Are we all Social Democrats now?

Following the USSR’s August coup Mikhail Gorbachev finally bade farewell to Soviet socialism. He now considered himself, he said, a Western-style socialist in the model of Willy Brandt and the Swedish Social Democrats. The epoch of 1917 finally drew to a close. But what does the belated death of the revolutionary mystique mean for the Western Left? Are we all social democrats now? ALR asked four political observers for their opinions.
End of the Line

With the collapse of Gorbachev's 'reform communism' the Left's dreams of a 'third way' have finally been shattered. But Mitchell Dean argues a retreat to the rhetoric of democracy isn't enough.

The condition of the Left today must be stated frankly: it is one of ideological and political disarray. Under the impulse of Green politics and feminism, and new forms of oppositional cultural movements, the Western left has been involved in a long-term shift away from Marxist socialism for the past decade, symbolised by the effective dissolution of Western Communist parties. The events of 1989 and 1991, first in the former Soviet satellites, and now in the Union itself, have cemented this shift.

Not only is the Cold War over, but so too is the rhetoric of the division of the world into two antagonistic power blocs, and, as a corollary, the politics of confrontation. At the same time, the possible terrain for the Left seems fraught with dangers: a 'realist' social democracy committed to economic management within the existing and deeply problematic institutions of liberal democracy, or a 'utopian' radical democracy, which reinterprets socialism as an extension of democracy, without being able to address substantive issues of economic and social policy or to muster popular support. For the Left today, there are no easy solutions, and we should be wary of those who claim to have them. That would include a retreat into a comfortable social democracy.

While communism existed in Eastern Europe, it was always possible for the Left to imagine an internal democratisation of these regimes leading to a 'third way' between tyranny of the state and the logic of the market. The aborted coup has made clear that there is no turning back towards a reconstructed Marxist socialism in the East. The lesson for the left was that any dream of a 'third way' was illusory, that Marxism-Leninism could not provide the framework for institutional reform in Soviet societies, and that the end of communism was a condition for extending the process of reform. In accepting these propositions, however, conventional Left positions are revealed as irrelevant to the problems faced by these societies - those of economic collapse, of national and ethnic divisions, of political instability and political immaturity, of refugees, and of the rejection of the rule of law in favour of civil war.

The Left's position is hardly better placed in regard to the liberal-democratic West, particularly in those countries facing long-term economic and industrial decline such as Australia. Long-term, cyclical economic depression, apparently irreversible deindustrialisation, chronic unemployment and mass poverty have not been a fruitful context for the Left. It has remained powerless in the face of the dismantling of the welfare state - perhaps due to ambivalence in the first place, but more likely due to its inability to provide an alternative program for economic reform and recovery, or for political change.

The institutions of liberal democracy have proved unable to provide for even minimal levels of citizen participation, public debate, policy choice and government accountability. While the Right would hail the changes in the East as a victory for democracy, these changes reveal in full light the poverty of our own democratic institutions, the flimsy nature of their legitimation and the endemic problems of a deregulated market economy.

If liberal democracy is fundamentally flawed, then so too is a political ideology which would claim to manage the economy in the interests of a modicum of social justice. Social democracy, by definition, accepts the limits set by the institutions of representative democracy. The only form of participation and accountability it knows is managerialist corporatism, as the recent Australian experience has shown. Labourism, our indigenous version of social democracy, with its penchant for enlisting the services of the shady side of the 'big end of town', amplifies some of the species' worst tendencies.

It must be said, however, that it has at least been prepared to listen to agendas other than those of economic rationalism, and its persistence in government has protected Australians from a fate comparable to Thatcherism. Yet, contrary to Gorbachev's statement, social democracy offers no safe haven for the Left after the collapse of communism. Its major attraction is its status as a component of two-party systems, where the alternative is a wholesale radical destruction of social rights and citizen participation in favour of an out-of-control market logic.
The other option also involves democracy. The great temptation now is to take up and radicalise the Right’s position. The latter presents liberal democracy as the solution to all existing problems in the East. In the case of the Left, a kind of outbidding occurs in which socialism now lays claim to the true legacy of democracy. This is the position of the new democratic Left. It theorises a renewal of democracy through the social movements and citizen participation of ‘civil society’. The key theoretical problem here is the failure to recognise what even bourgeois political economy already knew, that civil society is the sphere of those antagonistic interests which give rise to the state and which lead to pluralist party systems under conditions of liberal democracy. The political danger in the West is that greater democratisation becomes a mere slogan which conceals the absence of substantive economic and social policy engagement on the one hand, and a program for political and constitutional reform on the other. In the East, the danger is that the appeal to the coalitions forged in civil society may become the basis for populist, authoritarian rule, as recent developments in Soviet Georgia have already shown.

Neither existing social democracy, nor projected radical democracy offers us a ready alternative to discredited political theology. There is no correct line or ‘-ism’ towards which the Left can retreat. The urgent need is not sloganising, but the reconstruction of the Left’s agenda so that it takes its place within those debates which will determine the shape of our future.

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If we are now all social democrats it is high time we identified the major sub-species and located ourselves properly in this otherwise vaguely-defined category. An early social democrat, Rosa Luxemburg, once observed that all animals (political ones in particular) fell into two categories—those with backbones who could stand and get around upright, and those without, who are condemned to less dignified postures and locomotion. Vertebrates and invertebrates, as zoologists say. The distinction holds among self-styled social democrats, too.

Three years ago the then Swedish treasurer succinctly and authoritatively summed up his own invertebrate form of social democracy. Capitalism is the inevitable and unsurpassable basis of productive organisation, he said. Socialism is about redistribution only. From this brief formulation we can see clearly the resignation and self-deception that characterises the invertebrate posture. It beguiles itself into believing that there is no necessary connection between relations of production and relations of distribution, as if the goose magnanimously abandons the golden eggs it lays. In reality, the pure-bred capitalist goose only lays those golden eggs it gets to keep.

After over eight years of invertebrate social democracy in Australia the pattern is as clear as it is unsurprising. Capitalism has been managed on its own traditionally preferred terms (rebadged as economic ‘rationalism’). Only in the convict era and the depression has our workforce been treated with comparable ruthlessness and contempt. Economic decision-makers have made a virtue of inhumanity in their pursuit of ‘efficiencies’ (for which read ‘degradation of services’ in most instances) in the form of layoffs and job reorganisation. Unemployment will soon return to double digits. And after so many years of ‘efficiencies’ and ‘necessary sacrifices’ as preludes to ‘affluence’ we find we can no longer afford viable public education, health and child care, transport and broadcasting—the most basic underpinnings of our quality of life.

What Social Democrat is That?

If we’re all social democrats now, Winton Higgins observes, the way to tell us apart may be to look at our backbones...
Invertebrate social democracy is an international movement and our local experience of it is unremarkable. Even in the social democratic holy land, Sweden, it has taken the lead, as it has here, in declaring much of social life unaffordable and engaging in what it used to abhor as 'social disarmament'. Political science has yet to come up with a substitute for a backbone.

Some of us social democrats find this invertebrate mutant less than compelling. It is neither social nor democratic. Fortunately, we can avail ourselves of the vertebrate strain, and with relief discover only the most tenuous genetic links between it and the invertebrate condition. Vertebrate social democrats are predators rather than parasites on capitalism. The basic premise of this social democracy is that capitalism is an inefficient and destructive basis for the further development of mature industrial society. As long as paper entrepreneurs disorganise our industries, the latter will not fulfill their historic promise of greater individual social choice for less drudgery. The tempo of work increases today for less socially relevant output.

There is a second basic point about capitalism which enjoys great programmatic relevance among vertebrates. In flat opposition to the economists' old furphy that efficiency and equity are antithetical, capitalism's inequity and inefficiency reinforce each other. Conversely, democratic and egalitarian reforms to economic organisation and income distribution have fostered economic prosperity and social justice in countries where social democrats have broken through. For the vast majority, the pursuit of democratic norms, equity and efficiency carries its own fairly immediate rewards. Yet this line of reform is no mere palliative.

Over time it implies the cumulative displacement of capitalist institutions that chronically underachieve and are incorrigibly inequalitarian and oligarchical.

The natural habitat of vertebrate social democrats is, in fact, the socialist tradition, but they distinguish themselves from its other denizens by combining two characteristic modes of thought. First, they eschew the pseudo-scientific determinism which rules out of court any inquiry into the ethical roots of human happiness. Rather, these social democrats mobilise around the original aspirations of socialism—freedom, individuality, community, participation, equality. Unless the political will can assert these values in the face of 'objective conditions', how can anyone take the socialist project seriously?

Second, social democracy proposes handier criteria than paper profits for that supreme modern value, efficiency. Economic organisation is efficient when it targets production to social requirements on environmentally sustainable terms (including minimised inputs) while offering meaningful, co-operative work to the direct producers and equal opportunities for real life choices to all individuals. When smash-grab capitalism is measured against these criteria, the shortfalls that appear show the vertebrates just where to begin.

We can warm up with a few back stretches...

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Citizens and Social Democrats

Peter Beilharz argues that the death of 'scientific socialism' unlocks a plethora of social democratic pasts.

Are we all social democrats now? It was a clever, foolish Englishman who more than a century ago ventured the opinion that 'we' were 'all' socialists now. He was referring, essentially, to an alleged consensus concerning the necessity of local or state provision, which has remained a consistently debated issue ever since. A hundred years on in the antipodes, especially after the influence of the trend which Michael Pusey analyses in his new book on the arrival of Economic Rationalism in Canberra, we are all economic rationalists; for others, writing in the cultural sphere, we are all now postmodernists, etcetera.
We are, of course, not ‘all’ anything at all—except human beings; though there is some argument about that, too. Yet radicals—readers of Australian Left Review, for example—have some shared sources of identity. And a hundred years ago, our predecessors reading *Die Neue Zeit* would ‘all’ have been social democrats—for ‘social democrat’ was the fin-de-siècle equivalent of ‘marxist’, and many socialists viewed marxism and socialism as co-extensive. Whatever marxism’s own territorial claims to monopoly of wisdom, however, social democracy certainly represented difference. In the German Social Democratic Party reforming feminists such as Lily Braun clashed with hardliners like Clara Zetkin, while revolutionaries like Alexander Helphand-Parvus and Rosa Luxemburg scuffled with poor Eduard Bernstein, the great revisionist. In the Russian Social Democratic Labour Party there were simultaneously softies like Martov and hardnosed professional revolutionaries such as Lenin. When taunted, was he a Jew or a Russian, the young Leon Trotsky replied simply—‘neither: I am a Social Democrat’. Social democracy, whatever else it was, gave an image of purpose combined with difference in perspective; it contained the eagle-eyed Lenin and the blinking Martov, the young Antonio Gramsci and Jean Juares, the smug August Bebel and the smugger Karl Kautsky, as well as Rosa Luxemburg and Trotsky.

A hundred years ago social democrats—including even the revisionist Bernstein—still defined themselves as marxists. Marxist credentials have weighed heavily in debate ever since; even Foucault and Derrida have on occasions been known to describe themselves as marxists, and, as some unkind observers have remarked, the recent protracted struggle between ‘class politics’ and ‘alliance’ politics on the Western Left sometimes resembled a staged replay of the earlier battles between Luxemburg and Bernstein. Looking like a marxist, or having decent ‘credentials’, is still an important thing; as some people have pointed out, postmarxist is a much more ambivalent condition than the ‘post’ at first suggests.

Yet much has changed. Ten years ago, perhaps a little more, a marxist (such as I then was) would have explained socialism negatively, via Marx’s very good book *Capital*. The argument went something like this. Capital was essentially a social relation; socialism, it followed, had to be the negation of capitalist production. Alienation could only be overcome if labour power was no longer commodified. Socialism could only involve the regime of the associated producers. No money, and likely no state. No troubles.

Today, socialism makes more sense (to me) as the organisation of ideas, practices and resources with which we are already largely working. The Fall of the Wall reinforces the point, which had been argued for enough earlier already, that socialists still need markets. The point now, rather, is, as Michael Walzer says, that the morality of the bazaar belongs to the bazaar. To argue for socialism, as Karl Polanyi put it, means to acknowledge the social over the economic, to insist that economic means must be put to social ends. This is as good a working definition of social democracy as I can find because it isn’t excessively programmatic so much as it is normative; it avoids imply-

ing (as Marx did) that socialism was a condition, his own favoured interpretation of the end of the history-prehistory scenario.

Certainly social democracy can still be defended, in the manner of the Swedish Social Democrats, as a kind of political long-wave theory, identifying the task as successive waves of democratisation going through politics, society, and economy. All this echoes through Marshall’s idea of progressive phases of citizenship, civil, political and social rights. But in a more general sense, too, it ought to be recognised that socialism and social democracy contain a storehouse of traditions ignored until recently, because of the reign of so-called scientific socialism over other local and variegated traditions. There are a few things here which even Gorbachev could learn from—though that particular possibility is unlikely, and is one reason why Gorbachev the reform communist has yielded to Yeltsin. The Gorbachev moment has passed, coup or no coup.

The central victim in this process is arguably less the idea of planning or regulation than the idea of revolution. Yet again, socialists under the influence of Gramsci were already arguing for processual rather than ruptural hopes of change into the 80s. At the time, they were damned by superior revolutionary minds who made the charge that Eurocommunism really represented the creeping social-democratisation of marxist politics. Perhaps the superior critics were correct. The dispute nowadays seems to be one over the content of social democracy, its earlier radical impulse, its postwar Keynesian administrative form, and its remaining hopes and prospects.

Are we then, all social democrats now? ‘No; but what a shame!’—might be an immediate response. A more measured response might be different. There is no prospect (or risk) of ‘us’ all, Australia-wide and to a person, becoming social democrats, and even if there were there would still be lots of issues over which we should properly continue to disagree. ‘We’ may ‘all’ be social democrats now in a residual, historical sense, but no more than that. Those for whom the condition is potentially positive need to rediscover the traditions of various socialism and radicalism and rethink them. The more immediate challenge in Australia is that of endeavouring to place social democracy back on the social agenda, not least of all in Canberra. Somewhere near the bottom of the list on this agenda will do, for a start.

A great labour lies before us, wherever we now find ourselves, however we now define ourselves, as inheritors of social democracy or the radical traditions, as socialists or radicals. The certainty that we are great in numbers need not be part of this process. As Bernstein said, historical materialists were Calvinists without God. We need to choose our own gods, and argue for them in the contingent world which is politics.

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After Karl and Beatrice

Marxism may be dead, but old-style Fabianism is pretty sick too. Race Mathews looks to a social democracy beyond the public corporation.

If we are all social democrats now, it is the structures in which we have confidence which have changed, not our principles or objectives. Our noses have been rubbed comprehensively in the deficiencies of statutory corporations and the command economy. The need to achieve better ways of working together remains the same.

Democratic socialists and social democrats should not be seeking to abolish private ownership of the means of production, distribution and exchange, as our conservative critics constantly claim but, rather, to disperse and democratise ownership in ways which rule out exploitation and other forms of misuse. It is no useful part of the social democratic or democratic socialist program to take major industries out of the hands of faceless and unaccountable boards of directors, elected by shareholders whose function is otherwise restricted to the provision of capital, only to vest them in statutory corporations which so far have not been observed to behave any better. What should be non-negotiable, as far as democratic socialists and social democrats are concerned, is the principle that no member of our community should live off the product of another's work, and that there should be a say in the governance of the workplace for every workforce member who wishes to take advantage of it. It follows that a social democratic or democratic socialist society ought to encompass a rich profusion of ownership arrangements, from corporations with employee shareholdings, to the traditional owner-operated business.

Historically, social democrats have been content simply to shuffle enterprises between the private and public sectors. The democratic socialism or social democracy of the future should be concerned rather to open up the possibility of a new, third sector, where increasingly workers and consumers exercise ownership in conformity with the needs of the communities to which they belong. Enterprises such as these would have four common characteristics. First, exploitation of one person's work by another would be ruled out by enterprise self-ownership, with the workers themselves as shareholders. Secondly, as co-owners, workers would have the governance of the enterprise in their own hands, and decide for themselves precisely how far to involve themselves in management and decision-making processes. Thirdly, accountability would be achieved by writing into the enterprise's constitution or articles of association its obligations to the wider community, subject to an annual assessment of social as well as financial performance through external audit. Finally, diversity would be promoted through a decentralist approach, with each enterprise choosing its own path towards self-ownership, self-government and self-regulation, as well as the pace of change and the manner in which it takes place.

The great industrial co-operatives at Mondragon in Spain are a case in point. In 1956, a handful of Mondragon townspeople decided to break out from the poverty which had dominated their lives since the Civil War. A co-operative was started which used hand tools and sheet metal to manufacture paraffin-fired domestic heating and cooking stoves for the local market. Today, Mondragon is the centre of a group of more than 100 major industrial co-operatives. The group's products include heavy earth-moving machinery, ultra-sophisticated machine tools, furniture, white goods such as refrigerators and washing machines, and a wide range of other capital equipment and consumer durables. The industrial co-operatives, in turn, are serviced by secondary co-operatives, including the group's bank—the Caja Laboral Popular—which has made them capital self-sufficient; and associated co-operatives for research and development, health care and social security, primary and secondary schools, a co-operative university of technology; and a co-operative school of business management. There are also agricultural co-operatives and housing co-operatives.

All told, the Mondragon co-operatives have in every way enriched the lives of the more than twenty thousand families who make up their memberships. It is arrangements of this sort, and not the command economy or statutory corporations, which reflect the authentic face of social democracy or democratic socialism, and move us forward in the direction of the society of equals which is our enduring goal.

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