

DISCUSSION PAPERS

THE LIBERAL RENEWAL OF SOCIAL DEMOCRACY

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1**Introduction**

The issue of how to set about renewing today's social democracy may be tackled on two fronts. It first needs a reflection on the political culture of the Left in its direct opposition to the Right. From this perspective, we can see that Left and Right have interchanged some of the focuses which previously served as their clearest defining features, forcing us to rethink many common places. Secondly, the issue may be addressed from the perspective of an ideological and social model. In this regard, I argue here that the necessary renewal must be achieved by re-examining the past relation between social democracy and liberal Left, and the potentialities such a renewal would involve when operating within the modern world. If we aim at a renewal fulfilling the two basic conditions of this type of endeavour – loyalty to an identifying tradition and a strengthening of capacities to shape social reality – the task remains at all times the same: to uncover, within that reality, opportunities and instruments to be put at the service of its own values.

2

The Pessimism of the Left

We owe to the character from Goethe's *Torquato Tasso* an expression which could well be the apotheosis of all excuses: "The blame for what one is lies with others". Such a conviction explains nothing but is a great relief. It helps assert us against them, systematise tensions between the global and the local, or provide an elemental code for the relation between Left and Right. There can be little doubt that this posture partially underpins political confrontation when a discourse intended to present the others as being worse entirely dominates the scene. This, though, reveals very little confidence in one's own plans, ideas and convictions.

And that, with very few exceptions, is how the current antagonism between Left and Right operates. What if we put the maxim of Goethe's character the other way round and ask ourselves what blame the Left has for the triumphs of the Right? This form of analysis is generally more useful, unclouded as it is by the presumption that if our rivals are so bad then, necessarily, we cannot be wrong. I believe that most of what is happening to the Left in many countries is that it limits itself to being anti-Right, a posture which, despite what it may seem, does not offer any true alternative. It has been said that the Left finds it difficult to mobilise its electorate, and there are those who believe that such an operation would involve not so much an awakening of collective hope, but the scaremongering of the electorate in order to achieve a victory for a preference which leads us resignedly to opt for the lesser of two evils.

In short, today the Right is optimistic and the Left is pessimistic. Political antagonism may perhaps at present be structured more as an emotional inclination than an ideological proposition. The fact is that emotions and ideas are more closely connected than we might tend to suppose. If we consider matters in this way we uncover the ideological shift which is taking place. Traditionally, the difference between progres-

sive and conservative corresponded to pessimism and optimism, in anthropological and social terms. While progressivism believed in historical development towards something better, conservatism, in the words of Ernst Bloch, has always been ready to accept a certain degree of injustice or suffering as an unavoidable destiny. This, to a great extent is no longer the case. The new general state of mind of the Right, as we can see with Sarkozy or Merkel is quite the opposite of resignation: determined and active, without any complex, with a belief in the future and the firm resolution not to allow anyone else to have the control of the vanguard. This stance is causing problems to a Left which, although it may have good arguments against it, is not able to put forward anything better. If it reflects the causes of the marginalised or stands up for pluralism, it does not do so in order to build an alternative concept of power, and this shows in the uneasy conscience of those who are simply recruiting allies from those around them.

The Left is, at heart, melancholy and healing. It views the modern world as a machine which must be checked and not as a source of opportunities and instruments which could serve its own values of justice and equality. Today, the purpose of social democracy is seen as that of rectifying the inequalities of liberal society. It aims to preserve that which is threatened by destruction, but does not refer to the construction of an alternative. This restorative mindset takes shape at the expense of innovative, forward-looking thought. And so citizens are not offered a coherent interpretation of the world which lies ahead, which is viewed simply as a threat. Such a distrustful attitude towards the future is essentially the result of a perception of the market and globalisation as the main agents of economic disorder and social inequality, and a failure to perceive the possibilities which they encapsulate and which could be exploited. The mobilisation of fine sentiments and constant appeals to ethics are not enough. The Left must understand the changes in society and how under these new circumstances its identifying values can triumph.

The first problem facing the Left in shaping itself as a renewed alternative is based on what Gérard Grunberg and Zaki Laïdi refer to as “heroism against the market” (Grunberg/Laïdi 2008) which prevents it from understanding the true nature of the market, leading to the belief that it is simply a sponsor of inequality, and therefore, an anti-social reality. For much of the Left, economic reasoning is social conspiracy. Such a mindset holds that the social sphere can be preserved only through conflict with the economic sphere. The ritual denunciation of the mercantilisation of the world and of neoliberalism is based on an intellectual tradition which opposes social elements to economic ones and tends to champion determinism and constriction over the opportunities offered by social change. Such a perspective makes it hard to understand competition as a true value of the Left against the logic of (public or private)

monopoly, especially when public monopoly no longer guarantees the provision of a public good in economically effective and socially beneficial terms.

Because there are also public monopolies which counterfeit the rules of the game, we know by now that there are inequalities brought about by the market, but also by the State, with some proving remarkably indulgent of such violations. Many times, guaranteeing employment at all costs is a value which must be weighed up against the cost such protection entails for those who are thereby denied entry into the labour market, thus creating a new inequality. Concealed behind the defence of social conquests, social criticism may be conservative and anti-egalitarian, thereby explaining why the Left is currently so closely identified with the preservation of a status quo.

This conservative attitude could be redefined in terms of political innovation by modifying the procedures deployed to achieve the same objectives: the idea is to place the market at the service of the public good and the fight against inequality. Nostalgia breeds paralysis and does not help us understand the new terms applied to an old combat. It is not that an era of solidarity has now given way to an explosion of individualism, but rather that solidarity needs to be structured on a more contractual basis, to replace a mechanical response to social problems involving the intensification of State intervention with more flexible formulae for partnership between State and market, with forms of indirect governance or the promotion of a culture to evaluate public policy.

The other reason why the Left currently seems pessimistic is its purely negative view of globalisation, preventing it from understanding its positive aspects in terms of the redistribution of wealth, the emergence of new players and a change in the rules of the game in terms of power relationships. By focusing only on the deregulation linked to globalisation, the Left runs the risk of appearing as a force protecting the privileged while rejecting the development of others. The fact is that the general dynamic of the world has never been so powerful, but also so promising for many.

3**A Left for this World**

This is why the Left of the 21st century must take care to set itself apart from “other-worldism” (this does not mean that there are no serious problems to be solved), without giving in to the litany of deploring a loss of influence over the general progress of the world. Rather than proclaiming that “another world is possible”, it would be more useful to devise other ways of conceiving and acting on this world. The idea that nothing can be done to combat globalisation is an excuse born out of political lassitude. What cannot be done is to act like in the past. Social democracy will not free itself from the clutches of its pessimism as long as it does not make the effort to exploit the possibilities generated by globalisation and to focus social change in a more just and egalitarian manner.

I honestly believe that the problems of the Left are neither the result of having given in too soon to realism, nor of having given up on utopia, as is generally claimed, but are derived from an earlier factor. In its origins, the lack of vigour on the Left lies in the acceptance of a territorial distribution according to which the Right is entitled to administer reality and efficiency, while the Left enjoys a monopoly on unreality, where it can roam unchallenged around its values, utopias and dreams. It is in this comfortable delineation of territory that we find the origins of the widespread political crisis: following acceptance of the break between the pleasure principle and the reality principle, between objectivity and possibilities; the Right can engage in unreflecting modernisation, unburdened by the concern that the Left could cause it any problems through its generic and disconcerting utopianism. The Right can afford to have certain problems with values while the Left still has problems with power. Meanwhile, such a distribution is of little appeal to voters, who would probably prefer to be given a different form of choice.

Viewed in this way, political realism today means a realisation of impotence in shaping social space. So what if, deep down, politics was simply a discussion about what we understand as “reality”? Perhaps the underlying political issue is not so much about ideals and concepts, but rather our idea of what is real. And if this is indeed the case, the best approach to adopt in response to a conservative concept of politics is to fight it on the battleground of reality, to debate the concept of reality. This would be the only way not to repeat the Left’s old mistake of playing by rules under which the Right will inevitably do better. The Right must be opposed not with dreams, but an alternative and superior vision of reality. Because reality is not simply about facts, but is also a set of possibilities for action informed by the viewpoint one adopts. The battle will not be won by generic appeals to another world, but in the struggle to describe reality in another way. The Left is not convincing when it positions itself as if it were at odds with reality as such, but when it is able to make us believe that the representation of reality by the Right is false. It would be disastrous simply to give up on defining the rules of the game and to accept either of the two possibilities on offer: to take up the challenge of better administering this reality (accepting as inevitable the neoliberal logic and simply moderating it) or to fight the Right on the basis of inoffensive moralism (in accordance with a version of socialism capable of renewal only by parasitically feeding on alternative social movements).

What is now at stake is not simply the Democratic alternation but also our very concept of politics. In their far-reaching study of the history of the French Socialist Party, Alain Bergounioux and Gérard Grunberg summarised this aporia in terms of the two-fold problem gripping French Socialists: the rejection of an ideological revision and their poor relation with power (2007). This is the fundamental issue: to establish whether the Left is capable of understanding politics as an intelligent activity, renewing its concepts and practices of power. This question has in fact been gaining ground within the field of political theory since the nineties, when “ideational turn” (Blyth 1997) was first mentioned. The re-emergence of concepts such as understanding, ideas, argument and knowledge, once again associated with the major political issues, would seem to suggest that some change is taking place in our conception of politics. Since that point, the question of whether ideas matter has given rise to significant research into the role played by understanding and ideas in political processes. Rather than the dominant discourse referring to the collapse of ideologies, holding up interest as the sole protagonist of political life, perhaps the exact opposite is true: with no closed ideologies a space opens up for ideas, in other words for politics as an intelligent activity.

Much of the unease generated by politics is precisely the result of the impression it gives of being an unintelligent, short-termist activity, a mere opportunistic ruse,

repetitive to the point of tedium, rigid in its conventional structures and open to correction only for the sake of convenience. A knowledge society demands that we all renew ourselves, something which would seem to have occurred in almost every sphere: companies are required to hone their inventive skills in response to market demands, the arts must seek out new forms of expression, technical skills face up to new challenges... The dynamism of our economic, cultural, scientific and technological worlds lives side-by-side with inertia in the political system. For some time now innovation has come about not as a result of policy, but the ever-greater inventiveness seen in other spheres of society. The problem does not lie in the failings of the individuals who go into politics or any outstanding incompetence, but rather a systemic failing in politics itself, a lack of collective intelligence when compared with the vitality of other social fields. This lack of vigour in politics compared with markets, and the limited interest which it arouses in most citizens, is probably the result of its inability to develop behaviours at least as intelligent as those seen in other realms of social life. I view this as the great challenge facing politics in the modern world, unless it wishes ultimately to become socially irrelevant, torn apart by the tension between global spaces and the pressure of private and local issues. We must move towards more intelligent ways of shaping the common ground of politics.

Rather than the official administrators of realism we must uphold the position that politics is not simply administration, not simply adaptation, but shaping, the design of operational frameworks, a reading of the future. It has to do with the unprecedented and the unexpected, magnitudes which do not arise in other perfectly honourable professions which nonetheless lie outside the concerns caused by an excess of uncertainty. Political action does not operate simply by the rules of experience, employing knowledge comfortably built up over the years. Those capable of viewing such uncertainty as an opportunity will see how the erosion of certain traditional concepts gives politics a renewed existence as a force for innovation and transformation. We must urgently redefine the sense and objectives of political action based on the idea which lies within politics, in other words revealing aspects of reality and possibilities for action which will not be perceived from our routine approaches and our prefabricated debates.

I am not sure whether social democracy is yet ready for this task, but what does seem clear to me is that at present neither its concepts nor its practices are in a position to tackle the complexity of our societies. Sooner or later there will be an overriding need for a distinct definition of its political reality in fields such as security, pluralism, integration, Europe and globalisation. Political intelligence now lies in learning the new grammar of common goods applied in these fields. Social democracy has barely entered this debate, and now is the time for it to explain to us why the reality is not conservative.

4

The Political Culture of the Left

In order to engage in the renewal of social democracy we must first answer the following annoying question: how do we explain why the economic crisis or corruption, along with the general disaffection with politics, affects Left and Right very differently from an electoral perspective?

I believe that the roots of this curious and so asymmetrically distributed disappointment lie in the differing political cultures of Left and Right. In general, the Left expects much more of politics, more than the Right, and at times even too much. It demands of politics not only equality in the initial conditions, but also in results. In other words, not only liberty but also equality. The Right is contented with politics simply to maintain the rules of the game and conceives of the common good as a mere aggregation of individual interests. It is more procedural, and is satisfied if politics can guarantee frameworks and possibilities, while the specific result (in terms of inequality, for example) is irrelevant; it will at most accept the corrections of “compassionate capitalism” to alleviate certain intolerable situations.

Of course both sides aspire to champion both equality and liberty, and will hold that no one can claim a monopoly over both values, but the emphasis the Left puts on equality, and the preference of the Right for liberty, tip the balance in a direction which explains why their respective electorates behave differently. This difference would, in my opinion, lie in the fact that the Left, to the extent that it places great expectations on politics, also has a greater potential for disappointment. Hence the fact that the weakness of the Left is melancholy, while that of the Right is cynicism.

If this were true, we would also find an explanation to why their ways of learning are also different, probably in response to two different psychological approaches

to coping with disappointment. The Left learns over long periods, with disappointments plunging it into the depths for a lengthy period, recovery being achieved only after a degree of doctrinal reconsideration, whereas the Right is less doctrinaire and more flexible, more eclectic, finding it easier to incorporate elements from other political traditions.

Hence the fact that the Left can win only if there is an environment in which ideas play an important role and the level of expectations focused on politics is high. When these factors subside, when there are no ideas in general and the public sets little store by politics, the Right is preferred by voters.

The Left must, in the best sense of the word, politicise in response to a Right which has no particular interest in the “political” treatment of issues. The Right enjoying success today in Europe is a Right which, indirectly or openly, promotes de-politicisation and is happier dealing in other values (efficiency, order, flexibility, recourse to technical know-how...). What the Left should be doing is to fight at every level (global, against the imperialism of the financial system, against experts limiting the space for democratic decision-making, or against the frivolity of the media...) in order to restore the importance of politics. The point is that today there is not one politics of the Left and another of the Right; the true combat today is being fought on a battleground divided between those who wish the world to have a political shape and those who would be quite happy to see politics have a negligible impact, an anachronism we could well do without. For this reason, the defence of politics has become a fundamental task for the Left. The Right has happily settled into a politics reduced to its minimum expression, its provinces hugely reduced by the power of experts, the restrictions of markets and the sensationalism of the media. For the Left it is essential that our public forum have a democratic quality, as it is here that it is fighting for its very survival.

The idea that the Left is in general is less mobilised has become a truism which at times reveals a mechanical and paternalistic (if not military) concept of politics. There are those who understand mobilisation as a form of *hooliganisation*, as if the public were a mob of fans that, when the time comes, should be supplied with the right dose of fear or desire in order to elicit the appropriate response. Such automatism is not the solution but a symptom of the true problem faced by a Left accustomed to dabbling in a low-intensity populace. What people need are not mechanical impulses but ideas which help them understand the world in which they live, and projects which inspire them to sign up. And Europe’s social democracy today does not have either ideas or projects (or those that it has are clearly inadequate). I do not wish to lapse into cheap Platonism and exaggerate the role of ideas in politics, but if the Left



does not renovate itself in this field it will continue to suffer the greatest weakness which can beset those aiming to shape the world: not knowing what it is about, not understanding the reality and simply brandishing either contempt for its enemies or a clean conscience as to the superiority of its own values.

5

Liberal Social Democracy

As is the case with political ideas, political life would seem to be bogged down in a broad and diffuse “centre ground” with all parties competing in their promise to combine one facet with another: free market and welfare state, individualism and social justice, deregulation and governability. As if politics were simply an incoherent mix and match. The most damaging approach which anyone with a desire to win could adopt would be to define a position or to set priorities. Being in favour of everything makes one less vulnerable to electoral disloyalty. But a definition (as with an ideological characterisation) makes sense only if one draws a specific profile, an individuality or difference. Definitions tell us nothing if they aim to include everything. This is more or less the situation with the “new centre” or “third way”, terms which have been used to christen and invest with a degree of ideological dignity attempts to capture less ideological and volatile votes, with the major parties practically blurring into one. Winning a majority means regaining the acceptance of a greater number of individuals. And successful government means upsetting only the very few. The type of politician in demand is an expert in managing disappointment and disinterest, a panderer to social apathy. The abandonment of radicalism is the ideological imperative of our societies.

Anthony Giddens, one of the main ideologues of the third way, subtitled his manifesto *The Renewal of Social Democracy*. I wish here to propose a different renewal of social democracy, adopting the liberal tradition as its central plank. The greatest liberals, the *levellers* (Liburne, Overton and Walwyn) in the English Revolution, revolutionaries such as Payne and Findley in the early stages of the United States, the *cercle social* in the French Revolution, Thelwall and the London Corresponding Society in England in the same period, conducted a complete vindication of human rights, rebelling in other words against any form of old or new establishment, against both the

arbitrariness of the State and economic dominance. Today's diluted liberalism, however, with which many on both the conservative and social democratic sides identify, has lost its libertarian edge and the critique of power which characterised that initial liberalism and the first formulations of socialism. My specific proposal involves renewing social democracy on the basis of a specific interpretation of liberalism, what might be dubbed liberal or libertarian social democracy (Innerarity 2000). While true liberalism released into the world an idea laden with consequences: the Constitution conceived as a "constitution of society", in other words a contract on the basis of which a society was validly established through the free adhesion of citizens; dilute liberalism has reduced the social contract to a contract of State, with society accepting the authority of the State under certain conditions, thereby offering inadequate protection against State power.

One of the most urgent tasks of liberal social democracy would be to minimise State power and to fight for the elimination of economic dominance. It is typically held that economic domination is the result of excessive market freedom, when in fact quite the opposite is true: economic dominance is caused by a lack of economic liberty. Constitutional and democratic order is viable only if we recognise and actively combat the existence of concentrations of power incompatible with liberty. This would, then, involve extending (not restricting) the constitutional principle of the minimisation of power also in the hands of the realm of the economy, currently so distorted by new oligopolies with the blessing of weak States. We should aspire not simply to a State with only the indispensable powers, but also a market economy free of dominance. It must meanwhile be remembered that the flag of *laissez-faire* was raised against great concentrations of capital, not as a justification for the inactivity of the State, as neoliberalism would claim. The State must actively ensure that all citizens can trade freely in the market place.

Reforms in support of the market do not mean more efficiency and less social justice. Quite the opposite: they are left-wing to the extent that they reduce privilege. Only a social democracy which has the courage to increase opportunities for all and contribute to a system based on a true meritocracy can justifiably state that it is fighting for the most underprivileged members of our societies. It is the objectives which have characterised the European Left, such as the protection of the weakest or the rejection of excessive inequalities and privilege, which should be driving it to adopt measures in favour of the market. Excessive regulation, the protection of status, a public sector which does not benefit the poorest but the best placed, universities which churn out mediocrity in the name of egalitarianism (while the wealthiest manage to secure a good education); all this is not simply inefficient, but socially unjust.

The Left finds it particularly difficult to undertake this renewal because it has not cast off its statist tendency and has succeeded only in achieving compromises plagued by a bad conscience. The discouraging discovery that society as a whole cannot now be mobilised in accordance with a model for reform directed from the State has prevented the quest for new formulae other than simple moderation. Social democracy has not yet understood that the demand for “deregulation” is not a capitalist slogan, but the growing need of an individualised society. The Left has spurned the opportunity to espouse this vindication of higher levels of liberty in independently shaping one’s own life. It has failed to take the chance to convert the desire for destatisation into the clarion call for a liberal renewal of society, preventing its instrumentalisation by economic powers. Schröder and Blair were always speaking of initiative and responsibility. But the conclusion that the State will not in the future be able to offer guarantees against all the vicissitudes of life is presented as bad news, rather than in its more positive aspect, as a sacrifice needed for the sake of the general viability of the system or on behalf of future generations, without explaining the opportunities and possibilities which a more open and flexible society offers all.

Some failures of governments of the Left have simply been the result of the price they had to pay for clinging to the idea that social improvements could still be implemented by means of centralising State intervention. Social democracy today is at some distance yet from developing a new concept, more in line with the times, of equal opportunities translated into social initiatives. It is ultimately unable to abandon the idea that redistribution is performed by means of a State bureaucracy presented to give the impression that it takes care of all. It so happens that conservative governments have also espoused this strategy, with the debate focusing solely on how much the apparatus should cost and which interest groups should receive preferential treatment; while voters simply ask themselves who is capable of doing the same job better. If all parties present themselves as the guardians of “social justice”, the Left can barely be distinguished from the Right. All it can hope is that the more underprivileged will feel that they would be treated worse by the Right.

If social democracy wishes once again to be recognised as a force for social transformation, it must redefine itself. It must regain its subversive, libertarian capacity, of which the republican idea of “liberty as non-domination” is a fine example. Can we imagine a non-statist social democracy aiming not to bring about equality by means of State redistribution but through the creation of greater equality of opportunity within the marketplace by encouraging initiative and responsibility? And what if liberalism is, as recently pointed out by certain authors (Giavazzi / Alesina (2006), a left-wing ideology? The debate recently seen in France as to the compatibility of social democracy and liberalism specifically invited an examination of the histori-

cal track record and the possibilities that social democracy could find in liberalism a source of renewal making it more suited to government amid the challenges of contemporary society.

Such a renewal of social democracy is conceivable only in the event of a general review stretching back to its historical origins. In the 18th century, the Left stood not only for political liberty, but also for economic liberty. The various traditions which shaped the movement, from Locke and Hume to Voltaire and Kant, championed the free market, unrestricted global trade, and believed in the civilising capacity of an individual's desire for gain. It was the apologists of the Restoration who called for strict State control over economic life. The first radical criticism to capitalism came from the authoritarian Right. In the 19th century this pattern was reversed. The Left became collectivist and, through the repression of libertarian strands in the workers' movement pushed through by Lassalle and Marx, became the champion of State planning. The Right, meanwhile, initially anti-liberal, gradually became the advocate of free enterprise. And so the concept of *laissez-faire* was never the monopoly of bourgeois liberalism, but was also present in the libertarian aspirations of the working class movement. The first trade union movements fully accepted private property and the market economy as circumstances within which to improve living and working conditions, and achieve a greater and cheaper supply of goods.

A particularly interesting light is cast on this position by the figure of Joseph Proudhon, whose libertarian socialism was based on an emphatic affirmation of individual liberty. With his idea that authority is a transitory institution which must be reduced to the minimum, or his concept of "mutualism", the economic self-organisation of workers into the "*banques du peuple*" and cooperative enterprises, he espoused the liberal theory of the contract, reformulating it in accordance with the aims of workers. Liberals had taught that social cooperation does not arise through the ordering and oversight of State patronage, but through free economic exchange among subjects pursuing their own interests. For Proudhon, though, this concept of liberty was incomplete. It made liberty equivalent to isolation, a quality enjoyed by those not limited by the activity of others. In contrast to such naked liberty, Proudhon proposed cooperative liberty, which was not at odds with solidarity since the liberty of one was no longer an obstacle to that of others, but a benefit. The greatest freedom would be enjoyed by those with the best relationship with others.

Proudhon was not in favour of utopianism or reformism, but a social experiment based on strict free will. Hence the fact that economic liberties found their logical continuation in the federative principle in organising a nation. Individual liberty, the core value of all emancipation aspirations, does not contradict collective interests.

This is what he proclaimed in his *Confessions d'un Révolutionnaire*: “Liberty! That is the first and last word in social philosophy. It is strange that after so many vicissitudes and setbacks on the rocky and troubled road of revolution, we should ultimately discover that the remedy for so much poverty, the solution to so many problems, lies in allowing liberty to flow more freely, in tearing down the barriers raised against it by public authority and the power of property” (1851, 340).

Although he has been consigned to the historical pigeonhole of utopian socialism, Proudhon did not call on workers to dream of a utopian ideal of society (in which he did not believe), nor to place their blind faith in a governing class which would vouch to exercise State power on behalf of its followers. Nor did he wish to do away with the State or to establish (as the followers of Fourier did) a community of visionaries on some island. His aim was to combat “the torpor of the masses”, as the origin of all authoritarianism. Rather than being obsessed with power (“governmental prejudice”) he dreamt of challenging the invasive tendency of authority, trusting individual ability.

If this libertarian concept had proved more successful, and not been discredited by Marx as “petty bourgeois”, the history of social rights and the working class movement would have been quite different. However, the struggle between their two books, *The Philosophy of Poverty* and *The Poverty of Philosophy*, resulted in the defeat of liberalism by statism, leading the workers’ movement to establish a machinery of redistribution tending towards authoritarianism. Its most immediate consequence was to achieve material well-being for workers, integration within society, recognition and citizens’ rights, while preventing the implementation of self-organisation projects. This system has now seen its limits, and in such a situation the liberal or libertarian concept of social democracy, which for more than a century has been simply a sideshow, is now acquiring greater currency.

The idea is not to eliminate the State, but quite the opposite: to consolidate it and make it more effective, with less bureaucracy and more transparency, inevitably meaning its withdrawal from many social spheres which it now occupies. Liberal social democracy means “bottom-up” deregulation, wholly different from the neoliberalism of which the great economic powers are so enamoured, their position based on the complicity between their interests and those of the State. The truth of the matter is that at heart neoliberalism is an anti-liberal ideology based on a world view bursting with fatalism and submission.

This new social democratic approach coincides with neoliberalism in a rejection of State control of the economy, budgetary discipline and the independence of central banks. Where it differs is that it views the State as the inevitable framework govern-

ing social life, as the engine for non-contractual elements of the social compact and the guardian of the social fabric. Such liberal social democracy nonetheless warns against the illusion of viewing social justice as simple equality, not complex equality (Michael Walzer 1993), placing the emphasis not on levelling but on equality of opportunity. Because not all increases in social obligations serve to eliminate inequalities. Too often a benevolent State has brought about new injustices, in the sense that it has favoured those not in need and arbitrarily excluded others. The political mechanisms vary from country to country, but the historical background is always the same: the insiders within the system block reform.

Current criticism of the global economic system rails against mercantilisation as if the market were responsible for world poverty. The problem, though, lies in the fact that no true market economy exists. No big business would have grown to its current dimensions without State protection. These great consortia have less desire than anyone to see a truly free market exist. To a certain extent, what we are witnessing is a kind of feudalisation of capitalism, a “legal economy of pillage” (Oswalt 1999). The smokescreen of the general interests of society often conceals the interests of specific groups, unfair competition, the concentration of power held by financial and opinion groups. It is the citizens who are being fleeced by this great mass of capital. Liberal social democracy should be aiming to promote true equality of opportunity in the economic sphere. This necessarily involves the elimination of many forms of subsidy and property status acquired without competition in their provision. Globalisation can be used to strip power from the existing economic concentrations and effectively open up global markets. The current world economic order is not, as neo-liberals would claim, a natural framework nor an irrefutable fact, but a contingent and modifiable social construct. The clear opening up of global markets would not lead to an increase of power in the hands of major corporations, but quite the opposite: truly liberal globalisation would mark the end of media, financial and industrial consortia. The fact that this is not occurring is the result not of the immovable “logic of capital”, but of State interventionism.

The crisis of the Welfare State lies in a crisis of solidarity, as expressed for example by corporativism, the underground economy, resistance to social security contributions and the widespread complaint raised that the public consequences of individual claims are not taken into consideration. This does not, of course, all mean that we have become more selfish, but involves the issue of analysing the phenomenon from a sociological perspective, since it is the channels for expressing solidarity which have become more abstract and mechanical, unable truly to reflect a common interest. The State has in fact proceeded to mask social relationships and generate diffuse and blind irresponsibility with regard to the social consequences of individual acts.

The financial redistribution undertaken by the State is ultimately viewed as wholly unconnected from the social relations on which it must be based. Few employees are aware of the true sum of the social security contributions tied to their salary (the concept of a gross salary has no meaning), while VAT, which represents more than half of tax revenue, is a “painless” tax, with consumers barely registering the effort it costs them. Only income tax represents a deduction clearly perceived by the individuals concerned. People have no way of knowing the relationship between their individual tax payments and how they are used collectively. The State is an intermediary which obfuscates social relationships, papering over true solidarity with anonymous, impersonal mechanisms, meaning that it can no longer be perceived. The result is widespread irresponsibility. We end up believing that salaries, prices, profits, taxes and social security contributions have nothing to do with social relationships.

For a long time our safety-net society has proceeded to socialise responsibility, replacing the attribution of fault by a system of compensation. This process has served to make the mechanisms for creating solidarity abstract, formulaic, illegible. There must, though, be a minimum level of visibility in social relationships. An increase in social transparency means needs and aspirations becoming apparent more locally. Solidarity cannot be based simply on rules and procedures, but must also have a voluntary dimension. The State will be better welcome if the mechanisms it implements are explicit for all (Rosanvallon 1981, 125). Such a dedication to the truth is not without its risks. It forces us to take into consideration all the realities the typical macroeconomic models reject or ignore: minor privileges, the extreme heterogeneity of paying conditions and the lack of equality in taxation... Transparency has a cost. It may give rise to tensions and conflicts. But a recognised conflict lies at the heart of social self-generation. The democratic ideal does not mean denying or ignoring conflict, but making it productive.

The creation of greater equality of opportunity within a free market, rather than centralised redistribution, would thus be the goal of a historic combination of liberal and social ideas. This would be the radical renewal of a social democracy not resigned to allowing conservatives monopolise one dimension of liberty and administer this with no regard for equality, thanks to the superiority granted to them by the failure of State redistribution strategies.

Final Summary and Recommendations

The electoral mobilisation of the Left cannot be confined to scaremongering of the electorate as to the failings of its political adversaries, but must aspire to arouse collective hope.

Rather than viewing the current world as a machine which must be checked, social democracy should view it as a source of opportunities and instruments which could be at the service of its own values of justice and equality.

Social democracy should view competition as a true value of the Left, as opposed to the logic of public or private monopoly, and understand itself as an ideology which aims to place the market at the service of the public good and the fight against inequalities.

Within this context, solidarity must be given a more contractual basis, and rather than a mechanical response to social problems through more intense State integration, it should introduce more flexible formulae for cooperation between State and market, with indirect forms of governance or the promotion of a culture of public policy evaluation.

Nor should social democracy hold a wholly negative concept of globalisation, preventing it from understanding its positive aspects in the redistribution of wealth, the emergence of new players and a change in the rules of the game in terms of power relations.

Social democracy should set itself apart from “otherworldism” in order to avoid the drift towards a utopian unreality which would make it unable to act on reality. Ultimately, the political battle is won not through a generic appeal to another world, but the fight to describe reality in another way. Hence the fact that the best approach to adopt in response to a conservative concept of politics is to fight it on the battleground of reality, to debate the concept of reality.

What is now at stake is not simply the democratic alternation, but our very conception of politics. The Left must, in the best sense of the word, politicise in response to a Right which has no particular interest in the “political” treatment of issues.

The Left can win only if there is an environment in which ideas play an important role and the level of expectations focused on politics is high. For the Left it is essential that our public forum have democratic quality, as it is here that it is fighting for its very survival.

Social democracy must stress the role of ideas in politics and offer its own definition of political reality in fields such as security, pluralism, integration, Europe and globalisation.

It is possible to renew social democracy on the basis of a specific interpretation of liberalism, what might be dubbed liberal social democracy.

Liberal social democracy believes that reforms in support of the market do not mean more efficiency and less social justice, but the elimination of privileges for the benefit of the most needy.

This concept of social democracy views the market as a space which must be protected in order to promote true equality of opportunity, and globalisation as a reality which, if well orchestrated by the corresponding global governance, can be used to strip the existing economic concentrations of their power.

Conclusion

The Left is heavily marked by its statist tradition, according to which it tends to view the State as the sole legitimate instrument for public action, mistrusting independent civil society initiatives, with a centralised model of solidarity and redistribution and a critique of liberalism which extends also to political liberalism. When the Left has held power and has been obliged to accept the realism of what is economically possible, or the restrictions of political life, it has often done so with a bad conscience, or as if capitulating before the dominant opinion: this has occurred with economic liberalisation and questions of security and immigration, where the Left has often given up without proposing a different policy to that of the Right, but simply attempting to moderate this.

The current transformation of social democracy demands a new internationalism adapted to globalisation and new mobilities, a focus on the fault lines in society which lie not only within the socio-economic sphere (cultural, territorial, ethnic...), and a redefinition of the instruments of redistribution and solidarity. This goes hand-in-hand with the ecological issue, not as a specific field but as a more systemic, long-term way of thinking and acting.

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