The Crisis of European Social-Democracies and the Challenges of Globalization

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The electoral and political decline of European social-democracies in recent decades, in the context of the global economic and financial crisis that began in 2008 and of the globalization process, is now a recognized empirical evidence. As *The Economist* wrote, since the beginning of this crisis the European social-democracies have lost about a third of their voters, the worst results since the end of the Second World War. More analytically, a recent study (July 2017) published in the online journal *Social Europe* on the electoral data in Europe regarding 13 parties in the period between 1993 and 2017 documents the decline, not to say the collapse, of the European social-democracies and, more generally, of the European Left. The study distinguishes three periods within these years: the post-Maastricht period (1993-2000), the post-euro period (2001- 2008), and finally the post-crisis period (2008-2017) which represents the peak of the electoral decline of the left. In sum, while at the end of the 1990s the socialist parties were governing or leading coalitions in 13 out of the 15 EU members states, the year 2017 ended with the left in the minority in almost all of the 28 states of the European Union, with the exception of Portugal, where a coalition between socialists, parties of the most radical left and the greens leads the government with a certain success in consensus and results, and of Italy, where the Democratic Party – to some extent the heir of the social-democratic traditions and member

Czech Republic the social-democratic party had 32.3% of the votes in June 2006, and of the European Socialist Party (ESP)-, is still governing the country, although it too is in a strong electoral fall and in an evident identity-crisis. The study also analyses the data in three large geographical areas: Northern, Central and Southern Europe, the latter being the area in which the decline of the socialist / social-democratic parties appears more marked. Between 2001 and 2009, the average percentage share of the votes of those parties in Southern Europe had been 36.3%; since then, there has been a loss of about 15 percentage points (the average percentage is 21.37% between 2009 and 2017). France and Germany, the leading countries of the Union, also present a decline of their respective socialist parties. In France, Benoit Hamon, candidate of the socialist party in the last presidential elections (won by Macron at the head of a brand new and strongly pro-European political movement) collected only 6% of the votes in the first round. A devastating crisis in comparison with Mitterrand's results, who won the 1981 presidential elections with 25.9% in the first round, and with 51.8% in the second round. In Germany, the SPD stopped at 20.5% in the last legislative elections of September 2017, once again won by Chancellor Merkel's party. The decline is also particularly pronounced and evident in the Eastern European countries, which entered the Union after the end of communism. For example, in the

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plummeted to 7.3% in the political elections of October 2017. In this context, the best result in Europe in quantitative terms appears to be that of Jeremy Corbyn's Labor Party which, in the political elections of June 2017, won, however, by the conservatives, got 40 % of the votes (plus 9.6%) on the basis of a rather radical anti-liberist program.

It should also be noted that the crisis of progressive and leftist political movements appears to be not only European but global. It is significant, from this point of view, that at the last G20 Summit held in Hamburg in July 2017, there were only three governments belonging to the center-left political area, those of Canada, South Korea and Italy, while there was a strong presence of those of the center. And it is at least as significant that to govern the United States, which is still, although in strong decline, the greatest world power at least from the military point of view, is today Donald Trump, an exponent of a neo-nationalist, right-wing populism on the rise also outside of the West, as evidenced, in particular, by the case of Narendra Modi's Hindu-nationalist India. In what general framework can the decline, so far briefly outlined, of the progressive and left-leaning political movements in Europe and in the rest of the world, be placed?

The context is represented not only by the financial and economic crisis originated in 2008 in the United States, with all its social consequences (unemployment, job precariousness, fall in incomes, inequality, crisis of the middle classes, etc.), also intertwined with the consequences of the ongoing scientific and technological revolution (automation, digitalization, disintermediation, etc., and therefore a strong reduction in work opportunities). A political, institutional and cultural more general transformation is under way which - in the context of the globalization process -

manifests itself in the crisis of representative democracy and of the great traditional "intermediaries" of the twentieth-century's model (mass political parties, trade unions, large public educational agencies like school, etc.); in the emergence of populist movements and leaders acting as "entrepreneurs of fear" who establish a direct relation between "boss" and "crowd"; in the tendency toward a cultural hegemony, not adequately opposed by anyone, of sovereign, neo-nationalist, xenophobic, identity-related visions, all based on the contrast between "us" and "them" (foreigners, migrants, and not only). This happens in the context of the decline of the progressive "great narratives" (ideologies, in other terms) of the past century, in particular those of socialist inspiration, who were reading history as a path of progress and liberation, and politics as direct participation in the public debate and in the collective decision-making processes. The dominant ideology of the last decades, neo-liberalism and market fundamentalism (using the formula: the state is the problem, the market is the solution), is also in crisis, after the evidence of its failures (as well known, the States had to intervene with public money to save the markets), and leaves a gap into which only the neo-nationalist and sovereignist movements have actively and successfully entered until now. It is not a coincidence that today in the West, and not only, personalized "democratorships" (a hybrid of democracy and dictatorship) have a good seduction capacity; to give some examples: Putin in Russia, Erdogan in Turkey, Orban in Hungary. Even Trump in the United States would aspire to a "democratorship", were it not for the fact that this is prevented, at least for now, by the traditional counter-powers of the American representative and federal democracy: federated States, local autonomies, judges, the press, etc.

The unavoidable framework of all this is globalization. At the base of globalization there is the extraordinary technological revolution in communications, information and transport - which tends to compress and reduce to zero both time and space- which makes the whole world interdependent like never before. A revolution whose potential for transformation has been "liberated" (and thus made largely uncontrollable) by the free trade policies dominant in the last decades. Today, therefore, global flows (of capital, goods, people, information, images, values, etc.) cross and have an impact on many places, which in turn are forced to interact and come to terms with those flows. The dialectics between flows and places has become decisive everywhere. The protagonists of those flows are new transnational and global actors, essentially of a non-state but private nature, therefore totally devoid of democratic legitimacy based on consensus: financial, industrial or service-sector multinational companies; transnational organized crime, whose turnovers often outweigh state budgets; and also transnational terrorism. De facto, the national states, even those of continental dimensions of a democratic-federal type such as the United States or India, or of an authoritarian type such as China or Russia, are crossed by flows they are no longer able to control (and often not even to know of). They make the claim of one's sovereignty (according to conventions, it is the power that does not recognize any other power above itself, and is the source of all powers below itself) illusory. In fact, the States are no longer able to guarantee to their citizens (who perceive and experience this fact, albeit often without being able to understand it rationally) the fundamental public goods which have always justified their existence and their power of command: peace, legality, work, currency and savings stability, knowledge, public protection against the

great risks of life such as loss of work, sickness or old age (the Welfare State), in one word, security in all its aspects and dimensions ("human" security, in the terminology used today). The traditional "pact" between states and citizens - the guarantee of public goods versus the recognition of state authority - has been "broken". In this context, one can understand the increasingly widespread popular hostility and resentment towards every institution and every ruling élite either national, international or supranational, like the European Union and its leaderships in particular.

Faced with all this, in order to cope with the economic and financial crisis of 2008 and most of all with the great transformation described above, brought about by globalization, which visions and innovative projects have been put in place by the European socialist and social-democratic parties and movements, or more generally the European left, in the last decades to try and win their political and cultural battle? Someone might say: nothing new or almost nothing new under the sun. Projects and policies of the left in fact oscillate between two "poles", both of them "out of time" and in other ways partly "off the mark", and then destined to succumb. The first pole, the one emerging from the years of the cultural hegemony of neo-liberalism, is still essentially that of Tony Blair's "third way": downsizing of the welfare state (as no longer fiscally sustainable) and also of the entrepreneurial state, greater labor-market flexibility, promotion of self-employment and so on. The second pole, particularly present, as stated above, in Corbyn's Labor program, but also in minority segments of the socialist parties and more generally in the political movements of the radical left, is based on the return to the Keynesian paradigm of the social state, of public spending, of redistributive fiscal policies, in an essentially

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or exclusively national perspective. But why these two paradigms, though different and in some way also opposed, are both essentially “out of time” and “off the mark”? “Out of time” because the first, Blair’s one, belongs to a pre-crisis time (before 2008), and proved to be completely impotent both to govern the “great transformation” connected to globalization (growth of inequality, crisis of the middle class, etc.) and to face the neo-nationalist, populist, sovereigntist, identity-stressing movements that emerge and often even win in the last years. “Out of time” because the second also refers to a past that cannot return, to the time of the post-World War II growth, to the so-called “glorious thirty years” (between 1945 and the oil crisis of the Seventies), to the era of an extraordinary social development based on a great implicit “pact” between capital and labor, that cannot be repeated today. “Off the mark”, finally, because the big knots of the current crisis, the great issues to deal with are not so much or exclusively those of public spending, redistributive policies, job precariousness, but in the first place, as we attempted to say earlier, those of the impotence of states and of political power, in the context of globalization, to produce and still guarantee the fundamental public goods (from peace to legality to work) necessary for the life of the citizens, and also for the functioning of the markets. How can we recover the sovereignty that we lost and achieve truly redistributive policies, sustainable development policies, full employment policies and, first of all, for their urgency, policies of stabilization and pacification in the areas of crisis outside Europe (Middle East, Africa) and, therefore, also effective policies for managing migratory flows? Is there a path different from the neo-

nationalist and populist one that promises salvation through isolation, closure and the return to forms of exclusive and exclusionary national sovereignty of nineteenth-century memory? The antechamber of wars, as evidenced by all the historical experience of the twentieth century. If the economy, finance, the markets are globalized, if consequently the taxable incomes are everywhere nomadic and fugitive, how can we guarantee a new sustainable Welfare? If all the great challenges we are faced with (peace and war, financial and monetary stability, environmental protection, the management of migratory flows, cohabitation in the same places of human groups and people of different origins, culture, religion etc.) are global, produced by planetary interdependence and carried by global flows that cross all places, how can people deceive themselves of recovering their lost sovereignty at a single level, the national one? If sovereignty, as is quite evident, can really be recovered only by sharing it with others at higher, supranational, continental and global levels, what new-state project and new democracy should we imagine and build? And what new models of political organization and devising culture need to be implemented in order to have actors able to pursue these ends?

The future of the left depends above all on its ability to give answers to these inescapable questions. This requires the ability to think anew about the future and imagine an outright new paradigm, which must be built up and then managed, well beyond the shortsightedness that marks today, almost always, the action of the ruling classes, not only the political ones. If we will make it in time, because, as everybody knows, time does not stand still.