

The Last Social Democrat

Swedish Prime Minister Olof Palme was assassinated on this day in 1986. He was the last social democratic leader to really believe in a world beyond capitalism.

At 23.21 on Friday, February 28 1986, Swedish Prime Minister Olof Palme was murdered on the street in Stockholm. His murderer has not been identified and remains at large. At this time every year, Swedish newspapers and the mass media to speculate on new theories about who might have done it. But far too few reflect on his political impact.

Olof Palme was prime minister of Sweden for two stretches, from 1969 to 1976 and from 1982 until his death in '86. During that time, he oversaw a Social Democratic Party that was still committed to a radically different vision of the world – and to challenging capitalism at home and imperialism abroad.

Palme is perhaps better known for the latter. Like Tony Benn, Olof Palme had come from an upper-class background and was a relatively moderate when he emerged onto the scene in the 1950s. And like Benn he was radicalised by the times, and in particular the anti-colonial and anti-war tumults of the 1960s. As Prime Minister, Palme's internationalism was remarkable – supporting the Vietcong against the United States during the Vietnam War, condemning Franco's regime in Spain as “goddamn murderers” for executing political prisoners and even visiting Cuba in 1975, where he condemned the Batista regime and praised Cuba's revolutionaries.



Olof Palme marches with a Vietcong delegation against the Vietnam War in 1968.

Even this wasn't the height of the Palme government's internationalism. Under his leadership, Sweden not only supported but funded the FMLN in El Salvador and Sandinistas in Nicaragua during their fights against the US-backed Contra militias. Most famously, it also [provided funding](#) the African National Congress in South Africa. Palme was one of the world's most vocal opponents of apartheid. When he was assassinated, ANC President Oliver Tambo wrote [an incredible essay](#) in his memory: Olof Palme demonstrated that we were right to expect that leading politicians and statesmen of the Western world could overcome all constraints, both real and imagined, finally to side with the poor, the oppressed, the exploited, and the brutalised in southern Africa. When he died, a beacon of hope was extinguished... Present and future generations of the peoples of our region, our continent, and our world will forever sing of Olof Palme as the thorn in the flesh of the forces of reaction that represented a terrible and petrified old order.

Palme and the Swedish Model

But at home, too, Palme represented a fundamental challenge to

established interests – and stood in the best traditions of Swedish social democracy. He was committed to protecting an economy in which the vast majority of workers (between seventy and eighty percent during his tenure) were in trade unions, the state owned the majority of the economy and the welfare state ensured the basic necessities of life were available to all.

Olof Palme's predecessor, Tage Erlander who was prime minister for 23 years without a break, was, beneath his calm exterior, a studied Marxist and a passionate socialist. In 1974 Erlander was asked what the future was for the ideas of nationalisation and control over the means of production. He replied that today "fifty percent of production has been extracted from the capitalist economy through taxation. If we can increase this (share) to 60-70-80 percent, then the welfare state will have become a form of socialism."

That kind of economy had been built by the Left. In 1932 the Swedish Social Democrats won the election in the shadow of depression by promising full employment and a new economic policy. Ernst Wigforss, who was soon to become Finance Minister, attacked the parties on the right with a rhetorical question – "can we afford to work?" – and made the case that laissez-faire economists were undermining the economy by advocating that workers be left idle and poor.

From 1932 to 1990 the Social Democrats considered full employment their most important goal and made it the essential element their economic policy. In principle unemployment never exceeded two or three percent during the entire period. Socialism through the expansion of the welfare state was the strategy, with the state sector aiming to become a sphere outside the capitalist production system with its profit-maximising principles.



Olof Palme shaking hands with Labour politician Peter Shore outside the House of Commons in 1970.

The political generation which created these reformist strategies had one thing in common: a deep democratic socialist conviction. Palme and the politicians before him who built the world's strongest Social Democratic Party were reformers because they sought to transform capitalist society. Incremental reforms based on social democratic values with equal distribution of wealth, democratic decision-making and freedom of expression as primary aims were the path to achieving democratic socialism.

Seen in this context, the murder of Olof Palme was a political murder since it had enormous political consequences. When Palme crossed Sveavägen, in Stockholm, at 23.17 he was leader of the party which had won the 1985 parliamentary election by opposing privatisation in the welfare system, which had introduced wage-earner funds in private companies, which opposed membership of the EEC (now EU), stood for non-alliance and neutrality in foreign policy and resolved to maintain a public sector which extended over half the economy and was subsidised through the highest taxation in the world. The kind of social democracy

which was to emerge minutes later, without Olof Palme, not just in Sweden but across the West, was a fundamental break with all of this.

After Palme

In 1980, Sweden was arguably the most egalitarian capitalist country the world had ever seen. Under Palme, the country had responded to the liberation struggles of the previous decades with a new wave of social-democratic policies: public universal childcare, housing allowances for pensioners and parents with young children, increased children's allowances and expanded free healthcare provision, including for abortion. However, according to the OECD, Sweden today is the developed country in which the gap between rich and poor is widening most rapidly. As sociologist Göran Therborn demonstrates in his book *Capitalism, Global Warming and the Rest of Us*, when it comes to wealth distribution Sweden has become one of the world's least egalitarian countries, comparable to Brazil, South Africa and the USA.

Tax revenues from the economy rose during the 1980s to exceed 50 percent. Today it is around 43 percent, which constitutes a cut in taxes of seven percent of GNP since 2000, or a reduction of 240 billion Swedish Kronor (£20 billion) per year in public spending.

For decades, Sweden's Social Democratic Party pursued a policy of full employment. In 1990 it changed course and made low inflation the primary goal. This reappraisal was to some extent dictated by Sweden's entry into the EU but it was also the policy which the domestic right-wing and their economic advisors had been advocating for decades. Since then unemployment has never fallen below six to eight per cent – three times higher than it had ever been before.



Olof Palme's funeral in 1986.

Over recent decades we have also witnessed a rampant neoliberal revolution driven by privately-owned, profit-maximising but publicly-financed schools similar to those advocated by Milton Friedman. These schools are in the model of those which the 'Chicago Boys' used to build free-market economics in Pinochet's Chile – but even there they were

subsequently abolished. In Sweden, one in every five pupils now attends a privately-owned school, exacerbating the already pronounced ethnic and class segregation. For a number of years there has been a major crisis within the health care system due to a serious lack of resources and the failure to achieve the building of private hospitals.

After the 2018 election, the Swedish Social Democratic Party which had been the largest in the country for more than a century considered itself compelled to enter into a co-operation agreement with centrist parties, embracing a neoliberal programme comprising tax cuts for high earners, the privatisation of the labour exchange and the deregulation of the market for rental accommodation.

Since the signing of this agreement support for the Social Democrats in the opinion polls has plummeted and the most recent polls indicate support only among between 22-23% of the electorate which is less than Sweden's largest right-wing extremist party, the Sweden Democrats.

To put it mildly, something has happened to Olof Palme's party and his country. On the 34th anniversary of his murder, social democracy is in existential crisis. The paradigm shift I described brought about decades of decline – and there's no sign of it ending soon.

Legacy

On days of remembrance, you might hear the odd Social Democratic politician express regret that so few people recognise Palme's political achievements. But the modern party has practically eradicated everything that he stood for. In this vacuum Palme rapidly became just a part of history.

Olof Palme was no messiah. Like many politicians, he made mistakes. Many of his ideas failed to take into account changes caused by the end of the Cold War and when capital was no longer controlled by the nation state. But the murder of Palme was a moment of global significance – the end of a strain of radical, reforming social democracy that saw a world beyond capitalism and the age-old crimes of imperialism. Although it was Palme who was shot, it was a politics that died.

It was not replaced by any new social democratic ideas, rather Europe's centre-left parties adapted to neoliberalism and its economic policies. Since 1986 social democracy has put forward no major policies to reform society, and none which might challenge the business establishment's control over the means of production. The wage-earner funds which were introduced in 1982 were revoked without protest by the right-wing

government of 1991-94.

Social democracy's strong and well-organised foes faced a more pliable and accommodating opponent after Palme was removed. Social democracy was no longer a distinct political concept. It had broken with a line of independent thinkers which had existed for over a century, with one of the party's founding fathers Axel Danielsson putting in the first party programme that its aim was "to distinguish ourselves from all other parties." Today the Social Democratic Party is just one of the pack.



Olof Palme's memorial in Stockholm, Sweden.

According to the official party line, it was hatred of Palme's personality which was the motive for the murder. But the reason for this hatred needs to be examined. Palme's personality was no doubt a contributory factor, particularly the rancour which characterised his style as a debater. But it was his political message that provoked this hatred. Palme became the

target for those who detested what a confrontational, aggressive, proud and confident labour movement which raised taxes and aimed to democratise might achieve.

Without such policies there would have been no hatred. The hatred of Palme was not aimed at a single provocative debater who had betrayed his upper-class origins; it was a very specific campaign against a person who stood for policies which threatened entrenched vested interests.

Olof Palme is often in my thoughts. His portrait hangs in my office. The Swedish model has provided an inspiration for left-wingers across the world. Our strong unions, our comprehensive welfare state and gender equality have made Sweden a blueprint. In the United States, Bernie Sanders frequently references the Nordic welfare states and their free healthcare and free university education as a path to follow.

But today the Swedish Social Democratic Party is facing the opposite direction. Its international officer returned from a recent trip to America and declared Sanders too “radical.” Better to side with the billionaires. Today, the leadership of Palme’s party finds Pete Buttigieg more inspiring. For millions of Swedish socialists, however, Sanders is a role model and an icon. His contributions to the debates and his speeches are distributed on social media and taken up by celebrities. His proud embrace of the term ‘democratic socialism’ still touches the hearts of social democrats, and everyone else who dreams of policies which aim to change the world. The morning after Palme’s murder, March 1 1986, I woke to find my devastated parents comforting each other on the sofa in our tiny living room. They wept uncontrollably in the dim light. The TV was on. Strangely, I recall it as black and white, like a photograph. “They got him”, said my mother, without saying who she meant.

There were many who at that moment felt that Sweden would never be the same again. We now know that they were right. Thirty-four years have passed. We still have no idea who murdered our Prime Minister. But we know who mourns him. And we know who maintains his tradition.