

Social Democracy and the State

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Who needs the state? Interventions in the financial sector by governments during the crisis show that it is capitalism that needs the state in order to survive yet again.

But the ones the state should serve first and foremost are the people: it should protect them from the excesses of the 'invisible hand of the market' and ensure development and social justice.

After three decades of neoliberal ideology, social democracy faces the challenge of defining anew the role of the state in a time of globalisation and mobilising European societies towards a new, progressive programme. This will require overcoming several difficulties.

The Global Economic Crisis and a Crisis of the Democratic Legitimation of the State

The global economic crisis is also, or perhaps first and foremost, a crisis of the democratic legitimisation of the state.

The institutions of a national state have to legitimise themselves anew, since even though the state is still formally sovereign on its territory, it is relatively powerless. It could become stronger were it to have a strong, democratic legitimacy. Citizens need to want to have democracy, but there has lately been a lack of citizenship, as citizens are substituted by consumers participating in the global marketplace without the intermediary of the state.

Over the last three decades of the dominance of neoliberal ideas, the government, rejecting responsibility for the social security of the citizens, has found a new source of legitimacy: personal safety. The state began manifesting its active and useful role through a policy of battling crime and illegal immigration. It is for social democrats to propose an alternative form of democratic legitimacy of the state.

The menace of re-nationalising European politics is also a challenge for social democracy in times of the global economic crisis. Gaining democratic sovereignty on a national scale is a key issue, but it should be connected with building European and global institutions capable of democratic control over economic processes.

When working on the return of the active state, European social democracy should also remember the local and global dimensions. A new social democratic project requires democratically legitimate local, national and global institutions.

The Welfare State and Central-Eastern Europe

In "Ill Fares Land" Tony Judt rightly pointed out that: "Young people in Eastern

Europe have been led to suppose that economic freedom and the interventionist state are mutually exclusive.”

People in Eastern European countries do not know the other kind of capitalism, the one experienced by citizens in Western Europe during the three decades of establishing the post-war welfare state. Eastern Europeans are familiar only with the authoritarian socialism they rejected, as well as capitalism in its current, corporate and neoliberal form. For most people, the current model is the only alternative to non-democratic dictatorship.

This belief is reinforced by the neoliberal discourse which has dominated public debate for the last two decades. Also, while the self-organisation of the left and trade unions was often repressed during Communism, during the neoliberal transition to capitalism society has remained atomised and disorganised.

Social mobilisation towards a progressive project of development, based on the active role of the state is also made more difficult by the fact, that after the year 1989 postcommunist social democratic parties co-created the new capitalist order, by accepting (and often promoting) neoliberal reforms.

I mention this in order to point out that when creating a programme for European social democracy one should not forget regional determinants, with their roots in history – they can be a difficulty for social mobilisation towards that programme.

Poland – An Inspiration for Social Democrats from the East and the West?

The degree of poverty and social inequity in Poland is huge. At the same time state expenditures for social policy, health-care, education, scientific research, and investment in innovative technologies, are among the lowest in Europe. The centre-right government aims at commercialising and partially privatising public services.

Paradoxically, Poland’s experience might become an important source of inspiration for those working on a social democratic programme agenda.

Poland is currently the biggest beneficiary of EU funds, which allows the government to execute a grand public investment programme, centred mostly around infrastructure development. This is why the country was able to avoid recession and maintain economic growth. This example provides the social democrats from Eastern and Western Europe with a strong argument for the active role of the state and a European public investment programme directed at infrastructure, green economy and public services.

This post is part of the ‘Basic Values Debate’ jointly organised by the Friedrich-Ebert-Stiftung and Social Europe Journal. Read more on social democratic parties: ‘The Future of the SPD as a Catch-All Party’.