

# The Death and Life of Social Democracy

## Why Idealism Eventually Beats Populism

By [Pierpaolo Barbieri](#), FOREIGN AFFAIRS, April 25, 2017

The seemingly endless stream of “[rise of populism](#)” stories as of late—cue French election results putting Marine Le Pen in the presidential run-off—ignore a complementary and no less important trend in Western politics: the [downfall of social democracy](#).

Not so long ago, it appeared that modern social democracy—the marriage of free market capitalism with some form of social safety net—was taking over the world. In that ephemeral moment when “[history was over](#),” center-left politicians implemented structural reforms that would have pleased Margaret Thatcher while proudly maintaining and sometimes deepening social protections. There were always some European holdouts, but by the late 1990s many followed the political “third way” that became closely associated with the youthful good looks of the United States’ Bill Clinton, the United Kingdom’s Tony Blair, and Germany’s Gerhard Schröder.

The 2007–08 global financial crisis that rocked capital markets and the neoliberal Washington consensus looked likely to force a further leftward move. The market implosion, [many thought](#), would bring tighter market regulation, which would benefit those on the political left who were eager for more income redistribution and less market fundamentalism. Even the zealous International Monetary Fund became contrite, weakening the case for at least some of the more radical free market reforms it had once advocated.

Yet few remember calls for revolution that do not materialize. The crisis did not bring about the apogee of the social democrats. Rather, it brought about their demise. Indeed, rather than a rise of populism, the closest thing to a political trend in the developed world today is the implosion of the center left.

What is at stake in Europe’s busy 2017 electoral calendar is not merely the overhyped rise of populism, but also the electoral relevance of social democratic values in the post-industrial age.

As with the financial crisis in Europe, the first victim was Greece. The long-standing center-left Panhellenic Socialist Party, better known as PASOK, won both European and national elections decisively in 2009, the latter with no less than [43.9 percent of the vote](#). As worries mounted over Greek deficits during the campaign, PASOK leader George Papandreou promised that there “[was money](#)” [hidden away](#). There wasn’t. Greece needed three and then four bailouts, and the party suffered the consequences. Party defections accelerated as a vicious cycle linked austerity measures to an unprecedented decline in popular support. By October 2011, over 90 percent of voters said that they were “[disappointed](#)” [by the administration](#). Papandreou quit soon thereafter, retiring from national politics but somehow [remaining in charge](#) of the Socialist International, the worldwide association of socialist and social-democratic parties.

Papandreou's departure did little to stop the bleeding. PASOK shrank spectacularly in each of the three subsequent parliamentary elections, down to 13 percent, then 12.3 percent, and finally four percent. It joined with another leftist party, Dimar, in late 2015. But the two only scraped together six percent of the vote. PASOK's demise empowered a party that used to be contained on the extreme left: Syriza, the populist radicals led by Alexis Tsipras. These are the same radicals who used to poll below five percent, and who now, with Tsipras as prime minister, run the state.

PASOK's fall was so strepitous that it spawned a new political science term: "[pasokización](#)," which refers to the collapse of the establishment center left. It makes sense that the term found a home in Spain, which soon fell victim to its own financial crisis. After a decade of rule by the mainstream center-left Socialists, PSOE, Mariano Rajoy's conservatives, won in 2012. Coming to power in the middle of a banking crisis, Rajoy was left with the task of implementing difficult spending cuts and restructuring the domestic financial system with European funds. And yet, his conservatives did not suffer the fate of PASOK. Instead, the opposition did.

The PSOE quickly fell behind the up-start anti-establishment Podemos, which emerged from anti-austerity protests in 2013 and owes much to the methods and message of Latin American populists. A shadow of its former self, PSOE failed to unseat Rajoy after two elections, several corruption scandals, and even Brexit, leading to a new minority conservative government as of last summer.



*Protestors outside of the Dutch Parliament, March 2017.*

The same story has played out elsewhere. In London, conservatives are safely in power despite their own civil war over the European Union. They owe their success only to the [collapse of Labour](#) under its extreme left-wing leader, Jeremy Corbyn, and his acolytes. Precisely because of a still-uncertain Brexit, conservative Prime Minister Theresa May could not resist the temptation of an early election this summer: she is likely to secure the largest Tory majority since a postbellum election in 1983.

In Berlin, meanwhile, Schröder's Agenda 2010 policies, which are credited with turning the "sick man" of Europe into the continent's "unassailable powerhouse," have not helped the party that implemented them. In fact, quite the opposite. Schröder's SPD has gone from defeat to defeat against Chancellor Angela Merkel's conservatives; even the SPD's well-received selection of party chairman Martin Schulz to run against a weakened chancellor this fall is [losing momentum](#). The likely outcome for this fall's elections is therefore yet another term for the eternal Merkel.

In the Netherlands, as everyone fretted about the populists in the March elections, the Dutch Labor Party, PVDA, suffered a PASOK-like fate. Voters relegated once-mighty Labor to seventh place with a mere 5.7 percent of the vote. That outcome represented a net loss of 29 seats in the 150-seat House of Representatives. No wonder the finance minister, who will now likely lose his job (along with the chairmanship of the Eurogroup, the informal club of his Eurozone peers), [grumbled that the result was “disappointing.”](#)

As in Greece, around Europe, the undeniable beneficiaries of this trend have been the populists, both on the right and left. They have happily taken over the anti-system, anti-elite platform that made the hard left electorally ineffective after the fall of the Berlin Wall. As a former Iberian Socialist leader once told me, “a party of power cannot dabble in utopian emptiness.” But populists found it all too easy.

The emergent populism is not ideological; rather, it is a social phenomenon that does not answer to the Manichean left-right divide. That is why France’s Marine Le Pen and the Netherlands’ Geert Wilders are as critical of [globalization and deindustrialization](#) as Syriza or, for that matter, late Venezuelan President Hugo Chávez. It might also explain why, when populists have ruled, they have swiftly [abdicated on their promises](#). In Greece, they are bleeding support [just like PASOK did](#). In the United States, it is too early to call it, but the list of broken promises to the base grows by the week.

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There are some reasons not to eulogize social democracy just yet. When technocratic Prime Minister Mario Monti called elections in Italy in 2012, the center-left Democrats led the field by around 15 percent. By the time the election came around, the party was effectively tied with former Prime Minister Silvio Berlusconi’s center-right coalition. New leadership eventually energized Democrats, leading to a very successful 2014 European election under reformist centrist Matteo Renzi.

Since then, Renzi has faltered, resigning after last year’s [failed constitutional referendum](#). Still, out of power but not out of sight, Renzi is most likely to win his primaries at the end of April after a break with more extreme leftist deputies. He will then lead the Democrats—the largest Italian center party—in new elections within the year.

And then there is France. A Gallic presidential election full of surprises has benefited a reformist social democrat, Emmanuel Macron, who has seduced the center away from a traditional Socialist Party that is in decline. For the fourth time in four decades, it appears that the French will vote in the opposite way than its sister American republic: Ronald Reagan vs. François Mitterrand, Clinton vs. Jacques Chirac, Barack Obama vs. Nicolas Sarkozy, Donald Trump vs. Macron.

The Anglo-American press [may still be obsessed with Le Pen](#), who will face off against Macron in the second round, but Macron’s rise is the real story out of this turbulent election. He beat out Le Pen, who has led first round polls since they began in 2013. His party did not exist a year ago;

like Trump, he was never elected into office before launching his movement, although he served in an unpopular administration. Macron was also bitterly criticized for his passionate defense of European ideals. And yet, the outsider has now swiftly secured the endorsement of the defeated Socialist candidate, Benoît Hamon, as well as that of François Fillon, leader of the rebranded Gaullists. The youngest French leadership since Bonaparte is now within reach, to the detriment of populists and tired establishment parties alike.

Ultimately, political parties come and go; so do ideologies. What is at stake in Europe's busy 2017 electoral calendar is not merely the [overhyped rise of populism](#), but also the electoral relevance of social democratic values in the post-industrial age. *Pasokización* is a plausible outcome, and it is indeed afflicting establishment parties that have failed to answer (valid) questions posed by populists. Yet the most likely electoral result in France, and potentially in Italy within a year, suggests that it is not yet time to throw social democracy to the dustbin of history. Deserting the center seems like a worse strategy than energizing its base with reformist, uncorrupted, future-oriented leadership. There is a market for such leaders, if only the appropriate politician dares to make such a case.