Social Democracy

A Comparative Account of the Left-Wing Party Family

HANS KEMAN

ROUTLEDGE

SOCIAL DEMOCRACY

The Social Democratic party family is a central part of political life in the West. This book focuses on this party family as well as a unique political force in the industrialised world. It provides a critical comparative survey of when, where, how and why Social Democracy developed within established capitalist democracies.

The book explains the electoral fortunes of Social Democratic parties, the influence of the party system dynamics and co-operation between parties in government. It examines the ideological tensions within Social Democratic parties between socialists and reformists and its ramifications for pursuing a 'better and kinder' world. This study also discusses the recent state of affairs and its mission in the 21st century. The book features a comparative analysis of 21 cases from Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the UK and the United States.

It will be of key interest to students and scholars of public policy, comparative politics, party politics and democracy studies.

Hans Keman is Professor Emeritus of Comparative Political Science at the VU University Amsterdam, Netherlands. He is a former editor of the *European Journal of Political Research* and of *Acta Politica*.

In this wide-ranging and thoughtful book, Hans Keman exploits an unrivalled knowledge of Social Democratic parties in 21 countries and their history to explain why this party family is in trouble. It is required reading for those who, like the author, really care about the answer.

Chris Pierson, *University of Nottingham, UK*

This book is a wise and deeply grounded analysis of the development of Social Democracy from its origins to the present. Hans Keman is a master at combining historical and statistical analysis, and in this book he draws on decades of research to make an immensely ambitious, wide-ranging and valuable contribution to our understanding of Social Democracy.

Gary Marks, *University of North Carolina at Chapel Hill, USA*

This is an impressive and encompassing collection of profound applications of all the relevant methods in comparative politics, in particular analyzing Social Democracy. This book resembles many of the most prominent European scholars in the field during the last three decades. A must read for each ambitious student in comparative politics and beyond.

Wolfgang Merkel, *Humboldt University and Science Center Berlin, Germany*

For long a favoured research topic, Social Democracy has been comparatively neglected in the last two decades. This masterwork by the doyen of scholars of Social Democracy fills that gap by providing a convincing systematic explanation of the rise and decline of the family of Social Democratic parties. Keman's book demonstrates that this development and a further decline would have far reaching implications.

William Paterson, *OBE, FRSE, Birmingham University, UK*

Grounded in his career-long rigorous research on why and how Social Democratic parties differ in their organization, policies and performance, Hans Keman has written the most informative and challenging account of Social Democracy available. By carefully tracing and comparing the histories of the parties, Keman brilliantly exposes their main achievements, mistakes, successes and failures.

Kees van Kersbergen, *Aarhus University, Denmark*

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CONTENTS

List of figures *x*
List of tables *xi*
Foreword *xiii*

1 Understanding Social Democracy: a comparative analysis of the 'Left' in the 'West' 1

1.1 Introduction 1
1.2 Contemporary views on Social Democracy 3
1.3 Reformism as the model and revisionism as the project 9
1.4 Towards a systematic explanation of Social Democracy 13
1.5 Analysing Social Democracy and its performance 16
1.6 Plan of the book 19

2 Democratisation of the state and the emergence of Social Democracy as a party 27

2.1 Introduction 27
2.2 Democratisation and the development of Social Democracy 28
2.3 Social Democracy: from social movement to political party 31
2.4 Social Democracy as a party family: close or distant relatives? 37
2.5 A comparative variable of Social Democracy 41
2.6 Types of Social Democracy in the 21st century 47

3 Social Democratic ideology and values: the welfare state as a project or a model 51

3.1 Introduction 51
3.2 Social Democratic ideology and policy: project and model 52

3.3 Social Democratic ideas and value-related goals 54
3.4 Policy strategy for Social Democracy 61
3.5 Policy performance and the value-related goals of Social Democracy 67

4 Party system dynamics and party competition: the electoral struggle for political power 77

4.1 Introduction 77
4.2 The effect of electoral rules on Social Democratic representation 78
4.3 Party system dynamics and electoral competitiveness of Social Democracy 83
4.4 Electoral performance of Social Democracy: change or stability? 85
4.5 Competing for power: Social Democracy versus the rest? 94

5 Social Democratic government participation and the use of state powers 103

5.1 Introduction 103
5.2 Social Democratic party control: strength–life cycle–constraints 105
5.3 Making and shaping coalitions: gaining access to state powers 113
5.4 Office- and policy-seeking performance of Social Democracy 121
5.5 The use of public powers through government by Social Democracy 127

6 The use of public powers: Social Democratic policy formation and policy performance 136

6.1 Introduction 136
6.2 The interdependence between state and society: intervention and care 137
6.3 The Dual Welfare State as a policy profile of Social Democracy 144
6.4 Does Social Democratic policy formation matter? 148
6.5 Towards a Social Democratic society? 154

7 Searching for a new direction: Third Ways, Europe and globalisation 165

7.1 Introduction 165
7.2 Globalisation, European integration and national welfare 166
7.3 A new Social Democratic model? From Dual Welfare State to social investment state 171
7.4 Social Democratic programmatic change: from Left to Right? 174
7.5 Maintaining power resources of Social Democracy: votes or office? 178
7.6 The policy performance of the 'new' Social Democracy 182
7.7 Global change and flexible adjustments: Social Democracy in flux 186

8 Varieties of Social Democracy: pathways to power and mission performance 196

8.1 Epitome: Social Democracy – unity and diversity and development 196
8.2 Democratisation and the development of Social Democratic power resources 199
8.3 Ideological change and its ramifications for the Social Democratic project and model 204
8.4 Gaining political powers and party control to develop the Dual Welfare State 208
8.5 From diversity to mainstreaming: Social Democracy moving into the 21st century 213

Appendix *220*
Index *223*

FIGURES

1.1	Chain of democratic control and command in parliamentary democracy	14
2.1	Pathways and path dependencies of Social Democracy	46
3.1	The value-related goals of Social Democracy	56
3.2	The policy-based goals of Social Democracy	62
3.3	Distribution of countries according to degree of Social Democratic pathways and Human Development Index	68
3.4	Distribution of countries according to degree of Social Democratic performances and GINI differences	68
4.1	Party family positions on Left versus Right and Progressive versus Conservative (1945–2005)	96
5.1	Explanation: Sector dominance of Social Democracy (1945–2005)	123
5.2	Degree of Social Democratic occupation of policy sectors if in power or in coalition	127
6.1	Introduction of social insurances	142
6.2	Left and Right in government (1945–2005)	152
6.3a	Comparative distribution of the Dual Welfare State (1960–1990)	156
6.3b	Comparative change of the Dual Welfare State (1990–2005)	156
7.1	Political and Economic Globalization (2005)	169
7.2a	Residuals re: Economic Welfare State	189
7.2b	Residuals re: Social Welfare State	189
8.1	Impact and pathways on Social Democratic empowerment	202
8.2	Distribution of working people across main economic activity in 2012	204
8.3	Social Democratic values and related goals	206
8.4	Levels of equality and equity after 2010	207

TABLES

2.1	Indicators of democratisation of established democracies	30
2.2	Historical indicators of Social Democracy	34
2.3	Indicators of unity and cohesion of Social Democracy	38
2.4	Electoral and governmental record of Social Democratic party family	40
2.5	Pathways and performances of Social Democracy	44
3.1	Value-related goals and Social Democratic profiles as expressed in party programmes 1945–2005	59
3.2	Value-related indicators of Social Democratic policy goals	63
4.1	Electoral systems and institutional effects	79
4.2	Electoral performance of Social Democratic parties by period and change (1945–2005)	86
4.3	Total volatility of all parties in 21 democracies	89
4.4	Net vote swing of Social Democracy in 21 democracies	90
4.5	Social Democratic party positions on Left versus Right scale	92
4.6	Party positions Left versus Right and Progressive versus Conservative by party family and by period	96
5.1	Social Democratic performance in government	106
5.2	Features of the life cycle of party government	108
5.3	Form and fabric of party government	112
5.4	Party distances by party family by period	116
5.5	Strength of Left-, Centre-, Right-wing parties in government over time (1945–2005)	119
5.6	Duration–type–complexion of Social Democratic government participation	121
5.7	Social Democracy in government aggregated by period	122

5.8	Social Democratic presence in government by ministers–party–sector (1945–2005)	125
5.9	Social Democratic power and public welfare efforts and citizens' well-being (2005)	129
6.1	Economic growth–public sector–social welfare–economic affairs	138
6.2	Instalment of welfare regulations and growth of public expenditures	141
6.3	Policy profile of Social Democracy by period (1945–2005)	147
6.4	Policy profile Social Democracy in government and in opposition	150
6.5	Bi-variate relations between Left–Centre–Right government and Social Democratic features of party government (1945–2005)	151
6.6	Social Democracy and the Dual Welfare State (1960–1990)	154
7.1	Overall–political–economic globalisation (1975–2005)	168
7.2	Distribution of Right versus Left, traditional welfare statism, Third Ways and working-class appeal before and after 1990	176
7.3	Change in Social Democratic positions before and after 1990 by country	178
7.4	Change in strategy of Social Democratic parties before and after 1990	179
7.5	Degree of changing strategy towards Third Ways by Social Democracy	180
7.6	Regression analysis of Social Democratic participation in party government	181
7.7	Bi-variate relations between Social Democratic policy positions and policy outputs	183
7.8	Bi-variate relations between features of party government and policy outputs	185
7.9	Impact of EU, economic internationalisation and party government (1990–2005)	188
8.1	Electoral performance of Social Democracy in 1970–2012 and voter turnout	201
8.2	Parties and government	209
8.3	Public economy: spending, revenues, debt and deficits	210
8.4	Bi-variate relations between Social Democratic power in government and policy outputs in 2012	211
8.5	Indicators of people's welfare and well-being	212
8.6	Bi-variate relations between Social Democratic power in government and policy outcomes in 2012	212

FOREWORD

Ever since the time I read as a student political science and contemporary history I have been fascinated by political change and how this would affect the fabric of society. Change, so I thought, was brought about by human action and was more than less intended to make society a better place for everyone. This kind of 'voluntarism' (or "wishful thinking") may have been naïve. I still hold that '*homo politicus*' is crucial for understanding political and socio-economic change in contemporary society.

Yet maturing into an academic career also signified that I became aware of the complexities and limitations of human action. In particular fundamentally changing society towards a different direction appeared quite complicated: evidently there is a bigger gap between dream and reality than political actions and ideas can close by means of good intentions alone. Hence, there is always a need for solid and thorough analysis of how to change society into a 'better, kinder and gentler' direction (cf. Arend Lijphart). This is what I intend to do with this book, in which the agent of political action is *Social Democracy* and (representative) democracy the *systemic context* for analysing the 'room for manoeuver' of political action.

Why Social Democracy, one may ask? First, this has had to do with my upbringing (in the 1950s and early 1960s) on the one hand and the 'Zeitgeist' of my time as a student (late 1960s) on the other hand. Second, in 1973, the leader of the Dutch Social Democracy, Joop den Uyl, became prime minister of the most ambitious post-war coalition ever in ideas on modernising society by means of policy change. At the same time Social Democracy was in power in a number of other European countries, and fundamental change was the imminent 'project' on the agenda. This concerned mainly the development and achievement of the welfare state. Although progress was made, the eventual societal change was less lasting than expected. This was the subject of my doctoral dissertation.

Since that time one of my central research questions has been to what extent are political parties capable of bringing about desired change, and under what conditions and circumstances is their policy performance, to say the least, optimal and beneficial? This book bears therefore the fruit of my comparative research efforts over the years. My development as a comparative political scientist has been blessed by international cooperation in many different research projects. This also signified that my ideas regarding political action and contextual factors have been altered by discussing approaches and explanations. I am now much closer to what Fritz Scharpf once coined as 'rational institutionalism', in which human agents are still central but ought to be understood ontologically as also directed by institutions, conventions and context.

This book took me a long time to develop and to write. In part this is the result of other research projects, teaching duties, chairing a department and being editor of the *European Journal of Political Research* and *Acta Politica*, as well as due to conducting a life next to 'academia'. A large number of people have helped me on this journey more and less directly. Many of them, knowingly or not, have played an important role in developing and finishing this book, and I am grateful to them: first of all, Margriet Lambert and Aniek IJbema, who helped me in preparing the manuscript at several stages. The same applies to Sophie Iddamalgoda of Routledge and Autumn Spalding of Apex CoVantage during the final stage. Second, Barbara Vis, Paul Pennings and foremost Jaap Woldendorp, my close collaborators at the Department of Political Science at the VU as well as Deborah Bakker, Arjan Schakel and Tim Mickler (research assistants), who all helped me in getting and analysing the proper data. Third, I owe a lot to my international colleagues, who advised and stimulated me at several points in my endeavours over the years: Klaus Armingeon, Dietmar Braun, Ian Budge, Frank Castles, Liesbet Hooghe, Kees van Kersbergen, Ferdinand Müller-Rommel, Peter Mair, Gary Marks, Michael McDonald, Jan-Erik Lane and Manfred Schmidt.

Alas, my parents and my sister Will did not live long enough to see this book at all. The same is also true for my former colleagues Uwe Becker, Peter Mair and Koen Koch, as well as for other friends who faded away too early. Thankfully, other friends have been around to keep my spirits up: Wim and Annet Hogenbirk, Maarten Tuininga and Manon Claassen. Last but certainly not least, Anne-Carine Verhage (aka AC) appeared in my life and has inspired me by her loving and caring companionship to bring this project to an end. I dedicate this book to her.

Hans Keman
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1

UNDERSTANDING SOCIAL DEMOCRACY

A comparative analysis of the 'Left' in the 'West'

1.1 Introduction

The first ever Social Democratic party was founded in Germany in 1863, and as late as 1945 a Social Democratic party was founded in Japan. Likewise there are quite some differences between when Social Democratic parties did enter parliament and government: in Portugal it only happened after the 'revolution' in 1974, whereas in Germany the SDP was represented in parliament already in 1875, and in Australia the Australian Labour Party (ALP) governed for the first time in 1904. In short, Social Democracy as a party family varies considerably in when, where and how it originated in the democratic world.

The Social Democratic movement – party and trade union – did emerge almost everywhere in what can now be labelled the established democracies. Only in the United States parties representing Social Democratic ideas did not gain representation in parliament or enter government on the national level at all. This is an exception to the rule (Lipset and Marks, 2000). Hence, as Therborn (1977) stated, there is a positive correlation between the development towards a liberal democratic polity and the emergence of Social Democracy as a political power in modern (or industrialising) society from the late 19th century onwards.

In fact, as will be demonstrated in Chapter 2, this relationship *defines* Social Democracy. The development of the Social Democratic party family is closely linked to the process of democratisation in Europe and the Anglo-Saxon world. This process has not been a unilateral and synchronic development. On the contrary. Although it is now considered a party 'family', the development of its members can be characterised as quite diverse. We therefore need to analyse the emergence and development of Social Democracy to understand its present shape and format.

In contrast, however, in much of the literature on Social Democratic movements and parties, it is often assumed that uniformity among its members is the rule and

diversity is rather the exception. This is a grave mistake and renders much comparative work on Social Democracy biased. This bias is due to focussing on the similarities between Social Democratic parties and movements only and disregarding the differences between them cross-nationally and across time (but see: Keman, 1990; Bartolini, 2000).

This study is intended to remedy this bias by analysing the development of Social Democracy by means of a case-based comparison as it emerged and established itself within liberal democracy (following Dahl, 1989; see also: Keman, 2002b). Democratisation made the emergence of Social Democracy possible and simultaneously has influenced its development as a political movement, that is, party and trade union (Armingeon, 1994). In other words, Social Democracy is a child of democratisation and has expanded within the democratic state in the late 19th century and throughout the 20th century. In this book we will therefore analyse this party family as embedded in capitalist (market economy–driven) society. It is a mutually inclusive relationship, which can be characterised as a love/hate relationship until this very day.

This needs not surprise us; in fact that makes the Social Democratic movement such a fascinating topic for analysis. Although by now it has accepted the rules of representative democracy as the 'only game in town', it still intends at the same time to change capitalist society fundamentally. Perhaps not any more by means of an outright (if not violent) revolution, but rather from within, complying with the democratic rules and by means of piecemeal engineering. Obviously, this is a contemporary definition of Social Democratic party strategy. In the past (say before World War I in most West European countries except Great Britain) the 'revolution' or the attainment of a 'socialist' society was still a prime goal of the Social Democratic movement. This gradually changed during the interbellum period and, although rhetoric remained, in daily practice Social Democracy became integrated into the democratic state. Parallel to this the socialist programme transformed from a radical alternative to either a project (i.e. a blueprint for the future) or a model (i.e. a policy strategy for the immediate present; see: Keman, 2008). This transformation of Social Democracy has been shaped differently in many cases, contingent upon social and economic conditions, and at a different speed across time, depending on varying circumstances (e.g. where democracy could not be sustained or its development was arrested): diversity rather than uniformity is therefore, so we argue, the key to understanding the Social Democratic party family today.

This interpretation of the rise and development of Social Democracy as a political force thus rests strongly on its political-institutional context: the democratic polity allowing its political organisation and participation, safeguarding basic rights by means of the rule of law and granting the opportunity to steer the 'ship of state' on whatever level of governance. The latter condition is, of course, vital. Without executive power Social Democracy cannot hope to change society in its desired direction. In this book we will therefore focus on the development of Social Democratic movements as regards their capacities to gain representation in parliament and government (or: Power to the People!). For without votes and offices, policy

strategies, be they projects or models, are hard to implement. As I will demonstrate not only do many roads lead to Rome but also to different types of welfare statism each according to its 'Social Democratic image' of society (cf. Castles, 1978).

However, in spite of these observations, in most literature Social Democracy is assumed to be *homogeneous* in terms of its outlook, values, organisation and strategy for gaining power in its bid for changing capitalist society or at least remedying the ill-effects of a market economy. Yet I shall demonstrate that the Social Democratic movements emerged under *different* conditions and circumstances which led to varying types of Social Democratic parties and related political strategies. In addition, the timing and sequence of democratisation process and economic development has impacted on the strategy of Social Democratic parties and the involvement of trade unions in the struggle for representational power (i.e. in industrial relations, parliament and government). Again, the patterned *variation* in political strategy is in dire need of further inspection, for many so-called theories of Social Democracy tend to stress either the (almost sacrosanct) values of socialism or discuss (almost endlessly) the proper strategy to change society (e.g. Abendroth, 1965; Meyer, 2007; Lavelle, 2008) as if there is (still) a unified Second International.

The analysis presented in this book cannot hope to bring these debates to an end. Our goal is to analyse the patterned variations within the Social Democratic party family and to relate its 'mission' to actual political developments as they evolved over time and across the established world of democracy (see: Schmidt, 2008). To this end the focus will be on the *policy-making performance* of Social Democratic parties in relation to their mission. Again, the Social Democratic mission has been debated vigorously by Social Democrats themselves and also by social scientists and economists (e.g. Scharpf, 1991; Schmidt, 2001; Bonoli and Powell, 2004). I contend that many of these debates have been ill-affected by value-laden viewpoints (to put it mildly) and are more often than not characterised by ideological rigidity. Recent literature shows that this tendency is still, alas, very much alive.

1.2 Contemporary views on Social Democracy[1]

More often than not Social Democracy has been discussed in the literature as a mix of subjective ideas on the future and of objective research as to what extent this has been a feasible endeavour. During the 1970s and 1980s the focus has been on how to transform the liberal democratic state and capitalist society towards some kind of socialist state and society (see for example: Abendroth, 1974; Hodgson, 1977; Buci-Glucksman and Therborn, 1982). Eventually many of these 'revisionist' analyses of Social Democracy comprised inquiries regarding the attempts to reconcile socialist ideas with democratic politics in a capitalist society and the explanation of its progress toward a 'better world' (see also: Castles, 1978; Lipset, 1983; Keman, 1990; Pontusson, 1995; Held, 2006). The basic tenets of this approach are however often based on the ideas of what has to be explained and therefore tend to lead to circular reasoning (Esping-Andersen and van Kersbergen, 1992; Keman, 1993).

This has led to more and less biased accounts on what Social Democracy is, how it performs and why it is operating as it does (in the OECD world). The result has been the production of numerous studies of the Social Democratic project on the one hand, focusing on the limits and possibilities of reformism as a policy strategy (see for example Therborn, 1984; Gamble and Wright, 1999; Merkel et al., 2006), and a vast body of research analysing the achievements and effects of the Social Democratic model on societal development assessing its achievements within the context of liberal democracy on the other (see amongst others: Schmidt, 1982; Shalev, 1983; Castles, 1985; Esping-Andersen, 1990; Scharpf, 1991; Glynn, 2001).

In addition to "Revisionist" projects on the one hand and "Reformist" models on the other hand it will be useful to distinguish between various 'schools': *power relations* (or how to develop political dominance in representative democracy; see: Korpi, 1983), *policy-directed* studies (or: how 'public policy' is used to transform society; e.g. Stephens, 1979), and *ideology-driven* accounts (or: what signifies the basic principles of Social Democracy currently; Meyer, 2007). Obviously, these distinctions are analytical, and often more than one dimension is treated.[2]

It can be observed that over time the studies of Social Democracy are seen in a different light. For example, many titles refer in the 1960s and 1970s to the success of the model in transforming capitalist society towards a welfare society, where politics 'does matter' (and where political power is assumed to be *conducive* to societal egalitarianism through social and economic welfare; see Hewitt, 1977; Scase, 1977; Stephens, 1979; Castles, 1982; Keman, 1982; Schmidt, 1982). Although there were still a number of publications that lamented the 'reformist' practices, the trend was optimistic, in particular those who focussed on the development of the welfare state and beyond (see e.g. Kesselman, 1982; Stephens et al., 1982; Shalev, 1983).

During the 1980s the tone and titles of many treatises on Social Democracy tended to become more worried in relation to the performance of the Social Democratic model. In addition, we see more publications discussing the project as such and its constraints as regards to turn it into a (feasible) model and its viability (see e.g. Johansson, 1982; Przeworski, 1985; Scharpf, 1991; Pontusson, 1995). Finally, during the 1990s it is Giddens, resetting the agenda by means of his plea for a 'Third Way' (1998), whereby both the project and model were reshaped so as to lead to a 'renewal' of Social Democracy as a political force of the radical centre (Howe, 2001).

Of course, in addition to the Giddens hype, other – and often more important (from a political *science* viewpoint) – publications have emerged of late. Obviously, this correlated with economic developments since the mid-1980s (e.g. leading to the internationalisation of the economy and concomitant de-industrialisation and related ramifications regarding the welfare state; see: Iversen and Wren, 1998; Glynn, 2001; Keman, 2003; Schmidt, 2005; Armingeon and Bonoli, 2007) and the changing discourse on the state – market relations (as depicted often in terms of 'neo-liberalism') that emerged simultaneously (Giddens, 1998; Cuperus et al., 2001; P. Pierson, 2001).

There are serious shortcomings and flaws in this debate: a number of recent studies of the development of Social Democracy pose the question to what extent Social

Democratic parties are still capable of transforming society towards more equality and (redistributive) justice and preserving the quality of life (and related rights) for the more dependent populations by means of the democratic state ("Power *of* the People"). In addition, there is a literature which investigates the relation between Social Democratic goals and achievements (the model) by means of comparative empirical analysis (e.g. Castles, 2004; Merkel et al., 2006). It can be concluded that – although this approach has a sounder foundation in terms of political science – it is strongly biased by its point of departure: equating 'social democratisation' of capitalism, the project, with the development of the welfare state, the model (as van Kersbergen, 2003; Keman, 2008 have argued). In short: project *and* model are both benchmarks of Social Democratic political action.

It is therefore (still) meaningful to employ the 'ancient' notions of *revisionism* and *reformism* to discuss recent studies of Social Democracy. Analytically, we can distinguish between these two notions, but in most of the literature hybrid combinations are found. Therefore, I shall assess to what extent authors either follow a 'revisionist' argument (i.e. reinterpreting the original ideals and goals of Social Democracy) or are mainly focusing on the achievement due to a 'reformist' strategy (i.e. piecemeal engineering of democratic socialism within capitalist democracies). Remarkably enough there is a high degree of 'recycling' in this type of literature that coincides with the general political and economic development of and within the OECD world. This can lead to more or less flawed views, thereby confusing 'politics' with science (see for this criticism: van Kersbergen, 2003: 256). This is not only the case with edited volumes published by the scientific bureaus of Social Democratic parties (e.g. Cuperus and Kandel, 1998; Cuperus et al., 2001; Schmidt, 2005), but also in scientific publications (e.g. Giddens, 1998; Meyer, 2007).

Another dimension in this debate is the role of the *strategic and tactical* ideas of Social Democracy. Typical of such an approach is that the need to acquire political power in order to transform capitalist society is assumed to be beyond (academic) discussion. This has not only been an important point of departure for socialist thinkers during the interbellum period but is still adhered to at present. This line of thought permeates many treatises of Social Democracy more and less directly (e.g. Korpi, 1978; Przeworski and Sprague, 1986; Kitschelt, 1994; Boix, 1998; Esping-Andersen, 1999). The point from which these authors start their analysis is to find the best route forward and hence to develop a strategy without reflecting on whether the route taken is actually the best one and, if it is, *why* this is the case.

A number of authors could be mentioned that have adopted a similar approach to the Social Democratic project. They differ amongst each other on how to gain power and how to change capitalist society in which particular direction. Yet they have one basic fault in common, that they all either derive their analysis from *teleological* (non-refutable) motives or base their views on *finalistic* (often unshakable) grounds (Keman, 1993).[3] In short, both the teleological and the finalistic biases, often prominent in many strategic approaches, suffer from serious deficiencies with respect to the study of Social Democracy and may often lead to a kind of 'day-dreaming' instead of the development of a 'concrete utopia' (P. Pierson, 2001).

Hence, the problem of this type of analysis is to accommodate 'reality' with teleological or finalistic arguments.

Many authors are trapped in this way. For example, Merkel et al. (2006) set out the basic goals of any kind of Social Democracy in terms of universal values to be attained (i.e. equality and justice) and use a shortlist of empirical indicators to analyse various cases. However, this is not a solution for analysing Social Democracy and its development (see also: Powell, in Bonoli and Powell, 2004: 12ff). Actually, it makes matters worse, since it is conducive to either too-optimistic views (e.g. Cuperus and Kandel, 1998) or too-pessimistic views, advocating an adjustment to the 'radical centre' in order to (re)gain power. Thomas Meyer's contribution to the theory of Social Democracy is a telling example (Meyer, 2007). He distinguishes two levels of theory: normative and pragmatic. The first is 'universal' and the second contingent upon contextual factors. Nothing wrong so far, but in elaborating this theory and combining the two levels he falls prey to *both* finalism and teleology: the essential values of Social Democracy are given, and 'These are obligations of result. They can and must be achieved without delay everywhere' (Meyer, 2007: 230).

This finalistic approach is at the same time used to assess the cross-national variation in achievement. This leads to observations that are goal directed and arguments that are pragmatic (see e.g. pp. 62–63 in Meyer). However, this pragmatism is not analysed but rather argued from the 'telos': a Social Democratic state and society that can be achieved by introducing proper institutions to avoid *'unsocial'* democracies (see pp. 225–227 in Meyer; italics in original text).

It is in this way and on this level of theoretical discourse that the 'power' approaches of Social Democracy are developed. Most analyses of this type are based on a (often unspecified or non-refutable) conception of an imminent society that does not yet exist and hence cannot be assessed historically or empirically. This point could also be raised against Glynn (2001), who builds his analysis of Social Democracy on the premise that socialism and democracy are reciprocal as well as mutually necessary. In such an approach Social Democracy is defined ideal-typically. To a certain extent the 'Swedish model' gained the status of being a 'real model' for changing capitalist society by means of the re-distribution of political and economic power across capital and labour (Castles, 1978; Korpi, 1983; Esping-Andersen, 1985, 1990; Milner, 1989; Tilton, 1990). In addition 'corporatism' was considered an important factor contributing to strengthen trade union's power resources (see for example: Hicks, 1988; Armingeon, 1994). Yet the 'Swedish model' appeared to be less enduring than many thought and harder to export as many had hoped for (see: Esping-Andersen and van Kersbergen, 1992; P. Pierson, 2001: 49ff).

The conclusion must be that most architects of Social Democratic strategies until the early 1990s tended to confuse achievements of Social Democracy in certain polities (like Scandinavia) with 'theory' due to finalistic biases and teleological pitfalls. However, this type of means–end relation should not be considered as a 'theory' of Social Democracy. An inherent danger in this power-driven approach is similar to that in the 'ideology' approach, namely to take a set of principles for a theoretical point of departure in a non-critical way or as a matter of developing the proper type

of 'discourse' (see: Schmidt, 2005; Meyer, 2007). In short, most adherents to this kind of approach fail to take into account what Poulantzas already noted some time ago:

> But these [strategies; HK] offer no easy recipe for a solution, since the answer to such questions does not exist – not even as a model theoretically guaranteed in some holy text or other. History has not yet given us a successful experience of the democratic road to socialism: what it has provided – and that is not insignificant – is some negative examples to avoid and some mistakes upon which to reflect.
>
> *(from: Poulantzas, 1978: 265)*

This view implies that it is necessary to take the development of Social Democracy and its variation in terms of efforts and achievements as a point of departure for analysing Social Democratic public policy formation and not only 'ideas' or discursive capacities that aim at political adaptation to policy-related adjustment of Social Democratic aims. Obviously, this study departs from the idea to judge Social Democracy as a political actor that varies comparatively in terms of its power resources and viable role in the political system. Ideas are not seen as teleological nor defined in finalistic terms but rather as programmatic and related to social and economic policy models to change and adjust market-driven society (Castles, 2007).

Examples of this type of approach are Stephens (1979), Schmidt (1982), Esping-Andersen (1985), Scharpf (1991), Keman (1993), Boix (1998) and Rueda (2007), who all attempt to develop an empirical-analytical approach to Social Democracy by following the logic of class structure in capitalist society and taking into account the options and constraints of political control in capitalist democracies. From this position, they try to formulate certain hypotheses about the capacity of a Social Democratic actor (parties and trade unions) to influence societal development (in terms of observable achievements and effects). One could ask, however, to what extent this policy-directed approach is able to explain the actions of the Social Democracy, since the theoretical advances appear to be limited to showing whether Social Democracy does matter. This is particularly a problem in the empirical analyses of Stephens and others (like Schmidt, 1982; Scharpf, 1991; Glynn, 2001) in which the societal *effects* rather than the degree of correspondence between policy output *and* related achievements as a result of political action have been employed as a 'test' of the theory (Keman, 1997). This type of research design tends to emphasize the relationship between actor and changing environment without explaining the exact policy-making capabilities of Social Democracy and thus without being able to assess its *effect-producing* capacity. Instead of viewing policy *outputs* explicitly as an intervening variable, most of these approaches tend to jump to conclusions. Nevertheless, this policy-directed approach is certainly valuable if one looks for a more analytical-empirical approach to Social Democracy, but the research design employed is often too simple to do full justice to the variation *within* Social Democracy and fails to comprehend fully the institutional context

in which policy making takes place (but see: Armingeon, 1994; Scharpf, 1998; Schmidt, 2002).

This omission comes also to the fore in more recent comparative public policy analyses. Actually one can discern an interesting shift of focus: first, the outcomes or results are less interpreted as an explanation of Social Democracy's performance of changing capitalist society, but rather as a variable representing the constraints and limits of partisan control of the state (Hicks, 1999; Notermans, 2000). Instead of only focussing on correlates between Social Democracy in government and indicators of outcomes like 'misery' (i.e. rates of unemployment plus inflation), inequality and welfare state provisions, analyses take into account the institutional context of policy-*making* and types of policy formation of different party governments (and Social Democratic participation; Huber and Stephens, 2001; Bonoli and Powell, 2004; Keman et al., 2007). In addition, increasingly the socio-economic context is included to account for the opportunities and constraints of Social Democratic parties to make things happen. For instance, Cuperus and Kandel (1998) points to de-industrialisation and globalisation as forces that call for new policies to cope with unemployment, labour participation and wage structures. In fact, adaptation of both party and unions to changed macroeconomic context is seen as essential to move into the 21st century (Cuperus et al., 2001; Glynn, 2001; Merkel, 2001).

It is a return to the 'old' question but with a different idea of structure versus agency: does Social Democracy follow macro-societal change, or do parties matter significantly as regards changing society? The answer is often remarkably uniform: yes, Social Democracy can make a difference, if it is capable of transforming *itself* given local circumstances and global developments (Huber and Stephens, 1998). The same line of argument is to be found in an edited volume of Merkel et al. (2006) that focuses explicitly on European experiences. In this well-organised volume six case studies (Great Britain, Germany, France, Netherlands, Sweden and Denmark – all EU member states) are carried out assessing macro-economic policy making. The analysis demonstrates convergent tendencies that can be considered as in part towards neo-liberal configuration, in part due to European integration and in part as a reorientation of the policy profile of Social Democracy (see also: Telò, in: Cuperus et al., 2001; Volkens, in: Bonoli and Powell, 2004).

This conclusion can also be found in the volume edited by Andrew Glynn (2001), where the analytical focus is more directed to policy choice in neo-liberal times and the consequences for Social Democracy. Yet the contributions in this book are wider in the sense that policy choices are embedded in political institutional context: voters, the extant welfare state and economic management (see in particular the contributions by: Iversen, Huber and Stephens, Przeworski in: Glynn, 2001). Yet the message in most edited volumes remains the same: adapt and adjust the model to the globalising world of (neo-liberal or advanced) capitalism!

In a way it can therefore be concluded that progress has been made with respect to the study of Social Democracy as a political movement in terms of rigorous research. However, at the same time it must be noted that this development has somewhat 'driven out' the rationale to analyse Social Democracy as a prominent

agent of societal change, for the policy-directed approach is inclined to do away with the ideological contents and related goals of Social Democracy and with it the distinction between 'revisionism' and 'reformism'. This book is in large part an attempt to remedy this flawed type of research and instead focus more intensively on the political 'room for manoeuvre' of Social Democracy to understand its development and diversity.

1.3 Reformism as the model and revisionism as the project

The enduring debate within Social Democracy that has permeated Social Democratic thinkers and political scientists alike is the contentious matter of 'ideology' and 'praxis'. For the most important distinction at the level of ideology still concerns the matter of whether the *tendency* underlying a theoretical approach to Social Democracy is reformist or revisionist. At the level of strategy with respect to changing society it seems clear that the principal distinguishing feature lies in the type and pace of action in relation to the attainment of (pre-determined or teleological) goals in any polity. However, this distinction is also driven by the institutional context: it makes a difference whether a movement, that is, Social Democracy, operates in an autocratic, defected or a fully fledged democratic system. It remains therefore useful to distinguish both notions analytically in order to relate the ideological aspects and strategic dimensions of Social Democracy to contemporary literature and research.

When is an approach deemed revisionist? *Revisionism* always concerns the reinterpretation of existing and (sometimes) traditional assumptions and related explanations of capitalist society, democratic rule and the role of the state (Therborn, 1978; Pelinka, 1980; Meyer, 2007). Revisionism is not by definition non-Marxist or even anti-Marxist (Giddens and Held, 1982). It is an attempt to assess and to integrate various, often new views on state and society with existing ones, which emanate and originate from the socialist movement (P. Pierson, 2001: 35ff). In short, revisionism always implies a *revision* of existing theoretical or ideological arguments without abandoning the original (ideological) points of departure. This is often not the case with a reformist point of view. The latter direction is closer to the policy-directed approaches and the 'power resources' school (see also: C. Pierson, 2006: 30–33).

What then is reformism? *Reformism* stands for the view that societal change can be brought about step by step *within* the existing 'rules of the game' and without fundamentally questioning these (i.e. those of the liberal democracy in capitalist society). The theoretical premise is that political reforms, like for example universal suffrage or social rights, have a cumulative or a spill-over effect producing a major change in the end. This does not mean, however, that reformism cannot lead to more fundamental change – as many will have it – nor that it is anti-socialist *sui generis.* Perhaps reformist practice will not lead to dramatic changes, perhaps it will, but it can also lead to contradictory or even counter-productive results (Przeworski, 1985; Kitschelt, 1994; C. Pierson, 2006). However, this cannot be assumed to be a logical or inevitable outcome of a reformist praxis. Often such a strategy does not

transcend the pursuit of redistributive policies and the provision of public goods for immediate consumption. As Vivien Schmidt argues (2005: 46–47) reform capacity depends on proper communication with the public-cum-electorate to succeed. In short, reformism may not necessarily lead to a 'big bang' in terms of societal change, but it is inclined to go for direct results rather than aiming at the more *fundamental objectives.*

In sum: both 'revisionism' and 'reformism' can be viewed as part and parcel of Social Democratic discourse. It would be nonsense to obscure these notions from the contemporary discussion of Social Democracy, for both notions represent the basic dilemma of this political movement in the past and present: how to achieve change of capitalist society within the context of a liberal-democratic state that eventually leads to a 'socialist' society (Poulantzas, 1978; Singer, 1988; Keman, 1993). This view implies that we can evaluate the more recent analyses of Social Democracy from two angles: first, those contributions that focus on the limits of the Social Democratic project as judged by the goals of 'socialism'; second, those contributions that attempt to explain the achievements of the Social Democratic model by assessing its policy-related efforts and achievements. Whereas the first approach can be considered a 'revisionist' interpretation of Social Democracy (like Giddens, 1998 and also Meyers, 2007 do), the second approach can be viewed as an analysis of 'reformism' by evaluating the viability of adjusted goals and tactics of democratic socialism (Cuperus in Cuperus and Kandel, 1998; Powell in Bonoli and Powell, 2004). Both approaches have their relevance but are also flawed.

Until the 1990s the neo-Marxists claimed that the project implies societal change but not (yet) a transformation of capitalism. Others argue that the organisation of the liberal-democratic state is determining the feasibility of the Social Democratic project. Hence the underlying idea has been that fundamental change of capitalist society can be achieved within a liberal-democratic polity albeit incompletely and insufficiently (if the original goals and ideology of Social Democracy are taken as discrete benchmarks). In particular the development of the welfare state is not so much a result of Social Democracy but merely a manifestation of an underlying tendency of capitalist society: the development towards 'organised capitalism' and as a function of the liberal-democratic 'state' (Offe, 1985; also: Kitschelt et al., 1999; Bonoli and Powell, 2004: 201ff; Merkel et al., 2006: 351ff).

Given this underlying tendency, theorists point to the inability of Social Democratic policies to steer society decisively toward democratic socialism. Additionally Chris Pierson (2006: 56) observes that 'the unintended consequences of welfare state legislation might significantly strengthen the defensive powers of the working class'. But this cannot mean that the Social Democratic project is coming any nearer to fruition. It only signifies a change *within* capitalism. Following the same argument, albeit in a modified manner, it is argued that the economic management of capitalism, as well as the performances in the field of social welfare, has been to a large extent due to the development of the modern state as a consequence of the process of industrialisation (Flora and Heidenheimer, 1981). Social Democratic action is not the force of change but rather the democratic state-cum-bureaucracy