Has the left sold out?

Why capitalism is no longer a dirty word (but it should be...)

The protracted crisis engulfing Europe's centre-left shows no signs of abating, with several social democratic parties recording disastrous election results this year. In France, the once-mighty Socialist Party (PS) that brought Francois Mitterrand to power for three entire terms captured just 6.4 per cent of the vote in the first round presidential election. With so little left in its coffers, the party has even been forced to sell its Paris headquarters. The Dutch Labour Party, PvdA, won only nine seats in March's parliamentary elections, down from 38 five years ago. Germany's SPD, meanwhile, recorded its worst results since World War II this September.

So what's gone so wrong? Why are social democrats failing to reach the ordinary workers their parties were founded to serve?

Like most problems in politics, there is no easy answer. Sometimes it's to do with individual politicians. The French Socialist Party, for instance, was hindered by the erratic and highly unpopular president Francois Hollande. Sometimes planning errors get in the way. Germany's centre-left SPD chose their candidate for chancellor, Martin Schulz, far too late in the day. He failed to make the impact needed to knock Angela Merkel from her perch (though she is tottering). A decision by Austrian socialists to lead a smear campaign against the conservative Sebastian Kurz proved disastrous. And party in-fighting has also played a role: the UK Labour party is still struggling to patch up deep divisions between Blairite centrists and traditional left-wingers who now back party leader Jeremy Corbyn.

Is capitalism still a dirty word?

Though the reasons for the centre-left's demise differ from country to country, its failure to capture votes is a pan-European phenomenon. And indeed, if Europe's social democratic parties have one thing in common, it's this: an inability to criticise capitalism.
Social democrats have always kept a close eye on the tense relationship

between capitalism and democracy. Whilst democracy implies equality, hence the 'one man, one vote' principle, capitalism generates inequality. Since its emergence in the 19th century, the political left has grappled with this fundamental tension.

Around the turn of the century, social democratic parties across Europe started to realise that though they couldn't dispense with capitalism completely, they could mould it to a significant degree. The 'slow and steady' approach of Britain's Fabien Society helped cement this idea. Italian and French Socialists also played a role. In Germany, prominent thinkers such as Rudolf Hilferding and Eduard Bernstein sought to harness the productive powers of capitalism and counter its destructive propensity to create inequality.

The idea soon took root in Scandinavia and later in other parts of Europe, especially after World War II with the emergence of market freedom on the one hand and relative social security and transfers on the other. The main instrument which enabled the system to work was the democratically governed nation state.

German reunification, the emergence of neoliberalism in the 1970s and 1980s and the appearance of new technologies saw a new form of capitalism come to the fore: authoritarian, global, digital capitalism. The balance of power between democratic politics and capitalism swung in favour of assertive, muscle-flexing capitalism. National protection mechanisms which had once ensured social security and equality gradually fell away.

Embracing the free market

It wasn't just that European social democracy was unable to counter the ill-effects of capitalism. In the 1990s parties on the centre-left made a conscious decision to embrace the opportunities afforded by the new economy of the 'Third Way'. Embraced by the former UK Prime Minister Tony Blair, and to a lesser extent by Germany's then-Chancellor Gerhard Schröder, the Third Way was a political doctrine that aimed to benefit from free markets and privatisation, whilst still retaining centre-left social policies. Socially liberal, the movement emphasised equality of opportunity, diversity and cosmopolitan values.

The logic behind this shift was two-fold: firstly, social democrats realised the forces of globalisation and international capitalism were unstoppable. Rather than rejecting these forces, the left would have to adapt to them. Secondly, it was hoped the free market would boost production to the extent that social prosperity and jobs for all would be a given.

Social democratic parties broke with their decades-long stance of criticising capitalism and thus abandoned one of the main principles that separated them from the political right. Voters who didn't support the far left were left with parties who, to a greater or lesser extent, affirmed capitalism as opposed to critiquing it.

Even after the economic and financial crisis of 2008, as neoliberalism has come under increasing scrutiny, social democracy is still not seen as a force able to effectively take on unbridled capitalism – despite its 150 year heritage.

This is especially serious at a time in which a new digital capitalism is sweeping the world. Across the globe, digital technologies inform almost all areas of life. A handful of monopolists are now taking decisions on the most important resources in society, the data. They seek profit above all else, and pay little heed to the societal consequences.

Loss of control

Accelerated capitalism not only comes at a material cost for a significant proportion of the population in the form of real wage cuts, shrinking collective agreement coverage and more fragile labour relations. It's also led to whole swathes of society feeling insecure and undervalued. Sociologist Hartmut Rosa has observed a permanent sense of uncertainty and the feeling that people have lost control over their lives.

Most people can no longer count on a 'job for life', and are expected to be more mobile and flexible in their working patterns than ever before. Those who live in a constant state of fear, feeling they must fight tooth and nail just to maintain their current status, are finding refuge in populist movements, which offer them a sense of identity (and of security – however illusory).

Feeling you are powerless to determine the direction of your own life goes hand in hand with an inability to manage your own environment. Some sectors of society feel politics and politicians are no longer able or willing to respond to their needs. The political system does not resonate with the needs and demands of the citizens, would Rosa argue.

By and large, European social democracy has been unable to influence and show leadership on contemporary challenges such as globalisation, migration and the rise of machines. Meanwhile, a combination of personal charisma and simplistic slogans has enabled right-wing populist leaders like Christoph Blocher in Switzerland, Marine Le Pen in France and Nigel Farage in the UK to convince many voters that only they have

what it takes to evoke political change.

Modern social democracy must go back to its roots and anchor itself in its opposition to capitalism, for the good of society as a whole. To do this, it needs to show citizens how it will empower them to influence the new societal challenges of globalisation and digitisation. Modern social democracy has to demonstrate how it can restore people's sense of security, value and the ability to make their own decisions in turbulent times such as these.



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