Dawning of a New Era. On the Need to Construct Social Democracy in Europe

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The End of the Neoliberal Age

When it came to pass that trust between the major banks was so low that they were unwilling to lend to one another – unless the state guaranteed that they would get their money back – the belief that markets are best left to regulate themselves was not simply refuted, it was rendered ridiculous. When the financial crisis caused the social product of many states to shrink more dramatically than in several previous years they had grown, the promise that one had only to give markets free rein in order that, eventually, inexorably rising prosperity would trickle down to the less well-off died with it. And when it became clear that the pressure exerted by free-marketeers for tax reductions on states which had had to rescue their banks and their economies by laying out almost inconceivable sums simply could not be taken seriously, it seemed that the era which, in the UK, had been ushered in by Margaret Thatcher and in Germany had begun with Otto Graf Lambsdorff's letter to Helmut Schmidt, had truly ended.[1]

An era came to an end in which the state – and thereby also politics – was deemed less and less capable, but the market more and more. Obviously the state was not entirely obsolete. Among other things, it was there to establish a framework for markets: a legal framework so that it was clear what is and is not permitted for competing firms; a social framework so that labor did not remain solely a cost factor, but the activity of people who have needs and – as guaranteed by the Constitution – dignity; and finally an environmental framework to ensure that one generation does not destroy the natural environment for the next generation and the one after that.

1. The letter of September 9, 1982, to German Chancellor Helmut Schmidt, in which economics minister Otto Graf Lambsdorff (FDP) presented a plan for overcoming poor growth and to fight unemployment is generally regarded as the turning point which led to the break-up of the social-liberal coalition.

But who is to bring about the dawning of a new era? In Germany, since October 2009 we have been experiencing what happens – and indeed must happen – when the people running (or co-running) the country are precisely those whose dogmas led us into the crisis and who now believe that they can impose on highly indebted states as the result of force of circumstances what has clearly had its day as a promise: the weakening of the state without subduing the markets, especially the financial markets. Since the current government also includes a number of Christian Democrats whose understanding of the situation is more realistic than that of their colleagues no agreement can be reached on either »business as usual« or a new beginning, so that even those who voted for this coalition have no idea what this government really wants to do.

If opinion polls are to be believed, the Social Democrats and the Greens together could now expect to win a majority of seats in the Bundestag, even without Die Linke. Not because the voters are turning towards social democracy in droves, but because the Greens are approaching the 20 percent mark. In any case, the crisis of European social democracy is not over just because Sarkozy, Merkel and Berlusconi no longer have a clue. When pollsters ask voters whether they are in favor of minimum wages or higher top rate taxes, in most European countries there is a clear majority in favor of the answers to be found in the social democratic program. But that is still not considered a good enough reason to vote for them, even though few people expect much from Conservatives and Liberals.

Neoliberal Hegemony over Social Democracy

In the meantime, most social democrats in Europe are in agreement on why this is so. Throughout Europe, although not to the same extent everywhere, the neoliberal wave which inundated the entire globe also took hold of social democratic parties, in particular when they were in power. Not as much as it did conservatives, and still less than many (economic) liberals, but it has left its mark.

It is easy to reproach them for this today. But when in a media democracy virtually every economic editorial office and 90 percent of political editors are committed to a certain doctrine it is scarcely possible to govern consistently in the teeth of this – unless one is resigned to losing the next election and hopes to win the next but one.

By the first decade of the new century at the latest the free-marketeers had even managed to reshape the concept of reform in their own likeness. All of a sudden, »reform« no longer meant a step, however small, towards social equality. Now reform was whatever removed market impediments, unburdened »the economy,« and reduced government expenditure, especially on social security. Whereas at one time protection against dismissal for employees was an important reform, now so was its repeal, because hiring and firing is supposed to boost economic dynamism and growth. What is a government supposed to do which reads in virtually every newspaper that their country is bringing up the rear in Europe, that growth there is almost one percent lower than anywhere else and therefore unemployment is higher, and only because the government refuses to implement reforms which have been so beneficial elsewhere. This is how it was in economically the most capable country before Gerhard Schröder decided on Agenda 2010.

No one has thought more deeply about the effects of the neoliberal hegemony over social democracy than former leader of the Dutch Labor Party Wouter Bos. In a talk given in Amsterdam on January 25, 2010, shortly before his retirement, he looked back at the Third Way, which he claimed had been invented in the Netherlands, before Tony Blair gave it a name: »We put it into practice without [putting a] label on it, the Third Way.«

Bos said that it was not only fitting in which motivated the Dutch social democrats: »Instead of the welfare state making people dependent, the idea was developed of the activating welfare state« (Bos 2010). The activating welfare state which sought to prevent the children of welfare recipients – and their children – from having to continue to live on welfare was an idea which came from social democracy, as well as from earlier left-wing politicians, such as Jan Pronk. But they had not reckoned on having to tackle a different, unbridled form of capitalism: »The Third Way progressives went to bed while there was a reasonably controlled free market, but woke up with an unchained monster.« Bos is self-critical enough to add: »But was that really the case? Because who had unchained the monster?« None were able to hold their ground against this unchained monster: »Employees lost power vis-à-vis corporate governance. Governments lost power vis-à-vis multinational companies« (Bos 2010).

Anyone unwilling to go along with this was told that it was all because of globalization, an inexorable process which nothing and nobody could slow down, let alone halt. According to Bos: »For too long the neoliberals

tried to make us believe that globalization is an anonymous and inevitable movement which happened to us and which you cannot escape« (Bos 2010). The outcome was what the free-marketeers had planned all along: »an ever increasing Anglo-Saxon economic system, an ever decreasing collective sector and increasingly [free] markets« (Bos 2010).

What makes Bos's speech so valuable for all social democrats is that it allows us to participate in his own learning process. This includes his conclusion: »I have been gradually convinced that it is sometimes easier and better to shield the public interest from the market than to attempt to tame the market in order to not damage the public interest« (Bos 2010).

Bos does not forget that the success and failure of the neoliberals also has a moral side: »Human dignity is undermined by [the] incessant pressure of commercialization on the public atmosphere, the systematic appealing to our primary needs to want more, more and more and now, now and now and the ever-present strengthening of individual interests and emotions as the only thing bringing happiness. In the end, that disrupts society because it makes people indifferent vis-à-vis each other« (Bos 2010). Egoism is a natural inclination and should not be demonized. But what happens when it is systematically encouraged, celebrated, and held up as a model? Wouter Bos has been cited about this in detail because, as an active politician who has known government responsibility, he is able to explain how it happened that the neoliberal hegemony not only disheartened Europe's social democrats and provoked them to opposition, but also fascinated them and led them to make concessions, the outcome of which today is that there is little demand for social democratic alternatives to free-market radicalism.

Perhaps one might add – at least in the form of a question – as a pendant to the Dutch analysis how disastrous it was that the free-marketeers gave themselves out to be thoroughly progressive. Also that they adopted the notion of reform and turned it around, and that, by doing so, they touched a raw nerve in many social democrats who still wished to be progressive. And does not the question also arise of whether social democrats in the twenty-first century should, occasionally, energetically seek to preserve some things, even when their assailants profess to be progressives? One might mention solidarity-based health care systems or progressive income tax, which have proved their worth for more than a century.

This gives rise to another question: is the concept of innovation of any use in the development of social democratic programs? In industry, technical innovation is essential: it will go on whether politics demands it

or not. But in politics itself? Is the new always superior to what is already in place? After all, this is the argument made – as an assertion, not a question – by the free-marketeers. Shouldn't we instead once more establish clear criteria for what we mean by progress?

Sigmar Gabriel, at the Dresden party conference, set out for what not only German social democrats call the »New Middle« what was urgently necessary: »The political center in Germany was never a fixed place, never a determinate group in society (…). The political center in a given country has always been won by those ready with the right questions and the right answers in the eyes of the majority of the population« (Gabriel 2009: 6). Fitting in with the prevailing trend does not lead to the center, but to the political scrapheap and obsolescence.

Older social democrats know that there have been times in which social democratic demands spoke only to a minority. The majority wanted something else, and therefore cast their vote otherwise. It was annoying, but understandable. In Europe today, a majority are in favor of social democratic ideas and aims in many European countries – for two-thirds of Germans, democracy and social democracy are the same thing; a lack of social justice calls democracy into question – but a large proportion of this majority do not believe that the social democrats are capable of achieving their aims. Some even doubt whether they really want to; while others concede that much, but feel that they lack the necessary resolve. This seems to be part of the growing skepticism with regard to politics overall. In Germany, three out of four voters believe that things are unfair in their country. But half of this three-quarters no longer considers any party capable of changing anything. But where people no longer believe that politics can change anything, the parties of the left suffer more than most.

What Is to Be Done?

Conservatives have little inclination to change anything, being concerned rather that order is maintained and the economy keeps running. As a rule, they can just about manage that. But social justice? A fairer society? That would be nice, but it is too good to be true. When, on top of that, some social democrats announce, under the influence of free-market hegemony, that distributive justice has passed its sell-by date, no wonder electoral ignominy ensues.

What is to be done? Cynics can simply rely on people's forgetfulness: in three years' time, the voters will have other memories and other concerns. Conscientious intellectuals can argue that what is needed is a new program. But the German social democrats had adopted the new »Hamburg Program« long before their election defeat on September 27, 2009, which contained not a trace of market-fundamental thinking – quite apart from the fact that it was nowhere to be found in the Berlin Program, which preceded it. Opinion-makers do not read party programs.

What remains, therefore, is a path which anyone who prides himself on his political realism would dismiss as naïve. We could reappraise the past, face up to it, and admit our mistakes, but also explain how things turned out that way. We could try to restore our credibility in the eyes of those who no longer believe in us. Not by attempting merely to make excuses for what happened, but by showing what happens when an ideology, passing itself off as a science, attains total dominance in a media-driven society. Such a reappraisal could take place at national level or at European level – or perhaps the one followed by the other. Foundations could provide a forum – in Germany, for example, the Friedrich-Ebert-Stiftung or one of the church academies. The purpose of this should not be for a party to cleanse itself – that would only make things worse. But if it emerged from all this that there were achievements as well as mistakes, and that in any case those mistakes were not the work of sinister traitors but of fallible men and women with the best of intentions.

If the outcome of a European reappraisal was a dozen joint theses on the past and the future, it could at the very least awaken, in particular among more thoughtful observers, new interest in an old, but still responsive, self-critical, and open-minded party.

The Shield of Achilles

At the peak of the neoliberal epoch a 900-page book was to be found in best-seller lists in both the USA and the UK with the unusual title »The Shield of Achilles« (Bobbitt 2002). The author was a smart historian, who was also an adviser to the US president: Philipp Bobbitt. The book contains – which is not immediately apparent from the title – a history of the state, especially over the past 500 years, looking at the relationship between weapons technology, military organization, and type of state. In other words, seemingly a purely academic work.

It became a political issue because Bobbitt also concluded from his investigations what the state would be like – indeed, what it would necessarily be like – in the twenty-first century: a market state. The three different forms of this market state distinguished by the author are not important here, especially because Bobbitt gives precedence to one of them, namely the *entrepreneurial market state*.

The market state stands out from all previously known forms of the state because it is no longer responsible for people, but only for the functioning of markets. The citizens of this market state would have to rely on markets. The latter, in turn, must offer them opportunities, as many and as attractive as possible. Those who know how to make use of these opportunities need no more help, while for those who are not so competent or resourceful: tough. The state is not responsible for them.

That may be feasible for goods markets and for many services, but Bobbitt extends the idea to encompass the labor market, the education market, and even the security market. The labor market must function in terms of »hire and fire,« and the state is responsible for the functioning of this market. What it is not responsible for, however, is those who lose out in it. On the education market, a poor education is available for a small amount of money, a more respectable one for more money, and an excellent education for a lot of money. Anyone without money is a nonperson, as far as the market is concerned. Astonishingly, Bobbitt puts in the hands of the market not only social security, but also security against crime. For anyone wanting to insure themselves for their old age, they know the telephone numbers of the insurance companies, and for anyone who doesn't feel secure in their own home, they know what agencies are selling security. Bobbitt's market state even relinquishes what has been the core of the state for centuries: the monopoly on force. Everything is for sale: some can afford it, but many cannot.

Probably, Bobbitt's market state would not have materialized anywhere on earth even if market fundamentalism had not turned out to be wrong. But Bobbitt has thought through to the end, what others have merely formulated as rules of thumb: »The less state, the freer the citizen« or »the market is always smarter than politics.«

In the market state, the citizen becomes a customer. In the market the customer is king (or queen). As a citizen, however, they no longer have a say. Politics is not forbidden, but it no longer has an object. How is a parliament supposed to debate education policy when everyone can – and

must – decide what they wish to spend on education? No parliament or government any longer needs to worry about the police or domestic security: anything that has to be taken care of is dealt with between the customer and security agencies. To be sure, things haven't gone that far yet anywhere, not even in the USA. But we are heading towards that end. When in our communities the department of works, local transport, and the water supply are privatized town councils are responsible for less and less decision-making. And citizens have been transformed into customers, willy nilly, no longer having the option of approaching their friendly neighborhood councilor. They are unable to change anything anymore, either. Even in Europe, police stations have been closed, while the security industry has boomed.

But Bobbitt's market state can help us to outline what kind of state is needed as an answer to market fundamentalism: the citizens' state. Citizens establish the state, accept responsibility for it, support it, and it is there for them. The state has the duty – and naturally also the right – to ensure that nothing becomes a commodity, whose commodification is prohibited. Education is not a commodity which can be bought by one, but not by another, but a human right which the state has an obligation to provide. Security against crime is not a commodity, which some can afford, but many cannot, but an obligation of the state – the service it provides in return for its monopoly on force. The citizens' state is responsible for the maintenance of humane and dignified living standards. In the citizens' state, politics has primacy, namely the primacy of the will of its citizens. It is also a primacy vis-à-vis the laws of the market.

That also means that, in case of doubt, the articles of the constitution take precedence over market outcomes. If, for example, in the German Basic Law the state is obliged to respect and protect human dignity, then wages which are insufficient to live on shall not be permissible as a violation of human dignity, regardless of whether the market offers only a pittance for many jobs.

In a state in which citizens are the ultimate authority naturally they also have the right to pursue activities wherever they see fit: in the economy as entrepreneurs or employees, as customers, or as savers and investors, but also in all parts of civil society – in trade unions and associations, in clubs and parties, in churches, synagogues, and mosques.

In the citizens' state a vigorous civil society is not a rival to the state. It cannot replace it, but it can certainly encourage it, correct it, undertake social or pedagogical experiments, and even fill gaps which state action

must inevitably overlook. A democratic state and civil society need one another – in the best case, they strengthen one another.

Where civil society wishes to assume its share of the responsibility calls for referendums become louder. Referendums bring civil society closer to those who are increasingly referred to disparagingly as the »political class.« The risks attendant on petitions and referendums can be mitigated by smart legislation. No one wishing to revive democracy in the twenty-first century can neglect referendums.

Sustainable Growth

Professor Meinhard Miegel has always been one of those political scientists who take care not to lose touch with practical politics. This was also ensured by his consistent relations over several decades with one of the best and most original minds of German Christian Democracy, Kurt Biedenkopf. Miegel now has his own institute and, at an age at which others are enjoying a well-deserved rest, he is causing a stir with his heretical ideas. They relate to a subject previously characterized by both consensus and taboo in almost equal measure: economic growth.

Miegel expects, as others do, that the economies of emerging countries, such as China or Brazil, will continue to grow rapidly for some time, and hopefully those of some developing countries, too. As far as the industrialized countries of Western and Central Europe are concerned, a – historically anomalous – period of rapid growth is coming to an end. It will not happen overnight, of course, but the growth rates which have been leveling off for decades will continue to do so, at least on average. The instruments previously deployed – with varying degrees of success – to boost growth (tax cuts or credit-financed economic stimulus packages) are no longer an option in the face of record sovereign debt levels. What growth there is will have to be utilized to reduce debt, repair damage to the environment, and cope with catastrophes. It will no longer have much of a role in improving quality of life.

Miegel is certainly not against growth. In some parts of the world it is necessary and inevitable. It is just that he considers European industrialized countries' reliance on it as unrealistic. What he means is that anyone who makes growth a political goal, especially those who consider it the highest or, like Angela Merkel, the only aim, will fail. Naturally, this does not mean that governments should aim for zero growth. That

would be even more unreasonable than a growth target of three or four percent. If at year end the statisticians register growth of one or even two percent obviously that is better than a similar level of negative growth.

Notwithstanding the beguiling slogans dreamed up by the various parties, growth or an »upswing« cannot be brought about by an election. They always depend more on the state of the global economy than on national governments. That will become increasingly clear, to the point at which no one believes such slogans any more.

But what is the outcome of all this? Will we be reduced to pointless debates concerning whether growth is good or weak? Hopefully not. We are unlikely to be spared a debate on how growth can be stimulated, in defiance of the facts, but it will all be in vain.

Social democrats may remember that – for example, in the SPD's Berlin Program – before the market fundamentalist wave even fully started they had already claimed that it is less important how much growth there is than what is growing. In practice, we have made more progress than in theory. We do not want the use of fossil fuels to grow, but rather shrink. That means that anything which brings about such shrinkage should grow. When people talk about »green growth« in Europe today, it means: whatever puts the brakes on climate change should be allowed to grow, while whatever accelerates it should shrink.

In short, what we need is not a quarrel between economists – or philosophers – about the blessings and the curses of economic growth, but rather a political debate about what should grow and what should not. To be sure, it will turn out that there is a wide range of goods and services which can simply be left to the market, and with regard to which governments need urge neither growth nor otherwise. What will be politically important is those areas in which public welfare requires either more rapid growth or more rapid contraction.

Here too practice has already outstripped theory. When Frank-Walter Steinmeier, before the German general election in 2009, presented a detailed paper outlining what needed to be done over the coming four years he did not call for more economic growth, but rather described the areas in which growth had to be fostered. They included human services in addition to renewable energies and other investments, making Germany sustainable. Overall, it was an impressive list of items for selective growth.

Whether the economy grows overall is decided by the markets. The market fundamentalists may therefore be said to have prevailed with their thesis that the freer and more deregulated markets are, the higher

the rate of growth. Tax reductions for companies accelerate growth: it is difficult to refute this argument. In a nutshell, if your aim is to achieve the highest possible plus in the GDP statistics, you have to put your trust in the markets and satisfy the demands of business leaders. The political consequences of this, generally speaking, do not favor social democratic ideas. The desire for wholesale growth was one of the levers used by market fundamentalists to undermine their opponents and this will continue. However, a society in which it is disputed what should grow and what not has to dare to engage more in politics. The question is, what is better for the »polis.« Anyone wishing to restore the primacy of politics needs to carry on the discussion on growth differently than hitherto. It can no longer be a matter of miniscule percentage gains or losses but of whether growth is urgently necessary, innocuous, or harmful. There is no lack of criteria: what accelerates or slows down climate change; what growth is sustainable and lasting? What kind of growth improves quality of life and what kind of growth jeopardizes it?

Basic Values

When European social democrats discuss their future they cannot avoid the fundamental values that have shaped social democratic politics for one and a half centuries. One might mention the paper by Jon Cruddas and Andrea Nahles (2009). The fact that European social democrats are bound together by basic values is important. The triad – often modified – of the French Revolution is what underlies it all. First and foremost, the same for everyone, comes freedom, with solidarity (»fraternité«) in third position. Some parties have retained equality (»egalité«), while others have replaced it with »justice«, making sure to explain in what instances justice requires equality and where it does not.

The French Revolutionary triad of values is not only the basis of social democracy, however; it could also be argued that it forms the basis of European democracy as such. It is probably not only in Germany that these basic values also feature in the programs of Christian Democrats. And this is how it should be. They constitute the common foundation.

Nevertheless, conservatives interpret these basic values differently from social democrats. They are poles apart particularly in respect of how these basic values are related to one another. For conservatives – and also for liberals – the relationship between freedom and justice (equality)

especially is one of unresolvable tension. Too much freedom endangers equality. In practice, the following is much more important: after a certain point, equality (social justice) inevitably involves a loss of freedom. Some sort of balance must therefore be achieved, and it is a constant object of contention in such parties whether such a balance has been achieved or not. Conservatives put the basic values on a seesaw: when one is up, the other must be down. Some sort of weight is therefore sought to get both sides of the seesaw to the same level. This balance is always unstable, however; in particular, because different wings of the party seek a balance in different places.

Social democrats have always looked at this differently. In their experience, only equality in law and social equity – in other words, more »justice« or »fairness« – gave them the chance to make something of the freedom guaranteed in the Constitution. Social justice for social democrats means not less, but more freedom, in the sense of practicable, tangible freedom. Indeed, social democrats could even define justice as »equal freedom.« Not a seesaw, in other words, but two locomotives for one train.

The same goes for solidarity. Where there is solidarity, people are freer, opening up new realms for free activity. Psychologists tell us that children brought up in a parental home characterized by unconditional solidarity are more comfortable and freer when they come into contact with other people or institutions.

Solidarity fortifies freedom. The solidaristic society advocated by social democrats is a free society. In other words, solidarity is founded on the free decisions of free people. A majority of Europeans say they want a solidaristic society. For social democrats, therefore, the three basic values support and complement one another. Here, too, we are more in tune with the challenges of our age: given that the gap between rich and poor is widening and societies are becoming increasingly divided, even split, worries about too much social justice seem trivial.

What applies to justice also goes for another value related to the triad: security. It is not true that security – whether in the sense of social security or security against crime – necessarily restricts freedom. One hundred years ago, left liberal Friedrich Naumann knew otherwise, asking his fellow party members what civil rights and liberties amounted to if one had no idea what one was going to live on in the coming month. Social security frees people – from fear and moral cowardice, but also to participate in society and in politics.

Not all social democrats would endorse the view that this also applies to domestic security. You don't need to have experienced the dangers of a night-time stroll in a Latin American city to appreciate the invaluable freedom which the ability to walk in a public place at any time of the day or night represents. The unfairest and most unfree society is one in which security can only be purchased at a price which is beyond the resources of the majority. The state's monopoly on force creates freedom and supports justice. It is therefore an accomplishment of civilization which social democrats, too, have to protect.

Preaching about basic values is not the task of politicians. But even those with little interest in politics want to know what motives and moral values underlie everyday politics. Social democrats do best when they are able to base their practical action on their fundamental values, evaluating and presenting it as a small, even tiny step towards more freedom, more justice or more solidarity. Credibility emerges when politics is discernibly value-related.

Social Cohesion

In the twenty-first century, wars between states are rarer, but outbreaks of violence within them have become more frequent. Such outbreaks arise mainly when states disintegrate: many states are no longer capable of keeping their streets open for traffic, sending teachers into villages, or ensuring that legal proceedings are free of corruption. In most African states, policemen's pay is so miserably low that, without corruption, they simply would not be able to feed their families. That often means that they have little enthusiasm for fighting crime. Traders whose markets are looted under the very noses of the police enlist their own militias which, in turn, hunt down anything they consider to be criminal. Consequently, the state's monopoly on force disintegrates and violence is privatized and commercialized.

The Fund for Peace publishes an annual Failed States Index.[2] However, it makes no distinction, as is usually done, between *failing states* (in other words, those in the process of disintegrating) and *failed states* (states which have already disintegrated and basically no longer exist). Instead, it distinguishes between »in danger« and »critical« states: for 2010, it

2. See http://www.fundforpeace.org.

classified 37 states – mostly in Africa and South Asia – as »critical.« Almost every Latin American state is classified as »in danger.« The split of society usually precedes the privatization and commercialization of violence. When millions eke out a living in slums, »barridas,« and »favelas,« while the well-to-do live hidden away in gated communities behind electrified fences, guarded by mercenaries, violence is privatized and both forms of violence rapidly converge in terms of their brutality. The victim count grows. More people have died in the drug war in Mexico than in the turmoil in Afghanistan, not including the 8,000 who disappear without trace every year in a country which neighbors the USA.

What does this have to do with the future of social democracy? It shows that anyone permitting or even instigating social division is not just on the wrong track but on an extremely dangerous one. Those who find themselves in agreement with Margaret Thatcher's throwaway remark »There is no such thing [as society]« (Thatcher 1987),[3] have no need to bother about social cohesion – until finally society splits in such a way that the privatization of violence is inevitable.

If market fundamentalism had not failed economically, it would have destroyed itself in this manner within a couple of decades. Free markets simply cannot function without the order imposed by the state, including law which is prescribed and properly enforced. On the other hand, the foundering of market fundamentalism would also have brought down democracy and the rule of law.

Now is the time, especially in Europe, to change course. The crises of recent years have made people all the more willing. A large majority now share the view that societies must be held together by means of social justice. This includes trade unions and churches, but also substantial segments of conservative parties and their supporters.

If social democrats manage to convince the majority of voters that theirs are the best and most experienced hands with which to achieve social cohesion they will be confronted by an enormous challenge, but also a great opportunity. The solidaristic society, as it turns out, is not only right and proper, but also sorely needed.

3. Editor's note: in fact, as the original context makes clear, she meant that there is no such thing as society in the sense of an entity distinct from the individuals, families and so on which constitute it. If anything, she was trying to make the point that people cannot simply opt out of their social responsibilities by positing a separate body which can do that for them.

Social Democracy and Europe

In Europe, social democrats have celebrated their formative successes in individual nation-states. In these nation-states they have used the instruments of these nation-states for the benefit of these nation-states: as the Polish sociologist Zygmunt Baumann put it, »a state powerful enough to force economic interests to respect the political will of the nation and the ethical principles of the national community« (Baumann 2009). The fact that, at the end of the first decade of the twenty-first century social democrats are having a torrid time of it can partly be explained by another of Baumann's insights: »But nation-states are no longer sovereign in any aspects of common life on their own territory« (ibid). Real power, according to Baumann, has left the nation-state for »global space.« Baumann concludes, resignedly: »It is no longer possible to construct a ›social state‹ that guarantees existential security to all its members within the framework of the nation-state.«

Even those who find Baumann's formulations too extreme have to admit that the nation-state has been downgraded by large multinationals and banks to the status of a mere »location,« which must compete with other locations for the investments of global capital. When, for example, a country's tax policy is cited as the reason why a particular investment will not be made there, or even why existing investments may be withdrawn the nation-state comes under pressure. In the worst case, it becomes open to blackmail.

In these circumstances, European voters have often demanded more of their social democratic politicians than they have been able to manage, try as they might. When a social democratic finance minister increased VAT, while at the same time reducing corporate taxes, most voters found this unjust and even outrageous. If the finance minister had said to them, »I think it's unfair, too, but my hands are tied since the last thing I want is for investment to stay away or even to be withdrawn, which would lead to a rise in unemployment,« the voters would be likely to reply: »Why did we vote for you, then?« Every politician fears such a question. All parties therefore have an aversion to admitting their powerlessness. But that only makes things worse, giving rise to legends of betrayal: »The finance minister has betrayed us.« The legend is then plastered all over banners and placards paraded through the streets by parties of the far left.

The loss of sovereignty under debate here is not so much the result of EU impositions as of the globalization of markets, including the financial

markets. The obvious answer would appear to be a globalization of politics, including a globalization of social democracy. But at present that can be only a distant goal or an inspirational utopia. It is not a task for the foreseeable future.

Europe – the European Union – remains. It is more than large and powerful enough to resist blackmail. Threats of relinquishing a market of 500 million people are simply not credible.

The difficulty lies in Europe itself. The EU was designed not as a common state, but as a common market. The European Commission can deal with any obstacles which might arise to this common market and prohibit distortions of competition. And it does exactly that, sometimes overzealously. In the matter of its resumption of the tools which have slipped out of the hands of nation-states, the EU has so far proved ineffectual.

The Council of 27 national governments is responsible for taxation. Only if all 27 want it does a submission get onto the agenda. In other words, nothing happens, even though the imposition of common upper and lower limits on corporate taxes alone would be enough to end the ruinous race to the bottom for the lowest corporate taxes, which has done more to push up sovereign debt than arguable social expenditures.

No wonder that there are social democrats in Europe who are at odds with the European Union and put their faith in the remnants of national competences. To be sure, we should make full use of such remnants. But there is no future in it.

One advantage of the fact that the nation-state is no longer what it was is that a war between Europeans is unimaginable. On the other hand, national interests are being pursued ever more eagerly within the European Union. That only weakens the EU, in particular when the strongest economy is one of the worst offenders. However, most people recoil with horror at the prospect of the break up of the EU. All that would be left would be more or less helpless nation-states in a world of giants.

Anyone who is serious about politics, social democratic politics, must put their faith in Europe, although it is a European Union whose Commission has been more infected with market fundamentalism than most national governments. It is likely to be the work of a whole generation to establish in the EU the political levers which nation-states have lost and to make the Union a global actor, capable of pushing through global regulation. Hitherto, however, most social democrats in Europe have

not considered this to be their task. Social democratic supporters are least likely to turn out to vote in European elections, the consequences of which are evident in the European Parliament.

If Social Democracy in Europe wishes to secure a healthy future it must become more European and present itself as a European party. That should be easier in the wake of the collapse of market fundamentalism. We can begin again to establish common ground.

Social Democrats will readily agree that we need a »social Europe.« But this requires first a political Europe – a Europe with the tools and competences need to build a social Europe. Jan Niklas Engels and Gero Maass have expressed this as follows: »Social democracy needs more Europe, but Europe, in turn, needs more social democracy« (Engels/Maass 2009). In order to ensure that Europe gets more social democracy, let us build a viable European Social Democracy.

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