured place.

ISSUES AND AREAS IN WHICH COLLABORATION BETWEEN COUNTRIES FEELS ESSENTIAL

At the other end of the continent, survivors of war languish on beaches if they are fortunate enough to have survived crossing the Mediterranean. The EU manages public discontent by outsourcing the refugee crisis to brutal authorities in Libya and Turkey. This is one urgent, clear example of where collaboration across the European left to develop a better settlement is critical. Nor is it an isolated issue; a party cannot think about how to mobilise popular support for refugee protection without thinking concurrently about how to address people's economic worries.

There are broad, common themes facing Western politics. A resurgent right gains ground in disconnected communities. Centrists struggle to maintain the status quo. In the political and cultural clashes over liberalism and globalisation, the left has struggled to maintain a toehold. Centrist social democrats from Hollande to Papandreou have been put to pasture while radical social democrats from Tsipras to Iglesias have either failed to break through or been neutralised in power. Sharing the lessons of these experiences is essential.

The European left has common adversaries. Predatory multinationals will evade tax in one country and exploit workers in another, and cooperation is necessary to restrain them. Cross-border collaboration can also square the circle of making some degree of protectionism compatible with internationalism. For instance, Labour's 'Build it in Britain' drive to redevelop our manufacturing base and favour domestic contractors for key services can reduce our reliance on exploitative labour conditions overseas and can be accompanied by increased scrutiny of our own firms' overseas activities. How global trading power is used for social good (particularly in relation to developing countries which are all too often exploited by richer economies) is also a collective question. The list of global challenges goes on; belligerence on the international stage from Trump and Putin; terrorism; automation; resource scarcity; and the looming presence of climate change and other forms of environmental degradation. Solutions made stronger by collaboration will be both more effective in practice and more electorally credible.

Our polarised, febrile environment that presents both dangers and opportunities. Solidarity across the international left will help us manage dangers and seize opportunities. Labour's rapid membership growth and leaps forward in communication and organising can aid activists overseas and other parties will have similar lessons to teach. Those who have had engineered grassroots fightbacks against the far-right, and those who have opposed austerity in government spring to mind. Gains made by left parties in opposition in collaboration with civil society – e.g. reversing Windrush deportations – should also be preserved in our collective memory. Trade unions can and do grow stronger by sharing experience internationally. These bridges already exist; but they will need to be durable enough to provide moral and material support across borders in difficult times; particularly when a government of the left does emerge.

Labour has opened up a bridgehead, stands in permanent campaign mode and is prepared for power. It has got to this point by movement-building and hopes that further movement-building will sustain it. A successful movement harnesses its potential. It values members and develops them into organisers and leaders. It makes a virtue of its differences and competing perspectives. It listens to disillusionment and despair and translates it into hope and ambition for a better world – not in a distant utopia but in this electoral cycle. Socialists and social democrats are more than capable of building such movements and winning; as Labour's leader insisted in his first conference speech, things can and will change.

10.2. The Labour Party seen by Jonathan Rutherford

It will be three years since the Labour Party underwent its revolution with the election of Jeremy Corbyn. Despite the claims for a new kind of politics there has been no development of a public political philosophy to match this transformation. The party is both utterly changed and yet also much the same as it was. Its lack of intellectual resources, and the absence of interest in thinking about Labour's political future, suggests that this extraordinary period could pass away without any serious development in its ideas.

The task of political renewal has normally fallen to the soft left. Labour succeeds when it builds a coalition between its thinking and creative left and its more pragmatic centre ground. This is not happening. The soft left is silent. And what now is the centre? The only intellectual innovation in the last decade has been the conservative socialism of Blue Labour. While it resonates out in the country, it is marginal within the socially liberal Labour Party. The absence of political renewal leaves Labour vulnerable to a revival of the Conservative Party.

THE CONJUNCTURE

The first step in developing a new public political philosophy is to understand the times we are living in. The Italian Communist thinker Antonio Gramsci describes this as analysing the conjuncture, by which he means the events, circumstances, social forces and economic interests that structure our society at any given moment in its history.

There are debates on the left about the future of work, the dynamics of globalisation, the impact of mass immigration and demographic change, and the technological revolution of automation. But there is little discussion about people's reactions to these changes. What are the leading ideas and beliefs that are shaping the prevailing national mood?

Many in Labour view the mass rallies and the increase in Labour's vote in the 2017 General Election as proof that progressive left values, particularly amongst young people, are shaping our conjuncture. The evidence however does not support this view. The young are no more progressive-minded than older generations, and they are more individualistic and acquisitive. The zeitgeist does not belong to the left and its socially liberal values. The energy disrupting the political order across Europe belongs to a populism which has been captured by the radical right. It has polarised societies, fractured the political settlement and made politics more extreme, volatile and unpredictable.

The populism shaping our times is about culture. Conflict around cultural identity and values sharply divides the public and the elites. There is a popular rejection of the governing class which has presided over four decades of liberal market globalisation. The loss of decent jobs, cuts in public spending and the stagnation of wages is a significant cause of people's feelings of powerlessness and insecurity. But the protest is not principally driven by economic injustice. It is a demand for limits on uncontrolled and uninvited demographic and economic change.

Populism has erupted in defence of the sovereignty of the nation state, and its borders both real and symbolic. Its motivating energy is the need to redeem a sense of cultural identity and a way of life that feels under threat. The country no longer resembles who 'we' are. Who or what defines who becomes a member of a national community? At stake is the integrity of borders, not just national but also the boundaries defining human nature, family, and the inherited culture and values of the social order.

Populism is not intrinsically either left or right. It can be both radical and conservative. But national and cultural anxieties have been harnessed by a new generation of radical right leaders: Viktor Orbán in Hungary; Marine Le Pen in France; Pim Fortuyn and Geert Wilders in the Netherlands; Jarosław Kaczyński in Poland; Heinz-Christian Strache in Austria, and now Matteo Salvini's nationalist populist party Lega in Italy. They have magnified conflict with their own and with EU elites by focusing on European voters biggest concerns of Muslim immigration and Islamist terrorism.

A left populism around economic injustice and democratic reform has been more limited and partial in its influence. Podemos in Spain and Syriza in Greece combine popular and nationalist aspirations. Beppe Grillo's 5 Star Movement is an ambiguous combination of leftism and radical right that has found appeal amongst the unemployed. And in Britain, where ethnic allegiances are less pronounced, Corbyn's brand of leftist populism has found strong support amongst the professional middle classes and in the metropolitan, multi-ethnic cities.

The rise of populism is inextricably bound up with the failures of liberal democracy and its counterpoint – social democracy. In France, the Czech Republic and the Netherlands, support for social democratic parties has fallen to single figures. In Germany the SPD following its lowest vote since 1933 has collapsed in the polls and even been overtaken by the radical right Alternative for Germany. And where Social Democrats have not collapsed, they have moved to incorporate some of the language and policies of right wing populism. In Britain, Corbyn's leftist populism has bucked the trend in centre-left decline. Brexit has, temporarily at least, quietened the populist mood.

LABOUR'S RESPONSE

Within Labour there have been broadly two responses to populism. The first has been reactionary and unthinkingly condemns populism. It has reduced Leave voters to an undifferentiated group of xenophobes and closed-minded authoritarians. The growth of an English identity is seen as threatening and to be rejected. The causes of populism are explained as the dysfunctional psychological reaction of individuals to social change. Its supporters are either victims or losers who can be pitied but not liked. Some are malign and so to be condemned. Others are simply ignorant of their own real interests or adhere to the nostalgic fantasy of a lost way of life. They are not credited with one single positive factor or political virtue.

This response reproduces the long-standing class condescension of the liberal intelligentsia. It allows it to avoid the ways its sense of superiority and indifference to popular concerns have contributed to the growth of populism.

The second response is progressive. It sidesteps questions of identity, national culture and belonging. It calls for opening up the political system to more participation and more democracy. People have lost agency. They feel marginalised and silenced. They want more control and we will give it to them. However the belief that the response to populism is to offer more democratic deliberation and participation is an argument to win over the progressive supporters of the Liberal-Democrats and the Greens or those involved in the social movements. It does not resonate with the wider national populist mood. Rejection of the elites is not a desire for no elites but for government to be effective, and for politicians who know who 'we' are and who share 'our' values. It wants more, better leadership, not less. These responses were already defined in Labour's politics before the rise of left populism under Jeremy Corbyn, but they have since become more entrenched.

POPULISM

When a political order is distrustful of popular sovereignty, or when its party system is breaking apart, or when there is a chronic imbalance of power, it will become vulnerable to populism. The political scientist Cas Mudde describes populism as the rebellion of the silent majority: an "illiberal democratic response to undemocratic liberalism". The social theorist Christopher Lasch called it "the authentic voice of democracy".

The philosopher Ernesto Laclau offers the most productive definition. Populism is the continuity of popular traditions of ordinary people against the powerful. These traditions are the residue of "irreducible historical experience" and so they are longer lasting than class ideologies. Because they are more durable, traditions of popular protest provide the initial challenge to the status quo and the first step in asserting a new hegemony.

Laclau follows the Italian thinker Antonio Gramsci in his understanding of how a party gains national leadership. It must first achieve an emotional connection with the everyday life of the people. Populism is not a defined ideology. It might best be described as pre-political because it expresses the conflicts in cultural and economic relations that precede political change. It gives voice to the popular emotions generated by these conflicts and constructs them into a collective experience of 'us' against 'them'.

Populism gives political representation to what has been excluded from the democratic process. It is both a necessity for democracy and a threat to it. Its turbulence is a powerful disruptive force. It asks questions that have been avoided, but it does not provide answers. Contradictions are exposed, inherited political loyalties abandoned, and authority discredited. Emotional reaction overrides reasoned debate. The intellectuals, politicians and activists of the existing political order are disorientated and its most accomplished practitioners become marginalised. The political extremes come to dominate, and the conspiracy theorists, cultists and haters find a public voice.

Those who defend the status quo with rational argument find themselves lost for words. They believe that language represents reality rather than defining it. To recover order amidst the fake news, the hostility, the pejorative name-calling and the histrionic outbursts they try communicating better, arguing rationally, setting out the evidence to prove their point of view. But the old political vocabularies are becoming redundant. They are losing energy and meaningfulness. Different ways of seeing, speaking and arguing are emerging and generating new energy and interest. To defend the old order is to find oneself excluded and left behind.

An interesting politics, says the philosopher Richard Rorty, is a contest between an entrenched vocabulary which has become a nuisance and a half-formed new vocabulary which vaguely promises great things. The chief instrument of cultural change, he argues, is the talent for speaking differently, rather than speaking well. The historian Michael Kazin argues that the populist tradition offers an insight of great democratic and moral significance – "we should not speak solely within the terms of populism, but without it, we are lost". The Dutch Labour thinker Rene Cuperos agrees that social democracy "should dare to be more populist". The political theorist Chantal Mouffe is more forthright: "we urgently need to promote a left-populism".

A LABOUR POPULISM

By 2010 the Labour Party had lost its way in a managerial politics that relied on the administrative state as its instrument of reform. Social justice was measured by delivery performance and targets. Labour communicated its politics in technocratic arguments and a jaded, sterile language. Electoral strategy was reduced to targeting retail offers at segments of the electorate. The party appeared to have neither moral nor political purpose. Most problematic of all, it did not recognise its own torpor and disconnection from the electorate.

Labour had become emptied of thinking. It was frightened off by visceral feelings of pain, rage and despair. Anger and grief over immigration and culture identity were avoided by changing the subject. Its loss of authenticity echoed the failure of social democratic politics across Europe. And so the party hierarchy presided over the leaching away of its working class vote and then failed to anticipate the surge of populist enthusiasm that swept Jeremy Corbyn into the leadership.

Corbyn's leftist populism has revived the Labour Party with its energy and the enthusiasm of tens of thousands of new members. But its reach into the country is limited. The hard left is in control, and like its mirror image on the right, it has no interest in political renewal, only in the pursuit of its own power. Networks of innovation and new thinking are kept at arms-length by the party machine. And its rejection of the national in its politics leaves it suffering what Gramsci calls "blind passion and sectarianism".

Populism has been a reaction to globalisation and it has returned us to fundamental questions about the nation, ethnic difference, culture, the idea of humanity, and the ways people live together. It has been an emotive defence of local cultures and the normative values of society, driven by a fear that 'we' are coming apart. The radical right has been adept at shaping it around an exclusionary interpretation of Western Christian civilisation. Its anti-Islamism and pursuit of a white identity politics defines membership of the nation by ethnicity. National traditions are unchanging and to be defended. Immigration undermines the history and meaning of the nation and its people. Multiculturalism is merely incompatible ethnic differences living alongside one another in a parallel and conflictual existence.

Labour's leftist populism is bereft in the face of these arguments. It counters them with pejorative name-calling. It asserts the primacy of the economic.

It dismisses the values of Western civilisation as imperialist. But it has no viable alternative story of nationhood and common national life. It dismisses the idea of membership of the nation, or that it has to be earned. Belonging to a country is no more than a simple contract. It concentrates on universal individual rights in a way that denies people's need to have a sense of belonging to a place and a country. It embraces a libertarian identity politics whose repudiation of existing forms of social life offers nothing in their place but a balkanising of society.

Labour's leftist populism lacks the intellectual resources to meet the challenge of the right. It lacks a democratic politics that can build bridges to different cultures and interest groups. Its cosmopolitanism and moral relativism cedes the nation and the issues of culture, identity and belonging to the radical right. Neither its focus on economic injustice nor its support for devolving power and participatory democracy are sufficient to build a national popular coalition.

POLITICAL RENEWAL

For its political renewal Labour needs to broaden its populism to include the national and define who 'we' are as a country. Citizenship of a sovereign nation matters more than an abstract universal right to belong to humanity. The right of human beings to life survives only so long as there exists a political community willing and able to guarantee it. And such a political community can only exist when people have a reciprocal obligation toward it. The democratic nation state under the rule of law remains the best guardian of humanity.

Large-scale immigration has been a profound challenge to this conception of the nation state. National sovereignty is dependent upon a country's ability to determine its internal membership, and immigration raises the question of how membership is to be decided and on what terms. How should a political community resolve the prior claim to resources of those already settled? The left has ignored these questions as illegitimate and so has allowed public debate to be dominated by futile arguments over reducing numbers and meeting fantasy targets. The result has been an immigration system that causes injustice and bureaucratic cruelty, and a sense of national identity and belonging thrown into uncertainty by a laissez-faire approach to social integration.

The fair and just basis for membership of a multi-ethnic country is reciprocity. The obligation of newcomers is the contribution of their work, the payment of taxes and the ability to participate in the life of the country through acceptance of its laws and speaking the English language. In return the national community affords them protection, support, and equal rights and opportunities. This give and take is fundamental to a sense of justice, equality and self-respect. It is the glue of social cohesion and provides a social basis over the longer term for the evolution of a shared common culture and sense of belonging.

Populism today has two demands: one for cultural security and the other for economic security. The first is for a restoration of the mutual obligations that bind people into a common life and a shared national cultural inheritance. The second is the reestablishment of a national covenant which affords citizens a fair wage for work done, social protection and a future of prosperity for their children. Labour's leftist populism rejects the former and lacks a political economy for the latter. Social democracy and its New Labour variant have been left redundant by their failure to defend the labour interest against the power of capital. Liberalism with its individualism and lack of a pro-social politics does not have the political means of nation building. Labour needs a new political identity and public political philosophy.

A Labour populism will be radical, rebuilding the everyday economy of work and wages, supporting family life and spreading capital, power and opportunity to the local across the country. Every citizen is guaranteed a universal basic infrastructure to facilitate a more connected society. It will also be conservative in standing for reciprocity in social life, valuing our inherited national culture and renewing the institutions of civic life and society that bring people together in fraternity. And it will be liberal in its pluralism, its valuing and toleration of cultural and religious difference, and its commitment to deepening and strengthening our democracy.

When the tide of populism recedes there will be no picking up where we left off. Populism has broken the rules. The response is not to try and re-impose the old ones, but to invent a new political language out of the disruptive, emotional power of populism and in so doing profoundly change the political settlement.

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