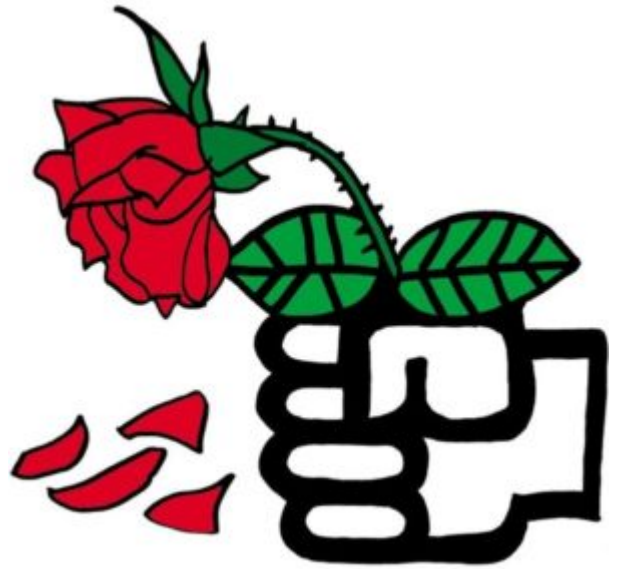


# Thinking Out Loud about the End of Social Democracy

The Sanders challenge is over and the question for socialists is, where do we go from here? Up until recently this debate has ranged along familiar lines: the need for independent political action and the obstacles socialists face in recruiting that base from the Democratic Party. But these debates have been upended by the introduction of a new factor in society, an unmanageable pandemic. Unless this is conquered and the despoliation that capitalism has unleashed, which is the source of this and all future pandemics, is addressed, politics will not return to usual and new questions will need to be posed.



The challenge for socialists is to accept what modern social democracy actually is, how social democracy is mediated in the American context and why the American social democratic constituency (the liberal-labor alliance) cannot be enticed into independent political action while still retaining a social democratic consciousness.

But social democracy is also rooted in a specific historical context. And that context may be passing—and with it the viability of social democracy, as pandemia becomes a permanent factor in social life

I

It has been our traditional understanding that the mass

oppositional forces that we look to as the basis of any future socialist movement reside in the Democratic Party. And yet, socialists have failed time and again to convince significant elements in the

Democratic Party to break with it and regroup with the fringe forces on their left in an independent party for radical change. We berate ourselves for not having the right message; or being too sectarian, too out of touch, or of employing language and historical references that are foreign and off-putting. If only we had the right formula, the inspiring leader, the correct message we could effectuate a break, a dirty break but a break nonetheless.

What we have failed to appreciate is that the left-leaning constituencies in the Democratic Party reside there, not as a result of a misunderstanding, but because the Democratic Party is a proper fit for their politics. It is true that they are corralled there by a well-defined legal structure that privileges and protects the two-party system as a public utility of the ruling class by shielding it from electoral competition. We are adept at identifying crucial deficiencies in the structure of the party system: that these two parties are not membership organizations and cannot be directly controlled or held accountable from below and ruled by majority. There is no collective deliberation over the program and priorities of the party. As a result, their programs and priorities are aspirational at best, ornamental at worst. We point out that the DP base, or factions of that base, can only discipline the party indirectly by threatening to withhold its electoral support, through transferring its allegiance outright to the Republicans—which is in a position to capitalize on that defection— or to a third party of the left, which can deprive the Democrats of either absolute victory or of effective governing power even in victory, but which is unlikely empower itself at the expense of the two capitalist parties.

While breakaway conservative Democratic constituencies such as Strom Thurmond's Dixiecrats, George Wallace's American Independence Party, the Reagan Democrats, and the Trump Democrats (Democrats who had previously favored Obama or even Sanders in the primaries) have empowered the Republicans, no DP breakaway constituency to the left has ever proved itself capable of sustained political viability. More important, this dynamic is asymmetric and reinforces a rightwing power drift. The moderate wing of the Republican Party—the Rockefeller wing, so ignobly sent packing by the Goldwater revolution—strengthened the pro-business wing of the Democrats, while the breakaway Democrats—either of the left (e.g., the anti-war Democrats of 1968) or right—only strengthened Republican reactionaries.

Both parties are coalitions—of their respective bases and their big money donors, party loyalists and those who have a foot in both parties with fluid loyalties that transcend party identity and which act to frame party conflict resolution within narrow parameters. Because the parties are not and cannot be ruled by majority, the constituent elements are organized as pressure groups governed by consensus and the ever-present tensions that the need to preserve consensus imposes.

In all cases where unanimity cannot be maintained, the DP cannot act decisively for fear of alienating either its base constituencies or its donors. The fear of driving a wedge between the base and corporate power, the unity of which is considered critical for mobilizing electoral advantage and the spoils of patronage that attends such advantages, acts as a brake on the radical aspirations that periodically bubble up from the DP's base. It also conditions a section of the ruling class to partial accommodation with those aspirations, as long as these concessions do not exceed the capacity for capitalist self-preservation.

The very architecture of the system reinforces the belief,

rooted in experience, that the assertion of class independence through independent political activity is both futile and diversionary. It confers few *immediately attainable* advantages in the form of actionable reforms that could not otherwise be attained through the DP. The lesson learned is that social importance *within the capitalist system* means availing constituencies of the given social processes to attain their goals.

It equally demonstrates precisely why the DP, as a container system for anti-capitalist grievances, can never serve the cause of fundamental social change.

But not all change is fundamental change. And as long as the DP is effective in keeping the level of system-wide grievances at a rolling simmer without boiling over—through strategic concessions or by playing one group against another and both wings against the middle— it fulfills its task of mollifying or neutralizing the outsized passions of its base.

The arguably most successful anti-capitalist party effort, such as the late 1920s SP, moved the New Deal DP to the left by forcing it to vie with the SP for votes. The Democratic Party prevailed by poaching, in bowdlerized form, the SP's schedule of minimal demands for immediately implementable remediation: unemployment relief, social security, etc. But equally important, the DP then resold these same reforms back to the socialist leaning public by marketing itself as the only plausible electoral vehicle capable of enacting them. The DP in effect captured the Socialist Party, convincing significant sections of its activist trade union elements to form the American Labor Party, a tool for providing socialists with a third, nominally independent, ballot line to endorse FDR through the backdoor. The Working Families Party operates along the same lines today.

Both the ALP and the WFP were launched in the spirit of a "dirty break," insofar as they also offered left-leaning

liberals the nominal opportunity to vote for a noncapitalist party. Their only success was in their failure to never disappoint. Any break, dirty or otherwise, would demonstrate that the labor movement elements we look to as key to any future socialist party no longer wishes to take responsibility for capitalism and therefore are willing to topple the Democratic Party, one of central the pillars of the system. A break cannot be effected from on high by clever socialist engineering; it's the political consciousness of the labor movement that needs to altered from below before a break presents itself as an organically logical next step.

But—and here 's the rub—there's no material basis for a socialist consciousness as long as the potential for social democratic reforms still exists. Socialism only presents itself as a real alternative in society when the choice is civilizational: socialism or barbarism. That occurs very rarely in the life of nations. Socialist activity, until then, is always a dress rehearsal, to nourish the spirit of rebellion and to help awaken insurgent forces to their power in society. The role of socialists, in non-revolutionary as in revolutionary times, is in helping to ignite the creative forces in mass action and to integrate its own activities with the independent class struggle of workers. We do that in the clear understanding that, in the absence of possibly revolution-producing conditions, socialism is doomed to remain a "fringe goal." The class that we seek to help has no use—yet—for our ideology.

*The inescapable truth is this. The public that seeks supplemental social democratic reforms to complete the promise of the New Deal does not need an independent party of the left. Socialists do.*

Social democracy—the impulse behind the modern welfare state—is only made possible by a class coalition in which labor commits itself as the junior partner. It is not reformist, in the historic sense of the term, because it does

not seek the ultimate overthrow of capitalism through the steady drip of incremental change. It therefore does not exist on a continuum with revolutionary socialism. It is a separate political current, with roots in trade union politics. While not the enemy of socialism, neither is it socialism's ally.

The Democratic Party is, in the American context, social democratic in the modern sense—charting the sort of politics, compromises and right-wing drift characteristic of most European parties. The difference is that European social democratic parties mostly *govern* in coalition with capitalist parties to preserve welfare-state capitalism. The Democratic Party is a coalition with capitalists committed to the welfare state that seeks to govern. When elements of that junior partnership get rebellious, the DP establishment encourages it to test the waters, knowing full well that it can defuse the insurgency by co-opting its issues, or it can let the insurgency defuse itself by sitting the election out and condemning it to electoral oblivion, as it did with the McGovern movement.

To fault the Sanders movement for running a social democratic campaign within the Democratic Party is therefore to miss the point.

Sanders was clear about completing the New Deal/Great Society, with implementable reforms commensurate with the problems and economic capacity of modern capitalism and offered the social democracies of Europe as proof of their feasibility. He raged against greedy billionaires and profiteers, championing the interests of the 99 percent. What he didn't do and what he had no grassroots activist mandate to do is to challenge the fundamental basis on which society is organized. He raised the class issue in a populist, not a socialist manner; laboring to rectify the rotten bargain facing workers neglected by the Democratic Party, not to upend a system rooted in exploitation. None of his proposals for decommodifying basic public goods, a green jobs program and industrial policy,

salutary as they are, challenged capitalist control over the economy. Sanders' politics were firmly rooted in the outer reaches of mass oppositional consciousness. His political revolution was about renegotiating the class agreement within the Democratic Party. Had his vision prevailed capitalism would have enjoyed a welcome and profound civilizational upgrade. But it still would have been capitalism.

## II

What neither Sanders, nor anyone else could anticipate, however, is the game changing straightjacket that the novel coronavirus may now quite possibly inflict on capitalism. The maintenance of a private-property system in prolonged shutdown mode will increasingly become incompatible with profit making, the central regulator of capitalist dynamics. This will prove especially so if an ever-morphing virus eludes efforts to discover a universally effective vaccine or treatment and assumes a more permanent feature in social life. The last gasp of the Sanders movement may coincide with the end of welfare-state capitalism as we have come to know it.

To put it in other words, capitalism without accumulation is unsustainable. If the system is unable to resolve its problems by normal methods because it is unable to quell the viral threat—and this is the big if—it will begin to shutdown and disintegrate from within. The preservation of society will no longer be compatible with the preservation of capitalism. Capitalism has yet to raise against itself the challenge of a revolutionary working class that can put an end to the system. It will nevertheless be compelled to save capitalists by anti-capitalist measures, expedients that, in contrast to socialism, will not permit the working masses themselves any new power or participation in the life of society and may well narrow their already truncated scope of participation.

Whether the vehicle for this transformation is a section of the capitalist class, or a third force—the state

bureaucracy—this much is clear. Should the pandemic resist effective management, and this scenario come fully into play and not merely as a time-limited interregnum, vast sections of private property will be subject to emergency management administered not by shareholder factions but by ad hoc state trusteeships. Economic quarantine will lead to a fragmentation of the global economy and the intensification of nationalist ferment, the raw materials of autarky. At first, economic sectors essential to social reproduction will be reopened by state decree and according to regional plans. No longer reliant on market signals, fundamental economic decisions will increasingly give way to centralized bureaucratic coordination and planning at the federal level, with the states and localities delegated with the details of implementation and enforcement.

A privileged new social force will be recruited from society for these tasks and raised above it. The structures of bureaucratically nationalized industries—public trusteeships—is such as to give impulse to the merger of the managerial class under capitalism and the elite levels of the civil service. Shares may be transformed into annuities with shareholders pensioned off. While collectivist in form, this new stratified property will be anti-socialist, class-driven and reactionary in content. If this time-sensitive emergency endures, the prospect of private business resumption along familiar lines will gradually shed its practicality and these ad hoc organs of coordination will gradually overwhelm capitalism and implant themselves in society.

What will ensue will be an anti-capitalist revolution, peaceful in all likelihood, for having maintained the privileged position of capitalists and capitalist managers, no longer able to maintain their privileges by traditional capitalist methods. The longer the crisis endures, the deeper these roots will sink and the more difficult it will be for the economy to be returned to private hands, should the health



challenge eventually be overcome.

The re-emergence of bureaucratic collectivism as a social force rests on two central conditions: the degeneration of capitalism and the failure of the working class to mount a successful alternative. The emergence of Stalinism was only one form of this tendency. The Stalinist counterrevolution was conditioned by the fact that it succeeded the revolutionary overthrow and destruction of Russian capitalism, and faced only weak resistance from the revolutionary class whose ranks had been depleted and whose vitality was exhausted by the experience of prolonged war and deprivation.

But there have been other, disparate, forms of bureaucratic collectivist economies—such as the MAPAI/Histadrut led social democracy in Israel's first decades with different historical and cultural roots. Because capitalism was too poor in Israel's early years to develop society, it was dependent on foreign assistance. And because this assistance was distributed by the MAPAI led government and channeled into state and semi-state undertakings, a labor bureaucracy emerged as a pivotal force in society. One small group of leaders controlled the main political party "of the workers," the trade union federation, the state owned industries and through a coalition government—the state itself. In any workplace grievance, David Ben-Gurion's party would reliably refuse to authorize strike activity against the industries his government controlled, and would, if need be, call in the army to break all unsanctioned, wildcat, strikes. The trade union bureaucracy would then try striking workers in labor tribunals controlled by MAPAI and ban the errant strikers from employment in the dominant state/semi-state sectors. Were it not for the presence of oppositional parties and freedom for minority opinion, early Israel might be seen as a replica of Stalinist Russia.

It is true that the state collectivism that Stalinist Russia and social-democratic Israel claimed was under the banner of

socialism. That does not mean that state collectivism always needs to shield itself under the noble mantle of socialism—which, in the absence of workers' power, turns it into socialism's antithesis. Had fascism proved victorious it too may have developed into bureaucratic collectivism. It would have then touted itself not as the self-proclaimed defender of class interest and international solidarity, but more likely as the defender of national and race interest.

State collectivism arises when capitalism is too weak to thrive, either at its birth, or at its impending death. In the past it has seemingly solved the contradictions of capitalism insofar as it mobilized and employed the resources—human, technological, industrial and agricultural—that capitalism could not put to profitable use. It then shielded its economy from external disruption. It may not have done these efficiently, but it did it thoroughly. This time is different.

Unlike other experiences with bureaucratic collectivism, this transformed system will not have at its disposal the prerogative of maintaining social peace through full employment. It will not be able to fully mobilize the existing economic capacity for fear of reigniting pandemic contagion and stressing the system to outright collapse. The working class will remain an exploited class, but the fruits of exploitation will serve the purposes less of accumulation than of securing the infrastructure of a working economy and maintaining society's new overlords in privilege and comfort. And insofar as the expansion of production and employment will be narrowed in scope, the pressure to intensify the level of exploitation and restrict working class consumption will mount. The system will face unique difficulties in maintaining social equilibrium for having a very narrow latitude to simultaneously raise the living standards of both the exploited and the privileged. But then neither, under autarky, will the working class face international wage competition.

While the emerging ruling class may offer workers basic forms

of economic security such as a minimal universal basic income and health care—necessary for the reproduction of the working class—it will also be moved to curtail the existing, if paltry, rights that make working class resistance legally possible. And more so, since struggles over bureaucratic rationing, including the rationing of jobs will be a constant source of friction. It is for obvious reasons always more acceptable for the purported guardians of society to defend the “public’s” property against the assertion of workers’ power, than it is to defend any private interest (capitalist) against the assertion of another private interest (the employee). This means that independent trade union activity will be under intensified scrutiny.

The end of the Sanders campaign may, by the evil ruse of history, also be a harbinger of the end of social democracy. For social democracy is the outcome of a class compromise rooted in capitalism. The Republican base, for their part, may welcome the statification of the corporate property of the “globalists,” as long as small business is left in private hands. The Democratic Party, on the other hand, has been the specific conduit through which the social democratic arrangement was negotiated and re-mediated. In a new context, it is most likely that the Democratic Party will act to recruit sections of the old trade union bureaucracy to a national front needed to police and regulate labor relations in the “public interest.” (The old Israeli experience under Ben-Gurion may be suggestive.) If this occurs, new vehicles of working class struggle will be summoned forth—independent of the Democratic Party and the old trade union structures.

Of course, this is all thinking out loud. Socialism is the “shock therapy” of the left. But it is well to recall that the rise of all previous revolutionary socialist movements was precipitated by profoundly catastrophic, life altering events in the history of nations—the rank barbarism of early industrialization, the ravages of war, social dislocation or

total economic collapse.