

The Theory of Social Democracy

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I.

For the past 60 years, democratic theory has more than held a central place at the core of political theory. The collapse of European fascism as well as the opposition to Soviet communism produced a robust discourse about the nature of democracy not only as a theory of politics, but as the very ground of legitimacy for modern government and the overall structure of modern society. True, libertarians tried overzealously to fuse political democracy and the ethic of human liberation to the market and to capitalism, but more influential were those thinkers who sought to tame the excesses of laissez faire economics and create a modern, social liberalism – from L. T. Hobhouse, T. H. Green, Walter Weyl, John Dewey, and many others. Today, democratic theory has been largely dominated by a more narrowed liberalism and, on occasion, other rival theories of democratic life such as communitarianism and republicanism. But on the whole, no one doubts that traditions such as socialism have become irrelevant to theoretical justifications of democracy.

As an amalgam of semi-socialistic ideas and theories, social democracy has become a tradition which seeks to hold its own against the Anglo-American brand of liberal capitalism that has come to dominate western political, economic and social life. Of course, social democracy's roots were always revisionist in character. Eduard Bernstein had argued as early as 1898 in his book *The Preconditions of Socialism* that some of the theses most fundamental to Marxism were empirically false. Ideas such as the 'law of the falling rate of profit,' of the increasing immiserisation of the working class, of the large-scale pauperism of capitalist societies, and the irrelevancy of liberal democracy, were all nonsense. Central to the theory of social democracy was the idea that the political, legal, and ethical spheres of modern society had to be developed to counter the harshness of capitalism. But even more, these spheres had gained autonomy precisely because capitalism had developed society to such a large extent, enabling a parallel maturation of civil society. It was not a transformation of the production process or the democratisation of the workplace – the 'republic of the workshop' in Bernstein's words – which should be the ultimate goals of the socialist movement, but the further democratisation of the institutions of modern society. For Bernstein, one could call socialism "organising liberalism," for when

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one examines more closely the organisations that socialism wants and how it wants them, he will find that what distinguishes them above all from the feudalistic organisations, outwardly like them, is just their liberalism, their democratic constitution, their accessibility.' [1]

II.

This revisionism has only continued to drive the theories of social democracy away from its more radical roots in Marxism and its critical account of capital as the source of the contradictions within modernity. But even in its present form, social democracy has been under attack from an ascendant neoliberalism. The pressures of globalisation, the increased dependency of modern societies on capitalist institutions, and the great integration of legal and technological life to the globalisation of these institutions have posed a threat to the older theoretical justifications of social democracy and its institutions. As a response to this, Thomas Meyer's *The Theory of Social Democracy* (written with Lewis Hinchman) is an attempt to organise a theory of social democracy which will speak to the new concerns over globalisation and the threats it poses to social democratic practice. It is a continuation of the notion, also espoused by Bernstein, that liberalism needs to be transcended while also being incorporated into a broader theory of democracy.

This is a book which tackles a plethora of issues, but all within a single theoretical framework. Social democracy, as opposed to liberal democracy, is a theory of democracy which overcomes the contradiction between the theoretical articulation of political and human rights and the means necessary to realise them in the world. Whereas liberal theory provides a framework for civil and human rights, its internal logic by no means makes demands on the state to provide the means necessary – material and otherwise – to make these rights concrete in the world.

For Meyer, social democracy differs from this theoretical paradigm by seeking to overcome two core philosophical contradictions existing within political liberalism: the linking of freedom with property and the distinction between negative and positive liberty. Meyer argues that these constitute two 'dilemmas' within liberal theory. The first derives from Locke's linking of freedom and property. For Meyer, this is problematic – as it was for the entirety of the socialist tradition – for the simple reason that there exist those who depend for their very existence on the property of others, thereby negating their access to freedom. Property becomes the dividing point of modern society rather than its path to universal emancipation,

something which has hardened into an ideology for modern libertarianism. Similarly with the distinction between negative and positive liberty: ownership of private property – itself the province of the minority within society – enables an unequal access to positive liberty, thereby creating a material inequality which itself becomes unequal at the level of rights.

The limitations of classical liberalism therefore need to be transcended because they are inherently inadequate to protect society from the economic forces of capitalism. But more importantly, classical liberalism fails to provide an adequate normative justification for a democratic society. Meyer's argument is therefore organised around 'grounding the normative orientation of the theory of social democracy on the de facto validity of universal basic rights' (p. 21). Given the fact that 'social citizenship is now a positive legal norm' (p. 21) it can serve as a guiding principle for modern social democracy. At its base, what needs to be defended is the ethical-political ideal of '*the free human being, liberated from fear and want, an ideal that ought to be realised in and for every single person.*' (p. 23) For Meyer, this constitutes social democracy's core normative principle and it is one that avoids the problems of competing religious world-views and conceptions of the good. Social democracy provides, in Meyer's reading, a substantive set of social and economic rights which rest on thoroughly democratic principles.

Hence what Meyer calls the 'general theory of social democracy': a theory which orients its statements and conclusions 'to all of the politically optional risks that significantly impair the full enjoyment of the fundamental rights of some members of society' (p. 30). Therefore, the theory of social democracy holds for itself a theoretical justification for individual human freedom, but also at the same time considers the 'empirical-analytic question of what would have to be done so that people could take advantage of their formally guaranteed rights in everyday life' (p. 31). Within a context of deliberative democracy, this becomes a crucial argument for Meyer since it is a way to extend crucial democratic controls to the entire community rather than to elites or to a particular party or class. Workers need to be protected from the warp and woof of the market, the environment needs to be shielded from the destructive forces of expanding industrialisation and consumption, the gap between the first and third worlds needs to be narrowed – in short, there is a real need for social democracy to come to terms with the fact that since capitalism cannot be abolished or overcome, it must be tamed and brought into line with democratic principles. Social democracy should place emphasis on the democratic needs of society; it must protect society from the corrosive effects

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of modern capitalism, reign in its excesses, and find institutional solutions which fit the unstable nexus of modern risk society.

In this sense, Meyer integrates something new to what would otherwise look like a modern, twenty-first-century extension of Bernstein's core philosophical and political arguments from a century ago. Indeed, instead of taking Marx as the core figure in the socialist theoretical framework – something Bernstein did out of necessity – the real sub-theory which gives coherence to Meyer's general treatment of social democracy seems to be that of Karl Polanyi and his concept of the 'double-movement.' In his book, *The Great Transformation*, Polanyi argued that the emergence of the 'self-regulating market' put forth innumerable problems for modern society, chief among them was that it 'could not exist for any length of time without annihilating the human and natural substance of society; it would have physically destroyed man and transformed his surroundings into a wilderness.' [2] As a result of the destructive nature of the modern market economy, society sought to protect itself from this destruction and reel in the excesses of the utopian aspirations toward a 'self-regulating market.' But the pressures of the market system come back again and again to threaten man's social and natural environment, and thus the back and forth between these two tendencies make up the essential nature of the modern world. In many ways, Meyer's theory of social democracy is designed with this 'double-movement' in mind: it is a theory of how social democracy can push back against the tide of neoliberalism and an economic system which has sought to swallow society and nature whole.

But just as Polanyi was ambiguous about overcoming this modern system of economic coordination, Meyer accepts many of the core institutions of modern capitalism. It is not the task of social democracy to overcome capitalism, but to empower the political organs of society to counter its destructive effects. This can be done by re-embedding participatory forms of decision making into the functional spheres of society: 'Social democracy ought to favor a form of participatory decision-making in the functional systems of society that would enable both universalistic criteria and functional logics specific to each case to operate simultaneously' (p. 90). But this poses a crucial problem: what happens when participatory forms of decision-making threaten 'functional logics?' The answer is clear: what is normative about this theory is not the content, but the form: decision-making processes must be democratic and participatory, but only to the point where they do not endanger the functional logics of social institutions. 'What can be legitimised normatively and functionally . . . is a form of participatory decision-making that would not disturb

functional efficiency' (p. 91). As Bernstein more eloquently put it, 'the ultimate aim of socialism is nothing, but the movement is everything.' [3]

III.

Much of this is nothing new for those even mildly versed in the tradition of social democracy. The main aim of this book is the integration of the many themes of modern society into this framework. Put another way, Meyer wants to re-read modern democratic institutions through the lens of this version of social democracy, and it is here that the limits of the theory for actual politics can be sensed. On its own grounds, the theory seems comprehensive and, from a moral point of view, persuasive. Progressive advocates for an expanded role of the state in economic institutions will find a compelling set of moral, legal, and political arguments for expanding the powers of the state to steer the private sector toward more public ends. Social movements – unions in particular – will find a similar set of arguments to make the workplace more democratic and participatory, as well as an appeal to the state to include them in a broader coalition against the excesses of market forces. Environmentalists will also find here a more pragmatic approach to the protection of the natural world. But there is something that fails at both the empirical and theoretical levels and this is ultimately fatal to the overall argument of the book – the underestimation of the extent to which capitalism undermines 'society' as a progressive force against capitalist market imperatives.

To be more precise, I think that the theory of social democracy – and Meyer's account is no exception in this regard – misses what the Critical Theorists saw all too well: that there is a corrosive effect upon the consciousness of individuals as a result of the ways that modern capitalism constitutes society. I use what at first looks like an awkward phrase, 'constitutes society,' on purpose because society and the individuals within it are, in this reading, *constituted by the processes, the institutions and the culture within which they individuate themselves*. This means that we cannot assume that the political will and consciousness will be there to move into the various forms of institutional life supposed by Meyer – and this is because capitalism has more than only political and social effects: it has effects upon consciousness as well. [4] This fact is ignored at the peril of any theory of democracy within the context of modernity. Critical theorists were able to see the various ways in which social domination pervaded modern life not only from Marxian sources, but also by integrating the theories of Max Weber into their various analyses. This was combined with the theory of 'reification' put forth by Georg Lukács in 1923

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in his groundbreaking book, *History and Class Consciousness*. The central thesis of the core essay of that book was that capitalism places the commodity form at the centre of modern society allowing it to penetrate into all aspects of modern culture and consciousness. The problems with modernity could therefore not adequately be addressed by focusing on the structural-functionalist aspects of capitalism alone (as the orthodox Marxists of the time did), but from the ways in which this form of society shaped the consciousness of individuals. Working people no longer saw themselves as possessing the means to free themselves democratically; they began seeing themselves as part of the capitalist system which itself was becoming part of their 'second nature.' Critical political consciousness was therefore hindered since capitalism was ceasing to be an object of critique. As working people were beginning to reconcile themselves to the capitalism, then there could be no reliance on the agency of social actors to join politically for their own social liberation.

Weber made a similar, but also very different argument. For him, modern societies which possessed a complex division of labor also needed a rationalised bureaucracy. This required new forms of domination (*Herrschaft*) – specifically forms of domination which were legitimated by subordinates themselves through the dual processes of routinisation and obedience. This was not coerced as in pre-modern societies, based on charismatic or traditional forms of authority. [5] Instrumental rationality (*Zweckrationalität*) was therefore the core mechanism of modern society, one that held it together even as it eroded individual autonomy and created wholly new forms of obedience and control. This rationality was internalised by social actors, embedded in their consciousness; it was not simply a set of rules obeyed because of external force. Hierarchies were rationalised, individuals within them 'de-individualised,' and there emerges a new form of social relationship: the 'authority relation' (*Herrschaftsverhältnis*) which guaranteed institutional and functional efficiency. [6] Modernity embodies the iron cage within which the individual was imprisoned; it would begin to take away the classical forms of autonomy envisioned by Enlightenment moral philosophers such as Kant, and the ideal of an 'authentic modernity' where individuals could be sovereign over their own choices and be truly autonomous and free was quickly evaporating. [7]

What this means in the present discussion is that two of the core arguments made by Meyer seem to me to be deeply problematic and gloss over these critical accounts I have briefly summarised above. First is the emphasis on the need for participatory decision-making as the means by which social institutions can be democratised; and second, the condition that 'what really matters is finding ways to *institutionalise*

participation that respects functional imperatives.' (p. 92) By resting a broader, more general theory on these assumptions, Meyer runs into a problem if the critical accounts of thinkers such as Weber and Lukács are to be even briefly considered. Declining 'social capital,' the culture of consumption, and the lack of democratic practices in everyday life all conspire to erode not only the will, but the *capacities necessary to produce an adequate form of participation*. In this sense, the production process itself can be, in many senses, to blame: the constant search for opening up new domains for extracting profits means real shifts in economic, sociological and psychological life. For one thing, it means more working hours, less worker organisation (a result of de-industrialisation), less time for political participation, and a more infantilising cultural life. Other institutions crucial for democratic will-formation, such as the educational system and publishing industries, succumb to the forces of commodification. The imperatives of the business community shape the imperatives of those institutions within society. These things gradually rob individuals of democratic capacities and practices. In this sense, I see the two assumptions of both democratic, participatory decision-making and an avoidance of overcoming if not transforming the functional logics of capitalist institutions as contradictory: the lack of the former is produced and reinforced by the proliferation of the latter. [8]

As Meyer lays out his case, it becomes clear that this book is the product of a skilful mind. But it simply reproduces many of the great problems which continue to proliferate in capitalist societies: declining political participation, a cheapening of intellectual and moral debate, the debasing of our educational institutions, and, as a result, a general lack of critique when it comes to the mechanisms of capitalism. Meyer, just as Bernstein did before him, believes that the democratic legacy of social democracy and its moral justification can be conceived separately from the deep structures of the production process under capitalism. But without a full confrontation with the ways that our economic system has shaped and continues to transform modern life, I think that this looks more and more like an increasingly bleak prospect.

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Notes

- [1] Bernstein 1961 [1898], p. 154.
- [2] Polanyi 1957, p. 3.
- [3] Bernstein 1961 [1898], p. 202.
- [4] For an important discussion in this regard, see Fromm 1955, pp. 22-65.
- [5] For the relevant discussion on domination, see Weber 1978, pp. 212-5.
- [6] For a further discussion, see Marcuse 1972.
- [7] A good discussion of this theme in Weber's work is Lierbersohn 1988, pp. 78-125. For a more in-depth analysis of this problem within modern social psychology, see Fromm 1941, pp. 136-206.
- [8] Meyer is not alone in turning away from the structural-functional critique of modern capitalism. For a similar turn in the area of Critical Theory, see Honneth 1995, pp. 61-91.