

Ralph Miliband Programme: the future of the left

# The Past and Future of Social Democracy and the Consequences for Europe

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**LSE** events

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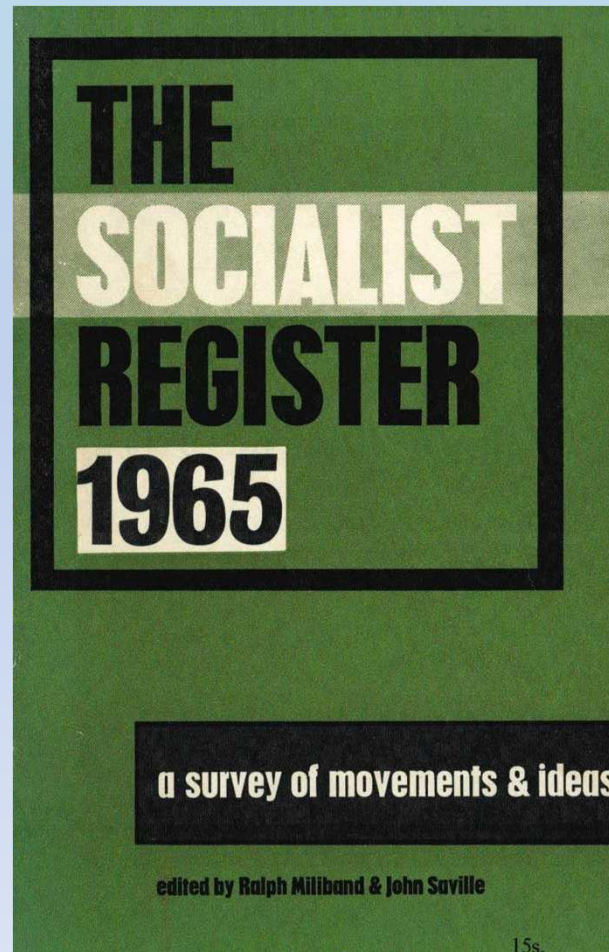


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Sheri Berman  
Barnard College

# Ralph Miliband

## What Does the Left Want?



# Fin de siècle

## Europe

- After a long depression in the 1870s and 1880s, capitalism had developed renewed vigor and a wave of globalization was sweeping the globe.
- Class structures were not simplifying, but rather becoming more differentiated and complex.
- The middle classes were growing and the proletariat was not becoming immiserated.
- Small businesses and small farmers were not disappearing.
- The bourgeois state was undertaking important reforms (e.g. political liberalization, the beginnings of social welfare laws and programs).
- In short, capitalism did not seem to be near collapse.

# What is to be done?

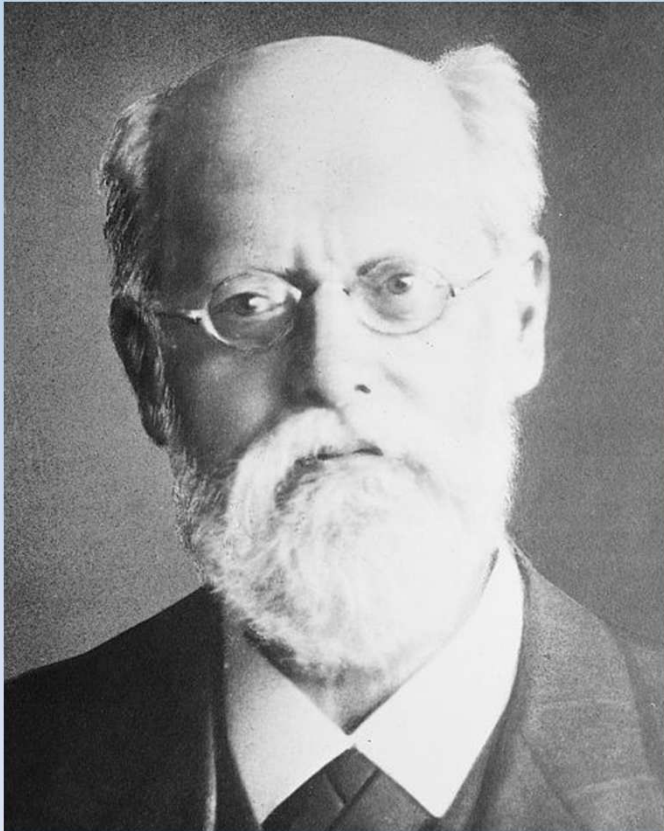
**Lenin**



- If socialism were not going to come about on its own, then it would have to be imposed by force. History, in this view, could be spurred along through the politico-military efforts of a revolutionary vanguard.

# What is to be done?

**Karl Kautsky**



- Capitalism may not be on the verge of imminent collapse, but it could not and should not persist indefinitely. Its internal contradictions and human costs were so great that it would ultimately give way to something fundamentally different and better. The purpose of the left was thus to map out and hasten this transition.

# What is to be done?

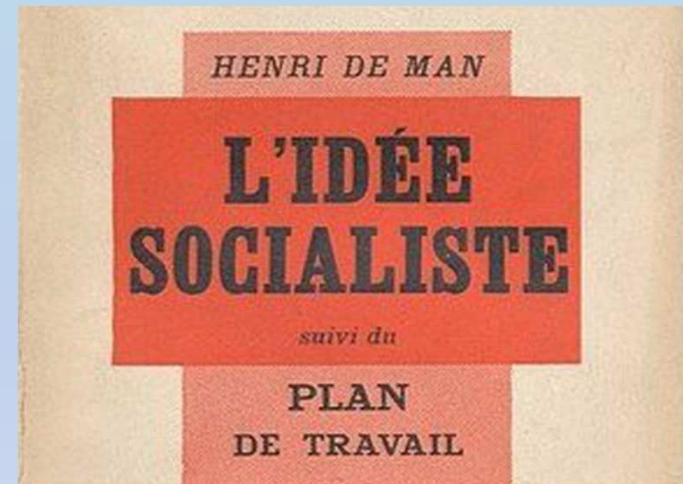
**Eduard Bernstein**



- Some on the democratic left rejected the view that capitalism was bound to collapse in the foreseeable future and believed that in the meantime it was both *possible* and *desirable* to take advantage of it upsides while addressing its downsides.
- Rather than working to transcend capitalism, therefore, they favored a strategy built on encouraging its immense productive capacities, reaping the benefits, and deploying them for progressive ends.

# Interwar Social Democracy

## Hendrik de Man and “Planned Socialism”



- De Man’s Plan combined short term policies designed to increase demand and credit flows with a long term scheme for the transformation of the economy.
- De Man neither believed in nor hoped for capitalism’s immediate collapse; instead he argued that a strategy of evolutionary reforms could transform it. In order to begin this transformation de Man urged socialists to recognize that “the essential thing [was] not the taking over of...ownership but of control.” By capturing the state social democrats could direct and tame capitalism and insulate citizens from the destructiveness of the market without having to resort to Soviet style nationalization.



# Interwar Social Democracy

## Germany: The WTB Plan

- Named after Wladimir Woytinsky, Fritz Tarnow und Fritz Baade (affiliated with the main interwar German trade union, ADGB).
- Called for proto-Keynesian and other policies designed to cut unemployment and stimulate the economy.
- Woytinsky argued that the time had come for the SPD to surrender its faith in historical development, “to stop lulling the masses with *sozialistische Zukunftsmusik*” (socialist future music) and the “mystical powers of the market.” By using the levers of political power to help improve the lives of the masses, by helping to tame the anarchy of the market, and by showing the way to a more organized and just economy, the WTB plan could finally provide the labor movement with a concrete foundation upon which to build a new economic and social order.

# Interwar Social Democracy Sweden (“The People’s Home”)



1932 Election Poster  
“Work for All.  
Increase Purchasing Power.  
Vote for the Social Democrats”

- Alongside the promotion of an activist economic policy, the Swedish Social Democrats also championed the idea of Sweden as the “*Folkhemmet*” or “people’s home.”
- The party’s leader, Per Albin Hansson declared, that “the basis of the home is community and togetherness” and stressed that social democracy sought to “break down the barriers that...separate citizens.”
- The confluence of the party’s activist economic strategy and its cross-class appeal came through clearly in its 1932 election manifesto: “We [see] a crisis developing which claims victims in all sectors of society....In the middle of abundance...misery and unemployment prevails....[The SAP] does not question...whether those who have become capitalism’s victims...are industrial workers, farmers, agricultural laborers...civil servants or intellectuals.” Instead, the party presented itself as “being one with the nation.”

# Fate of Democracy in interwar Europe

(after democratic wave in 1917/18)

## Survivors

Belgium  
Denmark  
Czechoslovakia  
Finland  
France  
Iceland  
Ireland  
Luxembourg  
Netherlands  
Norway  
Sweden  
Switzerland  
United Kingdom

## Casualties

Austria  
Bulgaria  
Estonia  
Germany  
Greece  
Italy  
Latvia  
Lithuania  
Poland  
Portugal  
Romania  
Spain  
Yugoslavia

## Democracy Collapses

March 1933  
June 1923  
March 1934  
January 1933  
August 1936  
October 1922  
May 1934  
December 1926  
May 1926  
May 1926  
February 1938  
July 1936  
January 1929

## **Widespread consensus on the need for a break with the pre WWII economic order**

*Karl Mannheim: “All of us know by now that from this war there is no way back to a laissez-faire order of society, that war as such is the maker of a silent revolution by preparing the road to a new type of planned order”*

*Joseph Schumpeter: “The all but general opinion seems to be that capitalist methods will be unequal to the tasks of reconstruction.”*

## Widespread consensus on the need for a break with the pre WWII economic order

- The 1947 program of the German Christian Democrats, for example, declared that, *“The new structure of the German economy must start from the realization that the period of uncurtailed rule by private capitalism is over.”*
- In France, meanwhile, the Catholic Mouvement Republicain Populaire declared in its first manifesto in 1944 that it supported a *“revolution” to create a state “liberated from the power of those who possess wealth.”*

# Widespread consensus on the need for a break with the pre WWII economic order

- U.S. Treasury Secretary Henry Morgenthau noted, *“All of us have seen the great economic tragedy of our time. We saw the worldwide depression of the 1930s.... We saw bewilderment and bitterness become the breeders of fascism and finally of war.”* To prevent a recurrence of this phenomenon, Morgenthau argued, national governments would have to be able to do more to protect people from capitalism’s *“malign effects.”*

Henry Morgenthau,  
the Mount Washington Hotel in Bretton Woods, NH



- As C. A. R. Crosland noted, after 1945, *“it was increasingly regarded as a proper function and indeed obligation of government to ward off distress and strain not only among the poor but almost all classes of society.”*

# Views of the Western Europe's postwar political economy

Anthony Crosland pointed out that it was  
*“different in kind from classical capitalism ... in almost every respect that one can think of.”*

Andrew Shonfield questioned whether *“the economic order under which we now live and the social structure that goes with it are so different from what preceded them that it [has become] misleading ... to use the word ‘capitalism’ to describe them.”*



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