

# The Australian

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## Decline and fall of social democracy

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**TEETH bared and hissing in action, Rudd and Gillard, the cobra and the mongoose of Labor politics, seem intent on giving fresh life to the famous opening lines of Marx's *The Eighteenth Brumaire of Louis Bonaparte*: "Hegel remarks somewhere that all great world-historic facts and personages occur, as it were, twice. He forgot to add: the first time as tragedy, the second time as farce."**

But Labor's leadership farce merely plays out of a deeper trend: the crisis of social democracy.

Consider this: in elections held from 1960 to 1969, the social democratic parties in the advanced economies secured more than 40 per cent of the vote. By 1980-89, that was down to 36 per cent; since then, it has declined to 28 per cent.

Even taking only social democracy's strongest brands, the collapse from their highest postwar point is extraordinary: a fall of 35 per cent for the Norwegian DNA, 33 per cent for the Danish SD, and 32 per cent each for the Austrian SPO and the Dutch PvdA. As for the formerly all-powerful Swedish SAP, the 2000s have seen its worst electoral performance since the 1920s. And closer to home, New Zealand Labour's share of the vote fell from 43 per cent in 1984 to a near record low of 27 per cent in 2011.

Everywhere, social democracy's underlying problems are the same. The class struggle, once a bad metaphor, now a hopeless anachronism, is of less relevance to voters, and especially the younger among them, than the most gormless of TV shows.

As for the welfare state, having long exceeded the limits of its efficiency, it has now hit those of affordability. And the unions, historically the movement's shock troops, have hemorrhaged not merely members but legitimacy and vision, becoming ever more fiercely wedded to yesterday's entitlements than to tomorrow's opportunities.

Social democracy has therefore lost both its unifying ideas and its social pillars. And as that has happened, the parties have become breeding grounds for third-rate apparatchiks, bound together only by the drive for office and hence prone to conflicts as savage as they are devoid of higher purpose.

But perhaps it did not need to be like that. And in the 1980s it seemed it might not be. Of the six finance ministers who spearheaded the dramatic reforms of that period, five -- Roger Douglas (New Zealand), Jacques Delors (France), Kjell-Olof Feldt (Sweden), Paul Keating (Australia) and Miguel Boyer Salvador (Spain) -- were men of the Left holding senior positions in centre-left governments. (The sixth was Thatcher's chancellor of the exchequer, Nigel Lawson.) Theirs was a pragmatic response to the problems they faced: stagflation; eroded work incentives; inflexible labour markets; the manifest failures of public ownership. But it could have set the basis for an aggiornamento of social democracy to the modern world.

All too soon, however, the old drove out the new. And social democracy turned its back on the reformers as on the reforms. Douglas broke with the New Zealand Labour Party in 1993; Boyer, who had been imprisoned by the Franco regime, denounced his former party in 1996; Feldt remained in the Swedish party, but became a bitter critic of its policies; as for Keating, his loyalties are undoubted, but he is admired by his tribe more for his cultural agenda than for his reforming zeal.

Thus purged, their parties divided into mutually suspicious factions, none capable of putting forward the comprehensible, credible platform needed to durably claim government. The outer trappings of faith preserved but the inner compulsions gone, they instead turned to apparent clean skins and their gimmicks, such as Tony Blair's "third way" and Kevin Rudd's "new Labor". But these were holes without doughnuts, and it was only a matter of time before they vanished into thin air. Nor was it a great loss when they did.

But nowhere was the fallout as brutal as here. Not, as Gillard pretends, because of Rudd's character flaws, however serious they may be; but because no social democratic party remains as subject to its faceless men as the ALP. And nowhere was the return of social democracy's most retrograde elements as complete.

Little wonder Gillard's crowning achievement is the Fair Work Act, internationally unparalleled in the range of powers it grants unions. Little wonder too that under Labor's watch, Australia is the only advanced economy that has renationalised its telecommunications network. And little wonder the three policies Gillard boasts of -- the carbon tax, the mining tax and the clawing back of the health insurance rebate -- are tax slugs, used to fund spending cloaked in the politics of envy.

For these, Gillard is paying a price, made greater by the fact that like all regicides, she has been forced to march into battle backwards. And today's vote will make no difference to the coming electoral denouement, for haunted by promises made and then broken, and mauled by the man she ousted but could not destroy, Gillard is finished and Labor with her.

But what its long term holds is still in Labor's hands. Which brings us back to Marx's essay. Its dazzling description of the chicaneries that allowed Louis Napoleon, elected France's first president in 1848, to return as its emperor in 1852, could easily be mistaken for an account of Labor's soap opera: the parliamentarians, for example, who "out of family regard for the state salaries so near and dear to them", are petrified of choosing between the competing candidates, as they are trapped "between two showers of blows, with the problem of deciding which will prove the harder".

Yet Marx's point was more profound than his comic wording suggests. It was that the repetition is a farce precisely because history cannot repeat itself. There can be no going back; and those who try to are condemned, like the plotters of 1852, to see "history transform their every intention into its opposite".

Lacking the courage to analyse "with unmerciful thoroughness the inadequacies, weaknesses and paltriness of their attempts", and hence to learn, they are inevitably reduced to the "humbug of a world view whose real heroes are dead".

That is the existential issue Labor faces, as do its sister parties: whether it can finally adapt to the world of the future; or whether it will persist in futilely seeking to recreate the world of the past.

The battle between Rudd and Gillard can, in Marx's words, only result in the "mutual destruction of the warring opposites".

The question for Labor is whether out of that bloodbath, it can rise to be any more than an "anachronism, the final phase of which is its comedy, and which history, being thorough, will convey to the grave".

## **Have your say**

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