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# After the golden age: is social democracy doomed to decline?

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### The end of the «golden age» of Social Democracy

With the early seventies the traditional, favourable environment for social democratic politics and policies seemed to dissolve. Since then, numerous books and articles have been written on the "end of the golden age" of Social Democracy (Dahrendorf 1980; Glucksmann/ Therborn 1982; Offe 1984; Przeworski 1985; Przeworski/Sprague 1986; Paterson/ Thomas 1986; Scharpf 1987; Lash/ Urry 1987; Miliband/ Saville/ Liebman/ Panitch 1988; Share 1988; Markovits/ Pelinka 1988). The arguments of the booming 'decline literature' are well known. Therefore it is sufficient to recall only the most important ones very briefly.

### The Temporary "Blockage of Keynesian Coordination"

With the rapid internationalization of the world economy, the loss of "national souvereignty on interest rates" (Scharpf 1987), the rising public debts and the restrictice monetary policy of the leading central banks in the Western world led to considerable problems for the "Keynesianism in one country". For many observers, social democracy seemed to have lost its central economic tool which had permitted it throughout the postwar period to legitimize a program of social change, *and* pragmatism to simultaneously reform and stabilize the capitalist system simultaneously (Vobruba 1983: 136). The Keynesian Welfare State as a "peace formula" (Offe 1984: 14) and "social democraticsolution" to the tensions between democracy and capitalism seemed to become a problem on its own.

### Socio-structural Change

With the numerical decline of blue collar workers, the traditional constituency of social democratic parties has been shrinking continously since the beginning of the seventies. Simultaneously, a rapid differentiation among the blue collar workers has taken place. The emergence of employed and unemployed, full time and part-time, core and peripheral, public and private sector workers has at the same time led to an increasing differentiation of "working class interests". The organization and electoral alignment of the workers as the traditional core constituency has become much more complex and difficult for social democratic parties.

Moreover, in times of slow, problematic and job-less growth, parts of the middle-strata began to perceive the distribution of economic welfare and the individual "life-chances" more and more as a zero-sum game. This, combined with the internal differentiation of the blue collar workers, posed new demands to the catch-all capacity of the social democratic parties.

### The rise of the new social demands

The quest for postmaterial values and goods the demand for autonomy, participation, women's emancipation, and the preservation of the natural environment challenged the one-dimensional growth-cum-redistribution model. Social democratic parties have been confronted with the need to synthesize "ecology" and "economy" in a coherent strategy of politics and policies.

### The problem of social and political alliances

The rise of the left-libertarian and postmaterialist demands since the seventies, and on the other hand the decline of egalitarian values among considerable segments of the new middle classes throughout the 1980's have created a strategic dilemma for the social democratic parties in the arena of social and political coalitions. They have been confronted with a neoliberal right which criticizes the welfare state, and state intervention in the economy, and with the left-libertarian ecological parties which challenge the social democratic tendencies towards economic growth, centralization, and state bureaucracy. Due to their often "organic" relationship to the trade unions, social democratic parties had for some time considerable difficulties to articulate and represent the "new postmaterialist" and "new materialist" demands or to form political coalitions with one of their political agents. In each of these cases, social democracy is still running the risk eroding electoral substance among its working class constituencies.

### The End of Intellectual Ascendancy

All of the above mentioned changes have combined to undermine the ability of social democracy in shaping the political discourse of reformism, progress and modernity. The neoliberal market orientation and individualism on the one hand and ecologism on the other dominated the arena of public discourse. Many social democratic parties lost their "long-held monopolistic positions as the sole guardians of their respective countries' reform spaces" (Markovits/ Pelinka 1988:28).

### Hypotheses on the decline of Social Democracy

Considering all these developments as if they occured simultaneously and independently from specific national contexts, political and social scientists, liberals, marxists and the new left simply subsumed them under a generally valid crisis theory. Value judgements and judgements of facts were confused, and empirical analyses of political scientists fell victim to ideologies or sophisticated general theories. As if a mysterious "invisible hand" conducted this Babel of voices, they seem to sound like a harminous choir. With a powerful voice, they spread the message of "crisis", "decline" and "end", of social democracy.

### The (neo)liberal voice

Not very cautious in its prophecies, the neoliberal voice predicts nothing less than "the end of the social democratic century" (Dahrendorf 1980). The main argument is that with the establishment of the welfare state social democracy has already fulfilled its historical task. However, in having done so, it has overburdened the economy, weakened the self-regulative forces of the free market and the meritocratic incentives of the citizens (Crozier et al. 1975). The social democrats overestimated the role the state can play in steering the economy and society. They have underestimated the paralyzing forces which "hypertrophic" state activities can have upon economic dynamics and welfare. Big government" does not solve economic and social problems, it creates them. It crowds out resources from the market system, while the overdevelopment of the welfare state passivates people as economic actors in the market system (Rose 1980; OECD 1985). In sum, a too extensive state regulation disturbs the vital forces of the market system. The voices of 'neoconservatives' (Crozier et al), 'supply siders' (Laffer), 'monetarists' (Friedman), 'fiscal conservatives' (Hayek), or rational expectationists' (Buchannan) commonly argue, that everybody would be better off if the state withdrew from the economy and the investors were no longer restrained in their decisions by such disturbing interventionist or distributional regimes of the state.

### The (paleo)marxist voice

Whereas the liberal and neoconservative voice criticizes the "overstretching of the welfare state" and laments about "too much state", the orthodox marxists complain about "too much market" in the "social democratic state". The "collapse of Keynesiansim" and the breakdown of corporatism since the economic crisis of the 1970's have exhausted the limits of social democracy's reformist and electoral possibilities (Panitch 1986: 52). What has remained of its former self is "a ghost, a form of nostalgia. A nostalgia, ridiculous and poignant for something which once existed and will never exist again" (Liebman 1986: 21/2). Having rejected the road to socialism, the social democrats fell victim to their own attempt to administer capitalism more socially.

### The voice of rational choice

Social democracy as a "historical phenomenon" (Przeworski 1985: 7) has not simply failed due to deviations from a supposedly "correct line" or the betrayal of its leaders. It has rather been doomed to fail due to rational strategic choices the leaders were forced to make facing the specific "dilemma of electoral socialism" (Przeworski/ Sprague 1986: 55). When it appeared that workers never become a numerical majority in any society, it became clear that the mandate for the social democratic project - the emancipation of the workers - could not be obtained from workers alone. Leaders of social democratic/ socialist parties must seek support elsewhere in society, i.e. they have to continuously decide "whether or not to seek electoral success at the cost, or at least at the risk, of diluting class lines and cosequently diminishing the salience of classas a motive for the political behavior of workers themselves" (ibid.: 3). Here the dilemma appears. To be electorally successfully, social democratic parties cannot appeal to workers alone they have to assume a "supraclass posture". In so doing they dilute their capacity to win workers as a class. Therefore, social democratic and socialist leaders are confronted with a persistent trade-off dilemma. They are condemned to minority status when they pursue "pure class-only strategies", and they lose votes among the working class when they follow "supraclass" electoral strategies appealing also to the middle stratas. "They seem unable to win either way" (ibid. 56) is the quintessence of the electoral dilemma of democratic socialism (Ibid. 3; 55/56; 58; Przeworski 1985: 104 pp; Przeworski 1989: 63).

Przeworski and Spraque perceive social democratic parties as passive victims of an electoral trade-off: the more allies Social Democracy wins

among the middle stratas, the more workers it will lose. However, the steepness of the trade-offs, i.e. the "opportunity costs", covary with the strength of the unions, the existence of neo-corporatist institutions and communist party competition for the working class vote. But these factors matter only temporarily, they do not alter the fundamental logic of the "iron" trade-off. Consequently, Przeworski and Spraque conclude: "Thus the era of electoral socialism may be over" (ibid.: 185).

A peculiar paradox can be detected in Przeworski's and Sprague's explanation. On the one hand, there is the epistemological elegance of the choice centred perspective of methodological individualism, on the other hand, the rational choice approach does not protect Przeworski and Spraque (1986) from ultimately falling victim to a rather crude sociological determinism. Although the authors concede that electoral strategies and specific policies may make a short term difference, they state that in the long run the fate of electoral socialism is determined by industrial change and a supposedly iron electoral dilemma. "Ultimately, it probably mattered relatively little whether socialist leaders did everything they could to win the elections. Their choices were limited (ibid. 1986: 126)". The authors own concession that "parties mould 'public opinion'", "evoke collective identification, instill political commitments" (ibid.: 125/6) remains without consequences for their final conclusion.

Both the paradigm of methodological individualism and sociostructural determinism tend to neglect varying political institutions, socioeconomic contexts and cycles as nationally differing "opportunity structures" for political choices. The fusing of rational choice and sociostructural determinism accounts for the inherent tendency to jump to summary predictions. Furthermore it cannot sufficiently explain the diverging political strategies and policies of social democratic and socialist parties. It can neither illuminate the reasons for the electoral successes of the socialist parties in Southern Europe during the 1980's, nor sufficiently explain the resilience of social democratic policies in Sweden, Finland, and Norway during the last decade. It offers no explanation for the 'social-liberal' turn of the Spanish socialists just as it is unable to explain why the policies of the socialist governments have undergone a slow and moderate "social democratization".

### Pledge for an open and configurative approach

Neither the ideological (neoliberal, marxist) nor the theoretical (rational choice) assumptions of the three "voices" are sufficient and appropriate to justify their prophetic predictions and deterministic conclusions. The common weakness of these analyses is their static perception of social

democracy as a political actor. On the one hand they provide a detailed and pervasive analysis of the dynamic change of the economic, social and political environment since the mid-seventies. On the other hand they consider the social democratic parties simply as passive victims of a changing world, thereby neglecting their "revisionist" capacity to reassess values, strategies, and policies in the light of these changes so as to reshape the conditions for their political survival and success.

Two approaches which avoid these fallacies of a priori exclusions of possibly relevant independent variables and deterministic conclusions, be it motivated by ideology or the intellectual esthetics of theoretical monism, have been presented by Gösta Esping-Andersen (1985) and Fritz Scharpf (1987). The "enlightened socio-structural" analysis of Esping-Andersens "Politics against Markets" shows at the example of Scandinavia, that social democratic parties are not simply doomed to socio-structural change, but have choices which have a decisive impact on their success or failure in the future. Specific adjustments of their policies to the changed "environment", goes his principal argument, can help to create and strenghten the alliance between blue collar workers and white middle strata, which could be a possibly winning social coalition. State policies which modify the mechanism and outcomes of the market are still at the core of these adjustments (Esping-Andersen 1985: 34/35 pp). Fritz Scharpf's "neoinstitutional" approach is linking politics and policies to the varving institutional opportunity structures. If social democratic parties succeed to design their policies appropriately according to the relevant institutions and power relations in state and society, they do not have to renounce their political values and goals - not even under the auspices of worl economy dominated by monetarism and supply side economics as the social democratic governments of Austria and Sweden have demonstrated. A part of my own study will take patterns from the twostudies of Esping-Andersen and Fritz Scharpf. Against the background of these considerations, I intend to investigate the question of the supposed "decline" of social democracy on three levels:

1. Electoral level: the electoral evolution of social democratic parties in Western Europe since 1945.

2.Governmental level: the social democratic perticipation in government after 1945.

3. Policy level: The economic and social policies during the 1980s.

# Electoral decline? The Social Democratic and Socialist Parties at the polls!

The following analysis of the postwar electoral trends of Social

Democracy remains on a highly aggregate level. Nevertheless, on this level I will present a first empirical evidence how dubious it is to speak of a general and irreversible "decay", "decline" and "crisis" of Social Democracy since the mid-seventies.

To test the "decline-hypothesis" for the "post-golden age" of Social Democracy, that is to say after the first oil price shock, I will divide the postwar period in two or four phases Respectively (see Table 1):

1945 - 1973, which can be called the "golden age" of Social Democracy.

1974 - 1989, the so called "decline period", thereby paraphrasing the theoreticians of Social Democracy's supposed decline.

In order to control and specify the findings of these two periods, I will compare the electoral results of a narrowly defined "golden age" from 1960 - 1973 (when the postwar economy was reconstructed and most of the West European countries experienced their `economic miracle') with the electoral results of the period 1980 - 1989, when according to the "decline-hypotheses" the crisis of Social Democracy should have advanced still further.

The figures of Table 1 can only be read as a classical falsification of the decline hypothesis as far as the electoral level is concerned. The average of the national electoral results of all West European social democratic and socialist parties (excluding the parties of Iceland and Luxembourg due to the smallness of the two countries) for the total post war period has been 31.2%. During the "golden years" from 1945-1973 the social democratic parties polled 31.7%, only 0.5% more than throughout the whole postwar period. Even if one compares the electoral average of the "golden years" in the narrow definition (1960-1973: 31.8%) with the total postwar average the result does not change at all. These findings are confirmed when we confront the electoral data of the "good years" (1945-1973) directly with those of the "decline period", when the social democratic parties gained 31.5% (1974-1989) or 31.7% respectively (1980-1989) of the popular vote. 0.3% resp. 0.1% can hardly be interpreted as the proofs of an irreversible decline. During the last 15 years, a period when the political science literature on the crisis of social democracy began to boom, there was no measurable general decline on the electoral level. On the contrary, the social democratic parties reached their electoral peak in 1983, at a time when the demise of social democracy should have been particularly visible. It is not the decline which has to be explained, it is rather the striking stability of the social democratic vote which demands further exploration, as Klaus Armingeon convincingly pointed out (1989:332).

To explore the reasons for the stability of the social democratic vote on a less aggregate level without referring simply to all single cases, it might be useful to group the social democratic parties under different subtypes, and to look more specifically at and into those groups of social democratic parties. One possibility of classification has already been carried out along geographical lines (Glucksmann/ Therborn 1982). Although such an attempt reflects partially common historical socioeconomic and sociocultural particulars of the national environment within which the parties have to act, I will employ a more systematic approach. Modifying and extending an approach developed by Hans Keman (Keman 1988: 32 ff.) my typology is based on five criteria of classification:

1. Type of relations between the social democratic party and trade unions

2. Fragmentation of the left and the position of the social democratic party within the left camp

3. Ideology as it is manifested in policy making

4. Type and extent of governmental power (1974-1989)

5. Governmental power quotient throughout the post war period (1945-1989)

Based on these five criteria I have constructed 4 "ideal types" of social democratic parties:

1. *Labourist type*. Characteristics: the trade unions have historically preceded the party and still strongly influence the party; there is hardly any competition at the left; pragmatic ideological approach.

2. *Pragmatic, coalescent type.* Characteristcs: dominance of the party vis-a-vis the trade unions and/or medium cooperation between party and unions; some competitions at the left; pragmatic, social-liberal policy making; medium "power quotient" and mostly compelled to govern in coalition governments.

3. Welfare statist type. Characteristics: close and equal cooperation between party and highly organized unions; some or strong competiton at the left; dominant political force, often governing in single party governments.

4. *Ambivalent type*. Characteristics. (little) cooperation with only parts of the ideologically fragmented unions; strong competition at the left; rapid change from radical ideological to rather pragmatic positions very recently; rise from political inferiority to strong, resp. dominant positions; some of these characteristics are still in flux.

According to the 5 classification criteria the West European social democratic parties can be subsumed under 4 "ideal types" (for the detailed subsumption see Table 5):

| Type A: | United Kingdom<br>Ireland              | Type B: | Belgium<br>Finnland<br>Netherlands<br>Switzerland<br>West Germany |
|---------|--|---------|---|
| Type C: | Austria<br>Denmark<br>Norway<br>Sweden | Type D: | France<br>Greece<br>Portugal<br>Spain                             |

#### (Italy)

The electoral results of these four groups (Table 2) reveal that rather different developments have taken place since 1945. Due to the disastrous electoral defeats of the British Labour Party during the 1980s the "labourist group" lost votes substantially votes during the "decline phase" as compared to the "golden years" (-7.4%) and the total post war period (-4.6%).

As distinguished from this decline pattern the average electoral outcome of the "pragmatic, coalescent" social democratic parties (type B) proved to be extraordinarily stable. The combined vote of this group shows almost identical results for all three periods. While the Belgian and Swiss social democrats had to accept a minor decrease of their electoral shares, the German SPD and the Dutch PvdA could increase their average vote for the "decline" period. The electoral results of the Finnish social democrats remained stable for all periods since 1945.

The parties of the "welfare statist type" suffered minor electoral erosions. Compared with the total postwar period (-1.6%) and the "golden years" (-2.4%), these parties have been confronted with a slight melting off of their unusually high electoral plateau during the "decline period". If one takes a closer look into this group, the Danish and perhaps the Norwegian social democrats can easily be defined as the losers of this group. Whereas it is probably too early to interpret the visbile losses of Norway's DNA at the 1989 election (-6.5%) as a stable trend (the DNA's main competitor, the conservative party, lost with -8.3% even more more votes) the Danish social democrats have suffered a continuous electoral decline from 1979 until 1990, when a remarkable vote swing stopped the electoral decay. The Danish social democrats polled 37.4% and increased

their electoral share by 7.5% and increased their electoral share by 7.5% compared to the electoral results of 1988. The Danish example shows that electoral downward trends are by no means irreversible and cannot be explained by the general decay of social democratic policies or the supposed inherent contradictions of the welfare state as such. But even this downward trend cannot simply be explained by the decay of social democratic policies (Sainsbury 1984; 1985) or the supposed inherent contradictions of the welfare state as such. But the social democratic voters have become much more volatile. This volatility and erosion of the SD electorate can be partially attributed to a "pervasively liberalistic welfare state that enhances social stratification and cleavages cutting across class lines" (Esping-Adersen 1985: 149) and the relatively weak performance in controlling the business cycle. This made Denmarks social democrats much more vulnerable to and dependent on economic and sociocultural changes and cycles than their sister party in Sweden. It is interesting to note that Finland's move towards a more universalistic welfare model since the late seventies has not caused electoral backlashes for the Finnish social democrats (which I still subsume under the "pragmatic coalescent type") which have been the main proponents of the improvement of the Finnish welfare state (Pekkarinen 1988).

The minor electoral losses of the "welfare statist" social democracies (type C) and the Anglo-Saxon labour parties of type A have been compensated for the rise of the new socialist parties in Southern Europe. They are the "winners" of the 1980's. Particularly the renewed Parti Socialiste Francais (PS), the Panellino Socialistiko Kinima (PASOK) and the Partido Socialista Obrero Espanol (PSOE) "created" and extended their electorates with breathtaking rapidity. The electoral appeal of the French, Spanish and Greek Socialists to large segments of the middle strata shows that the social democratic parties are not irrevocably doomed due to Przeworski's dilemma, viz.that electoral socialism is confronted with the apparently impossible task of appealing to the working and middle classes simultaneously. Moreover, the French socialists benefitted from the institutions of the Fifth Republic, the wear of the bourgeoise parties during the economic crisis of the 1970's, and the rapid decline of the Communist Party. The Greek and Spanish socialists, also enjoying the luck of being in opposition during the economically "difficult" seventies, could profit in particular from the extreme fluidity of the electorates of postauthoritarian regimes. But all three parties campaigned successfully with the suggestive slogan of "change", aiming at the political, economic and social dimension as well. At a time when the end of the "social democratic century" (Dahrendorf 1980) was already proclaimed, the socialist parties of Southern Europe won their elections with programs entailing all the classical elements of social democratic

policies (a.o. Criddle/ Bell 1988; Penniman 1988; Lyrintzis 1983; Axt 1985; Spourdalakis 1988; Gunther/ Sani/ Shabad 1988; Merkel 1989). The deviant case in this group are Portugals socialists. After remarkable successes in the immediate aftermath of the Portuguese revolution (1975: 40.7%), and erratic electoral results at the end of the seventies and the beginning of the eighties, the electorate of the PSP, one of the most conservative socialist parties of Western Europe, (Rother 1985) was almost halved in 1985 (20.(% and 1987 (22.3%) (Gallagher 1988: 139 pp). In contrast to their Southern European sister parties, the PSP was paying the price for the burden when staying in power during the "difficult" seventies and its inability to present itself as a credible force of economic and social reforms at the beginning of the 1980's.

Summarizing my argument on the electoral level I can conclude that there has been no general decline of Social Democracy since the early seventies. Two groups lost votes, the labourist "group" heavily, and the "Welfare statist group" slightly, nothing extraordinary considering the high vote level of the latter. The "pragmatic, coalescent group" maintained its electoral share, while the Southern European Socialist parties have become a strong and even dominant polical force in their respective countries. Moreover, there seems to be more evidence that the Danish, the West German, and the Norwegian social democrats,the Portuguese socialists and the Britih Labour Party suffered electoral losses due to their incumbency during the economically difficult years at the late seventies than to sociostructural change and a shrinking working class or pursuing anachronistic social democratic policies.

# Strength and weakness of the competitors of Social Democracy

Strength and weakness of the social democratic parties is closely interrelated with the strength, weakness, cohesiveness, or fragmentation of their competitors in the respective party systems. In other words, what matters is the *relative* strength of the social democratic parties and of their competitors. In this regard a good deal of the dominant position of the Scandinavian social democratic parties within their political systems can be attributed to the marked heterogenity of their bourgeois opponents throughout the postwar period (Sainsbury 1984; Esping-Andersen 1985). With the exception of Denmark (1982-1989) the bourgeois parties failed to establish a durable block capable of pursuing concerted political action. The bourgeois governments of Sweden (1976-1982) and of Norway (1981-1986) failed not least as a result of such heterogenity (Lane/Ersson 1987: 229).

The same holds true in the Spanish case. Due to the erosion and complete dissolution of the heterogenous UCD, the Socialists' bourgeois predecessor in government, the bourgeois camp is fragmented into two bigger national (PP, CDS) and some minor regional parties. Since these parties are not only incapable of forming an alliance, but are also unable to agree to any concerted action with the communist opposition, they have proven to be far from a challenge to the hegemonial position of the socialist party during the eighties (Caciagli 1986; Gunther/Sani/Shabad 1988; Merkel 1989). The fragmentation of the conservative forces turned out to be conducive to the recovery, stabilization, and return to power of the French Socialists too, as the presidential and parliamentary elections of 1981 and 1988 proved (Criddle/ Bell 1988; Penniman 1988). While in Sweden, Norway, Finland, Spain, France the fragmentation of their political opponents turned out to be a source of strength, the opposite is the case in Great Britain, West Germany, and, to some extent, in Greece, where the bourgeois camp is much more cohesive and able to gain stable parliamentary majorities, either as single parties or durable coalitions.

Even at an aggregate and formal level it can be demonstrated that the degree of fractionalization of the competitors of social democracy has not diminished since 1974. By employing Rae's fracionalization index (Rae 1968) Klaus Armingeon (1989) has shown for 21 party systems within the OECD - Area that the fractionalization of all non-social democratic parties has indeed slightly increased during the last fifteen years: from 0.61 during the "golden years" (1945-1973) up to 0.66 for the "decline period" (1974-1988). These findings have been confirmed by my own computations for the 16 West European party system here under consideration: the fractionalization of the competing parties has risen from 0.64 (1945-1973) to 0.66 (1974-1988). Although these differences are to small for supporting the thesis that the opponents of social democracy have been weakened during the last fifteen years, there are even more inadequate to prove the opposite.

# Decline of power? The Social Democrats in Government!

If neither a general decline of Social Democracy at the electoral level nor a strengthening of its opponents in terms of political cohesiveness can be observed, is there then more evidence supporting the "decline hypothesis" at the level of governmental power? In order to compare the governmental power during the periods under investigation I computed a so called "power quotient", which, with slight modifications, is based on calculations Anton Pelinka had done previously (Pelinka 1983: 80).

Depending on the mode of government, I attributed to social democratic parties a certain amount of points per year.

Table three clearly shows that at the level of governmental power there has also been no decline since 1974. On the contrary, the "power quotient" for the total "decline period" from 1974-1990 and for the phase from 1980-1990 as well, are 0.3 resp. 0.2 points higher than that for the "golden years" or the whole post-war period.

If one looks more in detail at the evolution of the governmental power of the social democratic parties according to the four groups we have constructed, (see Table 4) the figures reflect a similar picture to that which we have already seen at the electoral level. The two labourist parties of "group" A have been confronted with a marked decline of power during the 1980s. The parties of the "pragmatic, coalescent type could maintain their position. They could even slightly increase their governmental share during the period from 1974-1990 due to their good performance during the seventies, thus compensating for minor losses during the eighties. A visible decline can be observed for group C. Departing from a extraordinarly high "power level" during the "golden years" the "welfare statist" social democracies suffered a decay of their governmental power after 1974. This decline of power during the last years has been primarily caused by the erosion of the dominant position of the Danish and Norwegian social democrats. While the Norwegian social democrats returned to government during the second half of the eighties (1986-89; 1990-), the Danish social democrats lost the elections in 1982 and had to go into opposition for the rest of the decade. Although it is too early to interpret these losses as astable trend, there are some indications at the beginning of the nineties that the parties of the "welfare statist type" are going to lose their once hegemonial or dominant position.

The rise of the Southern European Socialist parties since the midseventies has lead to continuously increasing governmental power. The Spanish socialists have become the hegemonial political force in their country and the Parti Socialiste Francais stabilized its position as the strongest party in France. Due to political scandals the Greek socialist have lost the dominant position which they held throughout the eighties, but despite these big scandals they still polled around 40% of the electoral votes in Greece at the end of the 1980s. Only the socialist party of Portugal declined to a second order party after a brief interlude in government from 1983-1985.

To sum up these findings, even at the level of governmental power there is no general trend of decline. The visible decline of the Anglo-Saxon Labour Parties and slight erosions of the "welfare statist" Social Democracies have taken place at the same time, while the power of the "pragmatic, coalescent" social democratic parties has slightly increased and Southern European Socialism has risen to a major or dominant role (Gallagher/ Williams 1989) in the political arena of these countries.

# Decline of Social Democratic policies during the 1980s?

At the level of economic and social policies only actual policies and not party programs will be compared. This implies a specific selection of cases to be analyzed. It goes almost without saving, that only the policies of those parties which stayed in government during the 1980s can be included into this policy analysis. The two Anglo-Saxon Labour Parties and, with the exception of the Finnish socialists, all social democratic parties of the "pragmatic, coalescent type", will be excluded from the comparison. In terms of governmental power these two groups can be called the "losers" of the 1980s. The Danish social democracy cannot be analyzed, since it spent most of the time of the eighties in opposition (since 1982). The Portuguese and Italian Socialists cannot be taken into consideration either, because the first governed only for two years (1983-1985) in a "grand coalition" during the 1980s and the latter, although it has remaining throughout the 1980s in power, has always been the junior partner in a five party coalition. Therefore, it is impossible to attribute specific policies or the governments performance as a whole to the PSP or PSI.

Thus only the dominant governing socialist/ social democratic parties during the 1980s remain: the Swedish, Norwegian, Finnish and Austrian social democrats, as well as the socialists of France, Greece and Spain. These parties can be distinquished in two groups according to the typology of social democratic I have developed, the periods in which these parties came to power and could entrench their policies, institutions and values, as well as some similarities of the economic, social and political environments:

1. Established, dominant social democracy (welfare statist type): Sweden (SAP), Norway (DNA), Austria (SPOE), Finland (SPF)

2. New, dominant socialist parties: Spain (PSOE), Greece (PASOK), France (PS).

The explanandum here is: have these parties pursuing social democratic policies during the 1980s and which are the causal factors for the divergence or convergence of the actual policies those governments have pursued. In other words, what is in the "black box" which seperates the declared programmatic intentions from the actual output.

Considering the logic of the neo-liberal/ neoconservative paradigm of the overburdened economy and the hypertrophic state activities of

social democratic welfare regimes, one could expect the most rapid erosion in those countries where the "sclerosis" through statist regulations has progressed the most: that is to say, in the Nordic countries, and with minor reservations also in Austria.

Marxists would expect that the more class oriented labour movements in France, Spain and Greece (strong communist unions, relevant communist parties, more radical socialist parties) could press for more progressive social reforms than the "collaborative" social democratic parties and unions in Sweden, Norway, Finland and Austria. The rational choice plus socio structural approach is more indifferent regarding the North-South comparison. In the long run, no social democratic and socialist party can escape the assumed "electoral dilemma" of needing support from the workers and middle classes simultaneously. In the short run one would expect that in the unionized, neocorporatist countries, the social democratic leaders would rationally chose policies which are designed to meet more the needs of the middle classes, because the partially "institutionalized" loyalty of the workers diminishes the probability of electoral "exit". However the reality is much more complex and contradictory, and it largely falsifies the one dimensional "decline hypotheses".

### The Resilience of Established Social Democracy

If one disentangles the (Keynesian) welfare state into its two fundamental levels, the state intervention in the sense of macroeconomic steering and policy regulation on the one hand, and the welfare commitment to provide collective goods and monetary transfers on the other (Schmitter 1988: 503), one can draw the following conclusions. The three Nordic countries represent a rather homogeneous sample in the 1980s, despite some gradual differences reguarding the standards of social welfare. Neither has a retreat from the commitment to universalistic social welfare taken place there, nor has a breakdown or a substantial erosion of neocorporatist arrangments occurred. Even with respect to macroeconomic policies, the state still plays an important role. What changed in the course of the 1980s was not the involvement of the state in steering the economy as such, but the mode and direction of the state interventions. Particularly in Sweden (after 1982) and Norway (after 1986) the state interventions shifted visibly in favor of the supply side, stimulating investments by specificly designed tax reliefs and subsidies. Since the Finnish government turned its policies cautiously towards a more demand oriented economic management, all three Nordic countries have been pursuing a fairly balanced mixture of supply and demand oriented policies. From this perspective Sweden, Norway and Finland should be called "interventionist social welfare states" in the 1980s, in order to differentiate them from the 1970s type of Keynesian welfare state.

However, the "end of the Keynesian Coordination" turned out to be not as definite as some economists and political scientists suggested at the end of the 1970s (Bruno/Sachs 1985; Pekkarinen 1989). The Finnish example and specific elements in Swedens economic policies at the end of the 1980s indicate that there is again some room for selective Keynesian manoeuvres. Yet, in the longer run, the partial deregulation of the financial markets could pose some restraints upon controlling the exchange rate in the future. Devaluations as a macroeconomic instrument of the national state for restoring economic competitiveness can no longer be used as flexibly as in the past. The liberalization of the credit markets could particularly reduce the future capacity of the Norwegian state to direct the domestic economy, since the nationalized credit sector played a crucial role in the past social democratic policies ("credit socialism"). Combined with the fact that the continuos flow of the considerable oil revenues has concealed the relative loss of competitiveness in the manufacturing industry during the last decade, the future of the "Norwegian social democratic state" could become more contingent. The enforced restructering of the industrial sector stimulated by the current social democratic government of Gro Harlem Brundtland has shifted the economic policies towards a stronger supply side orientation. However until now, this restructuring period was neither accompanied by the retreat of the state from intervening into the economy nor was it parallelled by a relative decline of wages and social welfare.

Though, some erosions of the "social democratic model" could possibly loom for the future in Norway, the main features of the development in the three countries during the last fifteen years contradict the linear decline hypotheses unequivocably. In each of the three countries a consolidation or even enlargement (Finland) of the welfare state has taken place; the unemployment rate (1980-1988: 3.3%) has been considerably lower than the average rate within OECD (7.7%) or EC (9.8%); and both, neither undermined economic growth nor impeded productivity increases, at least compared with the OECD-average. On the contrary, welfare and tax policies have been coordinated to enhance both economic growth and social equality. The high level of income tax and tax reliefs for reinvestments contributed to the high rate of capital accumulation. A considerable part of the nominal wage increases was taxed away by the progressive income tax and transformed into financial surplus of the public sector, in order to support productive investments of the corporate sector and to finance social welfare (Steinmo 1988: 426/7; Kosonen 1989). The tax system did not favour simply corporate

profits, but specifically investments in the most productive enterprises. The Finnish move towards these policies (Pekkarinen 1989) also underlines the argument that neither the welfare state nor its most comprehensive (social democratic) version, the "welfare-interventionist state" (or Keynesian Welfare state) is condemned to perish by virtue of its supposedly "inherent" contradictions.

This does not imply that Scandinavian social democracy has not changed. However, the incremental changes on the level of macroeconomic management did not alter their fundamental politics and policies during the 1980's. In particular, these changes did not diminish the social welfare commitments of the three social democratic parties to provide collective goods and transfer payments on a high level and universalistic base (Martin 1988; Andersson 1989). Moreover, the fact that the Swedish social democrats in 1985 and 1988, and the Norwegian Labor Party in 1985, won the elections with rather traditional welfare campaigns points to the maintenance or resurgence of social democratic values and policies in these countries.

Austria's social democrats are facing deeper problems. The present obsolescence of "Austrokeynesianism" and the privatization and "marketization" of the nationalized sector has already shown some negative consequences for the goals of full employment and social equality (Mueller 1988; Pelinka, P. 1988). The SPOE has not yet found functional equivalences for the important role that both Austrokeynesianism and the nationalized industries, played in its social democratic concept (Winckler 1988). Since the Austrian social democrats have to govern with the conservative Austrian People Party (ÖVP) since 1986, the temptation to look for a "market solution" could be strong. However, even in the case of Austria, it has to be seen whether the current trend to more market, less state and less social equality is irresistible or whether a new turn will occur once the business cycle turns upward, the industrial restructering is successfully completed, and the present decline of the ÖVP continues.

### Failure and Success of Southern European Socialist

The "Southern group" is more heterogeneous. True, all three socialist parties entered government at the beginning of the 1980s with radical (PS, PASOK) (Criddle/ Bell 1988; Lyrintzis 1983; Spourdalakis 1988) or moderate (PSOE) (Maravall 1985; Santesmasses 1985; Merkel 1989) social democratic programs. But, when in power, the differences between the socialist governments in France, Greece and Spain became more pronounced. Neither the Parti Socialiste, nor PASOK or the Spanish socialists tried to establish the "ideal" social democratic steering mix of statemarket-neocorporatism. Each socialist government followed its own bias.

The state interventions of the PASOK government into economy and society did not decrease during their eight years in power, yet after four progressive years these interventions have scarcely been linked to leftist or progressive goals after 1985. They often have followed a traditional Greek set of paternalistic and clientelistic practices. The French socialists also relied heavily on the state particularly in the first phase of the Maurov government. But their statist approach from above prevented them from fully recognizing the importance of the active involvement of "social partners" in the planning and implementation of their reform policies; an oversight that led Mark Kesselman (1982) to call the "Mitterrand experiment" a "socialism without workers". Moreover, the technocratic preferences induced the PS to underestimate the external constraints upon managing a medium sized open economy within the internationalized capitalist world economy. The conclusions which the Parti Socialiste has drawn after its first term in power can best be seen in the moderate social democratic government of Rocard, who gives the market an absolute priority for the allocation of economic resources, but uses the fiscal state for the cautious improvement of social welfare. Without proposing the re-nationalization of the industries privatized by the Chirac government, the PS gives priority to selective industrial interventions, even after 1988. Its continuing commitment to more social justice is demonstrated in the measures of the Rocard government to increase minimum social benefits, and to improve education for the underpriviledged, while implementing a wealth tax for the rich.

The Spanish socialist government, however, has been from the beginning very much aware of the external and internal economic constraints, particularly in the perspective of the EEC membership and the creation of the single European market in 1992. This attitude led them at times to an uncritical emphasis on the market and a lack of willingness to use the existing space for state interventions, in order to steer the economy and society along the lines of more social equality. The attempt to instrumentalize the "socioeconomic pacts" unilaterally in favor of the investors underlines PSOE's market-bias.

However, as moderate the reform outcomes of the Socialist parties in France, Greece and even Spain may have been, they certainly had some social welfare impact on their societies. In particular this holds true in the Greek case (health policy, gender equality, new pensions for the employees of the agrarian sector, extention of public services), but it can be maintained for France too (Auroux laws, rise of minimum wage and of social transfers for the lower income strata). The Spanish socialists are beginning only very recently to improve the health service and the pension system.

### The established Social Democracy and Southern European Socialism: what makes them different?

How is one to explain these divergent developments? More specifically how is one to explain the stability of established social democratic policy in Sweden and (with some reservations) in Norway, the "social democratization" of Finnish policies throughout the 1980s on the one hand, and Austria's beginning departure from its social democratic past on the other hand? What about the only moderate success and partia failure of the socialist parties in Southern Europe to implement progressive-reformist policies in their countries?

Przeworski's and Spraque's socio-structural hypothesis can scarcely contribute an answer to these questions. As far as the three Nordic countries are concerned, neither the social democratic parties as dominant political actors, nor the contents of their policies, indicate social democracy's irreversible decline. The actual shrinking of the blue-collar workers and the progressing differentiation of the workers did not simply develop into electoral losses for social democratic parties or a shift away from social democratic policies. Przeworski's/ Sprague's "iron law" -that 'the more allies social democratic parties win among the middle strata, the more workers they will lose'-, was broken by the influence of organizations, institutions, cultural values, policy legacies, economic performance and the competitive situation in the party system. That is to say, actors and structures functioned as intervening variables in a process in which ultimately they were not supposed to appear.

Given these concrete structures, values, and actors which codetermine the fate of social democratic parties, a more contingent. The configurative framework I apply here contains four sets of variables: economic factors (BiP per capita; economic competitiveness; size and function of the nationalized sector), societal factors (the role of the middle strata, type of industrial relations and the type of the welfare state) and factors of political power (the power quotient, the type of governing coalition, the fragmentation of the opposition, and the relevance of the leftist opposition), the factor "time".

### **Economic level and competitiveness**

The medium- high economic competitiveness in Sweden and Finland, the successful adaptation to the new conditions of the international economy, and the good economic performance during the 1980s set the base for the maintenance, resp. extention of social welfare. The delayed economic restructring in Norway, and, particularly pronounced in Austria, caused comparative decline of competitiveness in their economies. This has posed some problems for the goals of full employment and redistribution of their social democratic parties in the second half of the 1980s.

However, the high Bip per capita, particularly in the Nordic countries, has provided a favourable material base for collective social welfare.

All three Southern European socialist governments had and have to cope with the legacy of a highly (Greece, Spain) and relative (France, in particular vis-a-vis the three dominant world economies USA, Japan, West Germany) uncompetitive economy. The imperative to modernize their economies left little room for distributional manouvres and social welfare. Therefore, throughout the 1980s all three socialist governments have been more constrained by the international economic environment, than their "sister governments" in Northern Europe. Moreover, the fact that Austria and the Nordic countries do not belong neither to the EC nor to the EMS and have, therefore, enjoyed a greater "autonomous" room for manouvre in managing the national economy can be interpreted as a comparative advantage vis-a-vis the Southern European EC members. But, whereas the EC-balance sheet (net transfers from EC-funds, importexport ratio with EC-countries) for Greece and Spain is by no means totally negative, the French socialist government had to pay for the EMS membership. It clearly restricted the choices for the French exchange rate policies in 1982 and 1983. However, at that time the possibilities for the Mauroy government using the currency policy so as to avoid austerity measures were already considerably limited by the relatively weak economic competitiveness at the beginning of the 1980s.

### Size and function of the nationalized sector

Nationalization did not matter: at least not in the sense of being conducive to achieving the social democratic goals of a more egalitarian society with universalistic social welfare, full employment and new forms of work organizations or economic democracy. The French leftist government was not able and/or not willinged to use the extended nationalized sector for these social and democratic goals. Nationalization under Mitterand remained basically an act of symbolic politics. The Greek socialists succumbed to the temptation to use the nationalized sector for clientelistic purposes and statist-authoritarian measures concerning the regulation of strikes. The PSOE-government had to cope with the legacy of an indebded and highly unproductive nationalized sector. Only the rationalization and the privatization of some parts of the nationalized industry and services took away a heavy burden from the annual state budget (Merkel 1989). The Austrian social democrats utilized the nationalized sector too long and too extensively to hide redundant work

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force. When they had to restructure the nationalized industries during the 1980s the state-owned firms lost their defensive employment function. The whole concept of Austrokeynesianism became particularly vulnerable since the SPÖ had failed to develop functional equivalences for the macroeconomic functions of the nationalized sector in time. However, the example of Norway demonstrates that an all-inclusive negative judgement of the experiences with extended nationalized sectors runs the risk of an undue generalization. Norway's Labour Party succeeded in using the largely nationalized credit sector ("credit socialism") in order to steer the economy and society more along the lines of their own social democratic criteria. And even Statoil, Norway,s large state owned oil company brought in relatively more revenues to the government, than the private oil companies in Great Britain. But despite the single exceptions of Norway and Finland, the comparison of all seven cases indicates, that the "functional socialism" (Adler-Karlsson) of Sweden, with its small but efficient nationalized sector, turned out to be less vulnerable vis-a-vis the supply side imperatives of the 1980s, than those policy designs which tried to instrumentalize the nationalized sector as an important element of their macroeconomic management. These outcomes raise once more considerable doubts about the rationale for nationalization as an essential element of progressive reformist policies in advanced industrial societies (Crosland 1963; Thomas 1986; Hall 1987; Tilton 1987).

### The role of the middle strata

Similar to their Northern European sister parties, the Southern European socialists need the votes of large segments of the middle strata in order to gain electoral majorities. But in contrast to the economically and socially more advanced welfare states of Northern Europe, the middle classes in Southern Europe are to a much lesser degree aware of the employment opportunities and provisions of the welfare state, simply because it is much lesser developed there. An universalistic welfare program plus economic democracy would not have much appeal to the new rising middle classes in Southern Europe, who are more interested in imediate private consumption, than collective welfare provision for the future. Furthermore, under the economic conditions of the first half of the 1980s, the middle strata realistically perceived the creation of a strong tax and welfare state as an zero-sum game where they would have to contribute more than they could win in the short and medium run. In addition to the already mentioned "external" factors, this led the socialist governments to meet the challenge of productivity, even at the expense of traditional social democratic goals. This is particularly evident for the PSOE government, but to a minor degree also valid for the French socialists after 1983, and PASOK after 1985.

### Industrial relations

The leadership of the highly centralized and organized trade unions of all four countries of "established social democracy" can still mostly "convince" their membership that concerted wage bargaining works out to the advantage of all. The return of the Swedish unions and the employer association SAF to centralized wage settlements in 1988 is only one indicator that erosions of institutions and arrangements have not been irresistible, but can be reversed as well. The still close cooperation between the unions and the social democratic party in government has enabled a coordinated economic strategy. Hence, in times of economic restructering, a more equal distribution of the social costs has been achieved than in most of the other OECD countries.

Despite some differences among the three Southern European countries, the industrial relations in France, Greece and Spain are much more decentralized, fragmented, and conflictual than in the North. A concerted economic strategy was impossible, with the temporary exception of Spain. Not in the least because neither PS, nor PASOK or PSOE have the same "organic" relationship with the trade unions as their established sister parties in Northern Europe. Neither are they the exclusive agents of organized labor, nor is organized labor in Southern Europe as strong, united, and representative as it is in Northern Europe. In this sense, the Southern European socialist governments "enjoyed" a greater degree of "relative autonomy" (Cameron 1988) from the interests of the workers, than the social democratic governments of Sweden, Norway, Finland and Austria. This autonomy has been enhanced by the fact that the socialist parties of Greece, France, and even Spain draw a smaller part of electoral support from the working class, than do their sister parties in the North.

### Type of the welfare state

The policy legacy of an extended welfare state as provider of social welfare and as an employer in a considerable part of the work force is an important factor for the electoral success of social democratic parties in the three Nordic countries, since the social democratic parties are most closely associated with the maintenance of such a welfare state. The Swedish model of the welfare state (and with minor reservation of Norway and Finland too) with its high standards satisfies not only the needs of the lower income stratas, but also of the middle class clientele. The fact that the welfare systems in Sweden, Norway, and Finland are not primarily based on monetary transfers, but also provide a wide set of public goods and services renders the position of the state as an employer important for

many voters while reducing neoconservative and neoliberal attacks on social democratic welfare policies. Interrelated with this concept of the social welfare state, and the deep and long lasting entrenchment of social democracy in state and society is the high rank of full employment in the hierarchy of societal values, particularly among the Swedish population. Policy proposals which do not give priority to this issue tend to be electorally "punished" in Sweden and Norway (Sainsbury 1984; Therborn 1986). In having succeeded to maintain a broad consensus for this universalistic type of welfare state, the social democrats have established an important cornerstone for the reproduction of their own political power (Korpi 1983; Esping-Andersen 1985; 1988).

The institutions of and social demands for the welfare state in Greece, Spain and even in France are much less developed.

The "marginal" (Greece, Spain) and the "continental, strongly insurance based" welfare state in France are only of minor importance as employers. The standards of many social services are too low in Greece and Spain to be attractive to the middle strata, who are anyway often not eligible for them. When the economic circumstances of the early 1980s apparently demanded a choice between productivity and redistribution, that is to say, the construction (Greece, Spain) and extention (France) of a welfare state, the government could opt more unilaterally for productivity, without having to fear mass defections of voters. This was particularly significant in the Spanish case, but occured with specific time lags and varying intensity also in France (1983/4) and Greece (1982; 1985). However, the medium/high standards of social transfer payments in France, shows in this and several other respects, that it has to be considered a border case between the "Southern European" and the "northern European group".

### **Political Variables**

Since the political variables, governmental power, fragmentation and weakness of the opposition parties, and relevance of the leftist opposition are rather similar in both country groups, or even favourable to the socialist parties of Southern Europe, it appears not too arbitrary to conclude that they have played only a minor role with respect to the *divergent* policies of the social democratic and socialist governments. This consideration is by no means based on a crude "economism", but rather stresses the accumulation of unfavorable economic and societal constraints on progressive reform policies. Particularly in Spain and to some extent also in Greece, the political elites payed more attention to political questions of transition and consolidation of democracy than to the modernization of the economy or the creation of a welfare state.(Giner 1984; Perez-Diaz 1987; Pridham 1987; Williams/ Gallagher 1989).

### The «factor time»

Certainly, the most important factor for the policy differences between the "established social democracy" of the North and the "new socialist hegemons" (Kitschelt 1988) of the South can be seen to be in the different periods Northern Europe's social democrats and Southern Europe's socialists came to power. PS, PASOK, and PSOE entered government at the beginning of the 1980s, when the external economic constraints and the state of the domestic economy (policy legacy in Spain and Greece) did not allow for much more than the modernization and restructuring of economy, state, and society. Modernizations which had taken place in Northern Europe some decades ago. The "social difference" between the modernization policy of the Southern European socialists and the redistribution policies of the social democrats during the Fifties, Sixties and (even!) Seventies and eighties is essentially due to the different "moments of opportunity" during which the parties could entrench themselves and their political goals in their domestic socio-political systems. In periods of stagnating or difficult economic growthand without a macroeconomic strategy which ensures production and redistribution simultaneously, the lacking competitiveness of their open economies did not allow for a genuine "leftist" alternative to the actual policy formation of a temporary preference of production vis-a-vis redistribution. From this perspective, the socialist governments of Southern Europe followed the logic of national competitiveness on domestic and export markets: a logic which cannot be disregarded even by leftist reform oriented parties. Regarding Southern Europe, one can argue that the absence of all those organizational, institutional, and "timing" factors, which ensured the maintenance and resurgence of social democracy in the three Nordic countries, has essentially been the cause for the failures of leftist-reformist policies in Southern Europe until now. However, this does not imply, that many progressive goals of the socialist governments in France, Spain and Greece simply fell victims to the unfavourable economic, social, and institutional environment. Sometimes, they also failed because of ill-designed policies or the omission of strategic reforms. The neglect of a tax reform which ensures simultaneously the accumulation of private capital, high investment rates and the fiscal resources for social welfare, and the default to stimulate more cooperative relations between state, capital, and labour are certainly among the most serious failures in this regard.

### Conclusion

The divergent evolution of social democratic politics and policies during the 1980s are empirical arguments against iron laws predicting the irresistible decline of the "historical phenomenon" (Przeworski 1985) social democracy. The data of the electoral evolution (Tables 1 and 2) since 1945 unequivocally demonstrate that there has been no general decline of social democratic parties in Western Europe. Even the data concerning the participation (Tables 3 and 4) of social democratic parties in government (Tables 3 and 4) must be read as a falsification of the decline hypotheses. The more specific analysis at the basis of a typological differentiation of the social democratic parties reveals that there has been a considerable decline only of the two parties of the "labourist type" and slight erosions of the "welfare statist" social democracies. But this statement is only valid for the brief phase since 1980. It holds neither true for the total "decline period" since 1974 nor for the two other types of social democratic parties (pragmatic, coalescent type; ambivalent type) for both "decline" phases. Moreover, at the beginning of the 1990s 11 out of 16 West European social democratic parties are in government - more than ever during the postwar period.

At the more substantial level of concrete policies the situation is more ambiguous and modifies some of the findings on the quantitative level. The economic and particularly the social policies of the social democratic governments in the Nordic countries proved to be fairly resilient, despite minor electoral erosions during the 1980s. However, the loss of governmental power of Norways social democrats in 1989 and beginning signs for a possible departure from the social democratic past in Austria throw a shadow on this positive balance.

But, the minor changes of the economic policies of the four "established" social democratic governments in the 1970's and 1980's can neither be compared with the retreat from the concept of revolution during the first two decades of the century nor with the abandonment of the pursuit of socialism by parliamentary means in favor of the committment to employment, efficiency, and social welfare after the second World War. The retreat of the social democratic governments from single modes of state intervention in the economy (the economic dimension) did not negatively affect the provision of social welfare (the social welfare dimension) in Northern Europe. It can neither be interpreted as a third change of fundamental social democratic paradigms in this century nor as auspices of the "end of the social democratic century".

Ironically, amidst the predicted decline phase of social democracy the young socialist parties of Southern Europe were elected into government and have become - with the exception of Portugal - the dominant political

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forces in their countries throughout the "Schumpeterian decade" (Dahrendorf) of the 1980s.

However, the moderation of these once leftist-socialist parties on the way to, and finally in power, did not convert them automatically into social democratic parties. Whereas the Spanish socialists have undergone a liberal metamorphosis, PASOK has developed into a statist party with strong clientelistic elements. Only the French Socialist party has changed its policies towards a moderate social democratic direction, even though its party structure and the links to the trade unions remained untypical for traditional social democratic parties. This is not very surprising, since many variables which constitute the environment of policy making (the higher developed and more competitive economy, the higher development of the welfare system, the efficient state apparatus in France) enabled a more balanced combination of economic restructering and social welfare than in Greece and Spain. At the end of the 1980s the policies of the PS resemble increasingly those of the social democratic parties of the "pragmatic, coalescent type". In other words, French socialists have become a border case between the "Northern" and "Southern" group. In comparison with them, the social direction of the further development of PASOK and PSOE is still uncertain.

Concerning the future of this historical phenomenon, there are reasons to also take reversable patterns into account. Political parties are able to adapt to new circumstances in order to influence the conditions of their further existence and success. Therefore it appears not implausible that also those social democratic parties, which spent most of the eighties in opposition, can return into government - under conditions of successfull economic restructering, an upswing in the business cycle, corrections of administrative deficiencies in the welfare state, and the wearing down of bourgeois parties in power. The Belgian (1988) and the Dutch socialists (1989) are only the most recent examples.

To take up the question again, has there been a decline of social democracy, are we facing the end of social democracy, does social democracy have a future? The decline, wherever it has taken place, has neither been general nor irreversible. The development has to be differentiated into parties and policies, economic management and the provision of social welfare. National differences also have to be taken into account. There are too many cases of resilience and resurgence of social democratic parties and policies, that is to say, too many exceptions for even the most elegant "general thesis" to sustain. Nevertheless, the social democratic paradigm has become more heterogenous since 1974. In this sense "social democracy has not one but several different futures" (Paterson/ Thomas 1986: 16).



|              | 1945-90 | 1945-73 | 1960-73 | 1974-90 | 1980-90 |
|--------------|---------|---------|---------|---------|---------|
| Austria      | 45.2    | 44.2    | 46.3    | 47.0    | 44.6    |
| Belgium      | 30.2    | 32.1    | 30.0    | 27.2    | 28.2    |
| Denmark      | 36.0    | 37.7    | 38.7    | 33.3    | 32.2    |
| Finland      | 24.8    | 24.8    | 24.0    | 24.9    | 25.4    |
| Frankreich   | 21.7    | 17.5    | 16.8    | 32.3    | 34.7    |
| Griechenland | -       | -       |         | 35.8    | 42.2    |
| Ireland      | 11.2    | 12.4    | 14.5    | 9.3     | 8.7     |
| Italy        | 16.5    | 17.6    | 17.3    | 14.9    | 16.4    |
| Netherlands  | 29.1    | 27.7    | 25.9    | 31.5    | 31.0    |
| Norway       | 42.3    | 44.2    | 42.9    | 38.7    | 37.4    |
| Portugal     |         | -       | -       | 30.6    | 27.2    |
| Sweden       | 45.5    | 46.3    | 46.8    | 43.9    | 44.5    |
| Switzerland  | 24.5    | 25.5    | 24.3    | 22.7    | 20.7    |
| Spain        | -       | -       | -       | 38.6    | 44.0    |
| ŪK .         | 41.5    | 46.0    | 45.1    | 34.3    | 29.2    |
| Average      | 31.2    | 31.7    | 31.8    | 31.5    | 31.5    |

 Table 1

 Electoral Share (%) of Social Democratic Parties

 at National Elections in Western Europe (Averages)

Note: The following parties have been taken into consideration:

Austria - SPÖ; Belgium - BSP/PSB; Denmark - SD; Finland - SDP; France -(SFIO)/PS; FRG - SPD; Greece - PASOK; Ireland - ILP; Italy - PSI/PSDI; Netherlands - PvdA; Norway - DNA; Portugal - PSP; Sweden - SAP; Switzerland - SPS; Spain - PSOE; UK - Labour Party.

#### Table 2

Electoral Share (%) of Social Democratic Parties Classified by Typological Groups (Averages)

| 1. Labourist type:             | 1945-90 | 1945-73 | 1974-90 |
|--------------------------------|---------|---------|---------|
| UK                             | 41,5%   | 46,0%   | 34,3%   |
| Ireland                        | 11,2%   | 12,4%   | 9,3%    |
| Average                        | 26,4%   | 29,2%   | 21,8%   |
| 2. Pragmatic, coalescent type: | 1945-90 | 1945-73 | 1974-90 |
| Belgium                        | 30,2%   | 32,1%   | 27,2%   |
| Finland                        | 24,8%   | 24,8%   | 24,9%   |
| FRG                            | 37,3%   | 36,3%   | 37,9%   |
| Netherlands                    | 29,0%   | 27,7%   | 31,5%   |
| Switzerland                    | 24,5%   | 25,5%   | 22,7%   |
| Average                        | 29,2%   | 29,3%   | 28,8%   |

| 3. Welfare statist type: | 1945-90 | 1945-73 | 1974-90 |
|--------------------------|---------|---------|---------|
| Austria                  | 45,2%   | 44,2%   | 47,0%   |
| Denmark                  | 36,0%   | 37,7%   | 33,0%   |
| Norway                   | 42,3%   | 44,2%   | 38,7%   |
| Sweden                   | 45,5%   | 46,3%   | 43,9%   |
| Average                  | 42,3%   | 43,1%   | 40,7%   |
| 4. Roman type:           | 1945-90 | 1945-73 | 1974-90 |
| France                   | 21.7%   | 17.5%   | 32.3%   |
| Greece                   | 17.2%   | -       | 35.8%   |
| Portugal                 | -       | -       | 30.6%   |
| Spain                    | -       |         | 43.9%   |
| Average                  | 19.5%   | 17.5%   | 35.9%   |

#### Table 3

Governmental Power of Social Democratic Parties (Power Quotient\* 1945-1990)

|             | 1945-90 | 1945-73 | 1960-73 | 1974-90 | 1980-90 |
|-------------|---------|---------|---------|---------|---------|
| Austria     | 2.5     | 2.2     | 2.3     | 2.9     | 2.5     |
| Belgium     | 1.2     | 1.4     | 1.2     | 0.8     | 0.7     |
| Denmark     | 2.3     | 2.8     | 3.0     | 1.6     | 1.0     |
| Finland     | 1.7     | 1.7     | 1.1     | 1.8     | 2.7     |
| France      | 1.0     | 0.6     | 0.0     | 1.8     | 2.7     |
| Germany     | 1.0     | 0.6     | 1.3     | 1.5     | 0.7     |
| Greece      | 0.8     | -       | -       | 2.3     | 3.5     |
| Ireland     | 0.2     | 0.1     | 0.1     | 0.5     | 0.4     |
| Italy       | 0.5     | 0.4     | 0.6     | 0.7     | 1.0     |
| Netherlands | 0.8     | 0.9     | 0.3     | 0.7     | 0.3     |
| Norway      | 3.1     | 3.4     | 1.8     | 2.6     | 1.8     |
| Portugal    | 0.5     | -       | -       | 1.3     | 0.7     |
| Spain       | 0.9     | -       | · _     | 2.4     | 3.6     |
| Sweden      | 3.5     | 4.1     | 4.1     | 2.6     | 3.0     |
| Switzerland | 0.9     | 0.8     | 1.0     | 1.0     | 1.0     |
| UK          | 1.8     | 2.5     | 2.0     | 1.5     | 0.0     |
| Average     | 1.4     | 1.7     | 1.4     | 1.6     | 1.6     |

#### Note:

5 points: for exclusively social democratic governments with parliamentary majority 4 points: for exclusively social democratic governments without parliamentary majorities (minority cabinets)

3 points: social democrats as the dominant partner in a governing coalition

2 points: social democrats as equal partner in a grand coalition

1 point: social democrats as junior partner in a governing coalition

O points: social democrats in opposition



| Group A: Labourist type             | 1945-9 | 0 45-73 | 60-73 | 74-90 | 80-90 |
|-------------------------------------|--------|---------|-------|-------|-------|
|                                     | 1710 7 |         |       |       | 00 7  |
| UK                                  | 1.8    | 2.5     | 2.0   | 1.5   | 0     |
| Ireland                             | 0.2    | 0.1     | 0.1   | 0.5   | 0.4   |
| Average                             | 1.0    | 1.3     | 1.1   | 1.0   | 0.2   |
| Group B: Pragmatic, coalescent type | 1945-9 | 0 45-73 | 60-73 | 74-90 | 80-9  |
| Belgium                             | 1.2    | 1.4     | 1.2   | 0.8   | 0.8   |
| FRĞ                                 | 1.0    | 0.6     | 1.3   | 1.5   | 0.7   |
| Finland                             | 1.7    | 1.7     | 1.1   | 1.8   | 2.0   |
| Netherland                          | 0.8    | 0.9     | 0.3   | 0.7   | 0.3   |
| Switzerland                         | 0.9    | 0.8     | 1.0   | 1.0   | 1.0   |
| Average                             | 1.1    | 1.1     | 1.0   | 1.2   | 1.0   |
| Group C: Full employment type       | 1945-9 | 0 45-73 | 60-73 | 74-90 | 80-9  |
| Austria                             | 2.5    | 2.2     | 2.3   | 2.9   | 2.5   |
| Denmark                             | 2.3    | 2.8     | 3.0   | 1.6   | 1.0   |
| Norway                              | 3.1    | 3.4     | 1.8   | 2.6   | 1.8   |
| Sweden                              | 3.5    | 4.1     | 4.1   | 2.6   | 3.0   |
| Average 2.9 3.1 2.8                 | 2.4    | 2.1     |       |       |       |
| Group D: Roman type                 | 1945-9 | 0 45-73 | 60-73 | 74-89 | 80-9  |
| France                              | 1.0    | 0.6     | 0.0   | 1.8   | 2.7   |
| Greece                              | 0.8    | -       | -     | 2.3   | 3.5   |
| Portugal                            | 0.5    | -       | -     | 1.3   | 0.7   |
| Spain                               | 0.9    | -       | -     | 2.4   | 3.6   |
| Average                             | 0.8    | 0.2     | 0     | 2.0   | 2.6   |

# Table 4Governmental Power according to the four Typological groups

#### Table 5

Typology of West European Social Democratic Parties 5 classification criteria:

1. Party - Trade Union Relations

A- trade unions have historically proceeded the party and are still very influential B- dominance of the party 'vis a vis' the trade unions and/ or medium cooperation C- close cooperation between trade unions and party without dominance on either side

D- (little) cooperation with only parts of the ideologically fragmented unions

2. Position at the left (camp)

A- hardly any competition at the left

B- some competition at the left

C- strong competition but the soc. party is still the strongest party on the left

D- strong competition and soc. party is the minor party of the left

3. Ideology (related to policy making)

A- pragmatic labourist position giving priority to high wages

B- social-liberal, pragmatic position

C- strongly committed to full employment and an universalistic welfare state

D- radical ideological position (marxist; anti-capitalistic, leftist-socialistic)

4. Type and Extent of Governmental Power (1945-1990)

A- high (alternating single party gov'ts)

B- medium (coalitions gov'ts)

C- dominant (single party gov'ts or hegemonic force in coalition gov't)

D-low (junior partner in coalition gov't; opposition)

5. Governmental power quotient of the post-war period (1974-1990)

- A- high
- B- medium
- C- dominant
- D- low

|             | 1                     | 2        | 3   | 4 | 5       |   |
|-------------|-----------------------|----------|-----|---|---------|---|
| Austria     | С                     | Α        | В   | В | С       | welfare statist type  |
| Belgium     | D                     | В        | В   | В | D       | pragmatic, coalescent type  |
| Denmark     | С                     | С        | в   | С | В       | welfare statist type (weak)   |
| Finland     | В                     | С        | в   | В | С       | pragmatic, coalescent type  |
| France      | D                     | D/C      | B/D | D | В       | Roman type  |
| FRG         | С                     | В        | в   | D | В       | pragmatic, coalescent type  |
| Greece      | D                     | С        | D   | D | Α       | Roman type  |
| Ireland     | Α                     | Α        | Α   | D | D       | labourist type (waek)   |
| Italy       | D                     | D        | В   | D | D       | Roman type  |
| Netherlands | В                     | В        | В   | D | D       | pragmatic, coalescent type  |
| Norway      | С                     | С        | С   | С | С       | welfare statist type (strong)   |
| Portugal    | D                     | С        | В   | D | В       | Roman type (weak)   |
| Spain       | D                     | С        | D/B | С | D       | Roman type  |
| Sweden      | С                     | С        | С   | С | С       | welfare statist type (strong)   |
| Switzerland | В                     | Α        | В   | D | В       | pragmatic, coalescent type  |
| UK          | Α                     | Α        | А   | Α | А       | labourist type  |
| Li Li       | abour<br>reland<br>JK | ist type |     |   | Туре В: | Pragmatic, coalescent type<br>Belgium<br>Finland<br>FRG<br>Netherlands<br>Switzerland |

Type C: Welfare statist type Type X: Austria Denmark Norway Sweden

Roman type France Greece Italy Portugal Spain

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