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## **Is there a future for a social democracy?**

LARS HULGÅRD 22 May 2016

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**Social democracy has been limited to understanding market principles and redistribution as ways of serving the interests of people. Now is the time to better understand the principle of reciprocity.**

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The **openMovements** series invites leading social scientists to share their research results and perspectives on contemporary social struggles.

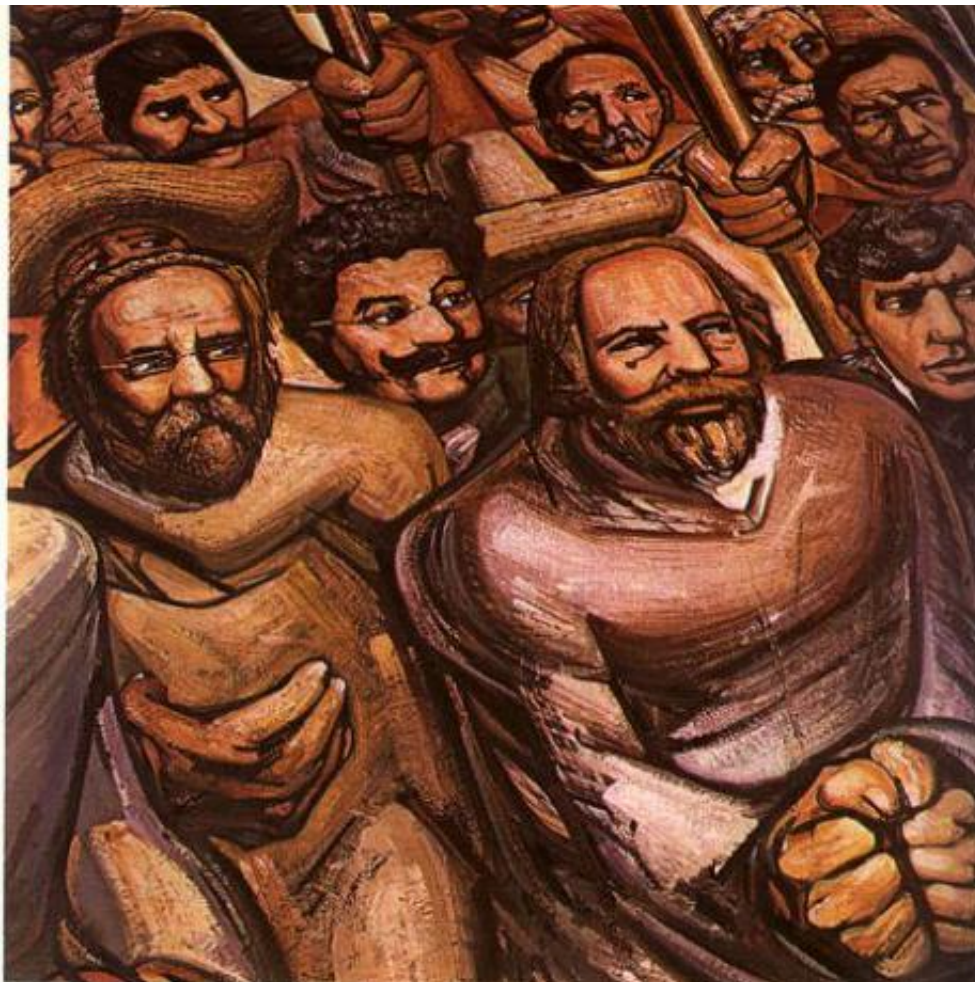


**open** *movements*

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*We are at the end of a cycle that started in the second XIXth century. During this cycle, including in the XXth century, the left was governed by the ideology of progress and economic determinism. After the collapse of the so-called 'communist' countries, the question of the relevance of a new left for the XXIst century was raised. Different elements are necessary to answer it, the growing number of citizen initiatives all over the world (that is the subject of the launch text by Laville) the*

new perspectives for collective action and emancipation (to follow, third and fourth texts by Wainwright and Hart) and the structural crisis of European social democracy (fifth, sixth, and seventh closing texts by Hulgard, Block and Lévesque). Very different from those of the traditional left; this week's opinions and debates are also to be found in detail in Spanish ([Reinventar la izquierda en el siglo XXI – Hasta un dialogo Norte-Sur](#)) and French ([Les gauches du XXIe siècle – Un dialogue Nord-Sud](#)). Jean-Louis Laville, economist and sociologist, supervised 'Les gauches du XXIe siècle – Un dialogue Nord-Sud' (Bord de l'eau, 2016).



En el mural "Del porfirismo a la Revolución" (1957-1966) conservado en el Museo Nacional de Historia en la Ciudad de México, Ricardo Flores Magón marchando junto con Bakunin y Proudhon. Wikicommons/ David Alfaro Siqueiros. Some rights reserved.

of similar importance in the future.

Already in the late 1980s, scholars from the communitarian and critical traditions of social science observed that even in Scandinavia where social democracy was a leading force in the creation of a universal welfare state it had completely failed to produce a vision for the role of civil society and reciprocity that is of fundamental importance for a sustainable society.

Scholars argued that political parties affiliated to social democracy were stuck in the victories of the past, and yet unable to formulate a clear vision for the future. One major problem is that the social democratic parties that were crucial in the making of the universal welfare states so far have been unable to relate actively, to recognize and collaborate with new social movements. Although parts of the European citizenry and political agenda setters have moved to the far right of nationalism and xenophobia, we also find a trend in the new social movements that are actively engaged in formulating policies and organizations based upon principles of solidarity, pluralism, and cooperativism.

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This is the case from Spain in the South, where a new cooperative spirit is aiming at reinvigorating some of the principles of a social democracy to Denmark in the North, where a new political movement is experimenting with a more communicative and deliberative design of public agenda setting and policy making.

Founded in the industrialist society do not embrace and actively recognize the principles of these new movements of solidarity, social democracy will not be able to once again become a leader of a major social movement for social justice.

A point of departure for such a policy of recognition could be to bridge an 'ideological' divide that had already occurred by the middle of the nineteenth century and that has haunted 'the Left' ever since, namely the divide between the redistributive forces of mass organization and representation in parties and trade unions on the one hand and the reciprocal forces of civil society, deliberation and direct democracy on the other side, as key elements in the struggle for social and economic justice.

Although the roots of social democracy go far back in history, more recently it appeared as a powerful socio-economic and political force in the nineteenth century, when it represented a reformist alternative to revolutionary ideas and aspirations formulated by a diverse group of socialists, communists, syndicalists and anarchists who were inspired by such different thinkers as Proudhon, Marx and Bakunin. Thus, the early socialist international movement was a battleground for activists and social movements who were determined to reformulate the social contract and define the direction of contemporary society, just like activist and new social movements today are engaged in formulating practical experiences with a more collaboratively oriented and sustainable approach to economy and society.

## **A new cooperative spirit**

Based upon my own area of research, I have observed how cooperativism and a network-oriented entrepreneurial spirit can reinvigorate rural areas that have been neglected and left behind in the extremely narrow growth orientation of contemporary politics. This is as a result of visits during the last year alone to the Osmanabad province of Maharashtra in India. Andalucía in

a renewal or improvement of the conventional market economy that only constitutes one of several pillars in a plural society. Not only social democracy but also humanity as such is in deep trouble if possible futures and alternatives are to be limited to the classical and neoclassical liberal approach to democracy and the economy.

A target based upon recognition of complexity, diversity and epistemological sensitivity would look for alternative economic answers to the prevailing capitalist market economy. In a more elaborate sense such a political orientation would be looking for and supporting alternatives to “the tremendous cosmos of the modern economic order” that according to the German sociologist Max Weber (1864-1920) would otherwise determine the faith of its citizens “until the last ton of fossilized coal is burnt”, as he had already ‘envisioned’ in 1904.

Following the argument of Finnish philosopher Georg Henrik von Wright, historically social democracy was more dedicated to the implementation of *liberté* and *égalité* than to *fraternité*. It was devoted to mass organization, and had massive success by utilizing the capacity of professional organizations, the party and the trade union, as core mechanisms for regulating markets and financial institutions and for building compromises in labour markets, social services, public administration and planning. However, the door to the future for social democracy remains locked shut if it tries to remain within these old ‘normals’. Since the heyday of social democracy, when the idea of a universal welfare state based upon redistribution peaked, in the early 1970s, there has been a slow but steady “surrender of public policy” as suggested by the American scholar [Neil Gilbert](#).

This represents a fundamental change in the institutional framework for social protection that social democratic parties have not been able to address with vision, enthusiasm and solidarity. Policies previously framed by a

and individualizing approach aimed at replacing the universally oriented welfare state with the competition state.

## Principles of a social democracy

Although social democracy as a social movement related to certain political parties may not be able to remain a force for solidarity, social democracy as principles for the organization of contemporary societies are as needed as ever and thus the principles could be and should be picked up by activists and new social movements.

Furthermore, I will argue that this should be done through a new and dynamic reconciliation between the mechanisms of reciprocity/fraternité and redistribution/égalité as a possible future for social democracy when defining its role as a social movement. Social democracy must never forget its obligation in fighting for an inclusive welfare state aimed at realizing principles of pluralism and social justice. But I will argue that in contemporary society this is better done by leading the transition from the old-fashioned mass-oriented public welfare state to what we could call an institutional-reciprocal welfare state.



*"Le Peuple" édité par Pierre-Joseph Proudhon - En-tête du numéro 124 du 23 mars 1849. Wikicommons. Le Peuple. Some rights reserved.*

In this type of welfare state, there is a much larger emphasis on the economic and political potential of civil society. From the literature on social and solidarity

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onomy'.

In a solidarity economy, a plural society is based upon a full recognition of three economic principles that can neither be rejected nor reduced. The first principle is the market, and economic integration through the market is usually organized through an enterprise whether it is based upon the interests of shareholders or stakeholders organized in a social enterprise. The second principle is redistribution, that is the power to move resources as well as negative consequences of growth between social groups. The welfare state as implemented in the decades after the Second World War is a typical example of a redistributive force in favour of potentially marginalized citizens. The third principle is reciprocity. However, the problem is that this principle is still not only the weakest in terms of institutional power but also the most contested of all three principles of economic and societal integration. As argued by von Wright there is an urgent need to understand further the potential of this third principle, the principle of fraternité.

## **An institutional-reciprocal welfare state**

*The institutional-reciprocal model of welfare state* is a construction in the sense that it is neither the depiction of an actual welfare state nor a solidly defined political project of 'the Left'. It is yet to be defined and realized more thoroughly. However, it is not utopian since we have several indications of its potential. The strategy is first of all to recognize and embrace a capacity of civil society that it is already exposing. Recently I visited a remote rural community in the northern part of Denmark. The old postman could remember a time when there were 38 different enterprises in the village. Today there is only one, and it is only just re-opened as a hybrid social enterprise, where volunteers collaborate with a professional merchant to run a local grocery store that simultaneously serves as a public space for deliberation and local fiestas. This small initiative has been crucial in changing the local spirit from despair and flight to a sense of purpose and community.



actively engage with this new spirit of entrepreneurship and collectivism, but then other parties and political agents will. Instead of reserving the principles of a social democracy to a certain actual political party, we are much more concerned that political animals in the arena of social democracy are struggling to produce a response to the privatization and marketization of social responsibility that started with Thatcherism and gained momentum in the wake of the financial crisis.

**Social democracy needs finally to free itself from scepticism and even hostility towards people's self-organization.**

Social democracy needs finally to free itself from scepticism and even hostility towards people's self-organization. This scepticism is part of a historic legacy

with its roots in the First International of the nineteenth century, articulated in social democratic scepticism towards the generation of cooperatives as a way of building a livelihood and social justice; and today it is found in the limited view of the place of civil society.

So far, social democracy as a political movement has prevented itself from producing a vision of other entrepreneurial activities than those based upon the private enterprise in the conventional market, although reciprocity, fraternité and mutualism are economic and political principles of outmost importance. If the "silent surrender of public policy" is to be stopped, a new partnership is needed between 'the state' and the new 'alternative economic cultures' as pinpointed by the Spanish sociologist Manuel Castells.

Either way, it will be the part of the left that understand better the principles of this new movement and the spirit world

democracy depends on its ability to be open to the canon of knowledge. The canon of what counts as valid experience and valid knowledge. The 'canon of knowledge' that has guided social democracy as a political party so far has been limited to understanding only the principles of market and redistribution as ways of serving the interests of people. Now is the time to expand this interest in understanding better the principle of reciprocity.

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### About the author

Lars Hulgård is a sociologist and Professor of Social Entrepreneurship at Roskilde University in Denmark and at University College of Southeast Norway. He is a co-founder and previous President of EMES, an international research organization on social enterprise and the third sector. He is the founder of Centre for Social Entrepreneurship in Denmark and previous international coordinator of CINEFOGO-Network of Excellence on Civil Society and New Forms of Governance. He is the co-editor of *Social Enterprise and the Third Sector – Changing European Landscapes in a Comparative Perspective* (Jacques Defourny, Lars Hulgård and Victor Pestoff, eds.). New York: Routledge.

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