

## **Existential Quandary of the European Centre-Left**

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### **Abstract**

The current crisis of centre-left parties in Europe runs deeper than earlier fall-outs caused by the cyclical changes in party politics throughout European democracies. After a crushing defeat in key European states many centre-left parties have been left scrambling for the second or even third place, down from their former position as the party in power. It is, however, necessary to look beyond their bad performance over the last decade in order to understand the reasons why voters have become alienated from these parties that once formed the backbone of the thriving middle and working class and were one of the pillars of democracy.

The perceived impact of the neo-liberal trend and the ensuing globalisation after the fall of the Berlin wall has given rise to the shift from the so-called interest to identity politics. As a result, rising populism (particularly on the right) with its nationalist, sovereign state centred agenda has been gaining traction as a dominant political discourse. This runs counter to the fundamental tenets of the narrative of centre-left parties which has always revolved around the principles of solidarity, internationalism and social justice.

Even if the idea of equality and social justice has lost none of its power, modern societies are faced with disruptions and paradigm shifts of historical proportions where the traditional party approach no longer serves the needs of the time. These paradigm shifts include growing automation as well as demographic changes caused by such phenomena as aging populations, climate change and immigration. In the light of these challenges and within the context of a fast changing global economic and political environment, centre-left parties will need to come up with a new strategic vision and implementing policies if they want to regain their political relevance. This can be resumed as a quandary that is proving to be a real conundrum for the future of the left. The European Parliament election set for 2019 will pose a serious test for centre-left parties. The election may, however, also offer them the opportunity to win back the confidence of disenchanted voters and thus raise their stake in the race for political relevance.

### **Introduction**

The gap between those who hold most of the world's wealth and the rest of the population keeps growing. At the same time modern societies are facing new challenges such as rapid advance of automation, pressures caused by migration, climate change phenomena and a rapidly aging population. If these challenges remain unaddressed the very fabric of society will begin to unravel.

As part of the global trend, Europe's cherished model of social justice and human rights is facing difficulties to accomplish the goals set by its founding fathers. The trend affects all political parties, but those on the left of the political spectrum have been affected particularly hard. Traditionally attached to the concept of state, centre-left parties struggle with the task of living up to their promises. Of course, each country is specific in its own right, but the election results over the past few years show a steady and gradual decline of trust in representatives of centre-left parties. Recent election results in France, the Netherlands, Germany and Italy point to a trend of continuous decline, rarely recorded over the past few decades. More worrying is the fact that many traditionally centre-left wing voters recently switched sides, giving their preference to the so-called populist parties.

Certainly, none of the traditional parties have so far managed to offer the models of society that would respond to the needs of the enfranchised electorate which has lost faith in technocratic elites and consensus politics. But social democratic parties, which represent the large and versatile middleclass and working-class electorate, have been hit particularly hard as their electorate has shifted towards either the extreme right or the extreme left.

### **The unraveling of ideological foundations**

With the fall of the Berlin wall and the demise of communist regimes, the belief in a society based on equality and inclusiveness has been dealt a heavy blow. The socialist 'experiment' in the east of the European continent engendered totalitarian regimes, which bore little resemblance to the socialist ideology of the mid 19 century movements. The collapse of communist regimes compromised the old dream of a social state as a plausible model for society. Francis Fukuyama's famous essay 'The end of History' was a vindication of the market-based economy and the triumph of the capitalist regime as the best of all alternative models. But despite all the shortcomings of the Eastern European socialist model, the fact that it existed played an important role in post-war Europe.

Despite its undemocratic and undeniably totalitarian character, it did offer an alternative to a capitalist system. It would be unfair to deny that it provided free education, free health care and gender equality for large swaths of the population. Out of fear of large social movements with strong socialist parties in their own countries Western democracies gradually introduced reforms benefiting the working class. To some extent, the Eastern block socialism served as a corrector to West European societies, which gradually developed the social welfare state model aimed at providing everyone with the same opportunity. With the Soviet experiment, they shared some fundamental principles rooted in the labour movement of the XIX century and Marxist theory.

With the fall of the Berlin wall and the self-laudatory triumph of the capitalist system, any attempt to challenge the rigid economic orthodoxy of the free market was qualified as unrealistic and politically unsustainable.

This has forced socialist parties across Western Europe to modify their social agenda, to move toward the centre and espouse privatisation, deregulation of markets and gradual dismantling of the welfare state as an unavoidable necessity. Left wing parties began to defend capitalism just like their conservative opponents. As a result they lost their ideological foundations.

The invention of the so called 'third way' fitted the pattern of the time. The process of globalisation accelerated by free trade, a massive mobility of people and capital seemed to benefit all strata of society. While its initial gains did indeed lift many out of extreme poverty, the inequality gap between rich and poor started to grow exponentially. Growing differences between rich and poor on national and global level went unnoticed, as did the pledge of workers whose jobs withered through outsourcing and advancements of technology.

The accelerated development of modern technologies, faster transport and communication raised hopes in the impoverished parts of the world. As a result, migration from underdeveloped countries towards more affluent countries in the West started to gain pace.

At the same time, the respect of human rights (minority rights, ethnic and religious rights) and freedom became a global value recognised by all democratic societies. Underpinned by the web of treaties and agreements, the European Union and its Member States were the champions of human rights, social justice and religious freedom. Xenophobia, racism, inequality and religious

intolerance have been considered as the anathema of former times. A dream of the ultimate degree of civilisation seemed to be almost accomplished.

Whereas all mainstream parties defended the human rights agenda, centre-left parties seemed to be its most staunch supporters.

The financial crisis in 2008 and the 2015 refugee crisis shattered that order of things. While all parties struggled to cope with these (in part) parallel crises, centre-left parties came under the heaviest criticism for their inability to live up to their promises. Caught between their support for open market and budgetary restrictions on the one hand, and the reality of some parts of the population that began to feel excluded from global prosperity on the other, their agenda seemed increasingly inadequate. The narrative of centre-left parties suddenly started to ring hollow. This void was quickly seized by extremist parties on the left and right of the political spectrum. The ascendant right wing parties tapped into the anxiety about the loss of national identity, security concerns caused by frequent terrorist attacks and fear about the loss of national sovereignty in a globalised world. They promised protection of borders, a ban on migration and economic autarky as a panacea for all woes.

Radical left parties, for their part, offered a fundamental reversal of the capitalist system calling for economic equality, high taxes for the rich and redistribution of wealth. Common to both extremes has been their contempt of elites, a refusal to form coalitions with other parties and distancing (exit) from the European Union.

Instead of formulating a different agenda from populist parties, centre-left parties waged a war of egos. The result was the parties splintering into different currents ranging from radical left-wingers to those who were hardly different from their conservative opponents. The absence of forward-looking policies left them reeling.

Last year's elections in France, Germany and the Netherlands were telling: in France the Socialist party scored less than 6 % of votes, the German SPD barely managed to reach 20% (the worst result after WWII), whereas the Dutch coalition Labour party (PvdA) went from 38 to 9 seats in the Parliament. To be sure, all traditional parties suffered setbacks in elections across Europe, but the misfortune of the centre-left was comparatively greater.

### **Managing migration - a Herculean task**

Few issues have changed the political climate as much as migration. Massive movements from war-torn countries in the Middle East and Africa have taken the whole political class off-guard. Never before has the number of arrivals from third countries neared millions, as happened in 2015. Wars, totalitarian regimes, poverty, unemployment, but also the manifold impact of climate change force people to flee their homes.

All of the traditional parties have tried their hand at managing migration. All of them have failed miserably. The setbacks experienced by mainstream political parties in elections across Europe over the past few years speak for themselves. Nevertheless, misfortunes of the centre-left parties seem comparatively greater. As traditional supporters of multinationalism, religious tolerance, solidarity and open borders, centre-left parties have become particularly vulnerable to attacks from right-wing parties, whose electoral scores keep rising all over Europe.

All traditional parties honour obligations from international conventions on the right to asylum as undeniable human rights. Yet, in reality, migration flows are mixed, composed of genuine asylum seekers and those who flee their countries for economic reasons. Making a clear distinction

between these two categories is far from straightforward. It requires time, resources, trained and skilled personnel, functioning reception centres and effective integration policies. When the flows of migrants surpass hundreds of thousands per year (as it was the case in some EU countries in the last few years), migration becomes politically difficult to justify.

Until now centre-left parties have never clearly articulated their message regarding migration. In general and at best, they provide general statements, short of vision. Although some of the European centre-left parties have adopted a more restrictive stance by advocating the control of external borders, they never managed to formulate a distinct strategy that would meet the expectations of the alienated working classes.

For European Union countries the task has been complicated additionally by internal EU migration. The EU right of free movement of workers has set in motion a process of migration from the less developed east European towards more affluent west European states. Many western companies profited from the so-called posted workers by hiring east European workers who were prepared to work for lower wages than local citizens. Centre-left parties were again slow to react, losing support from working class voters along the way.

Like it or not, given the present international circumstances where the prospects for peace in Syria, Yemen and Afghanistan seem as far away as ever, migration flows are unlikely to abate. Searching for a better life, unemployed African youths will continue to try their chances in Europe. In addition, tens of millions of people will be forced from their homes by climate change in the next decade. This will keep Europe exposed to the continuous challenge of migration pressure. But even if migrant flows do come to a halt, the task of integrating those already in Europe poses a big challenge. A recent Migration Policy Institute Report predicts that more than one-quarter of the school-aged population will have a migrant background by the early 2020's. The present school system designed for "traditional" learners will become out of date. In many countries, migrants already take care of many of the fields, such as care for the elderly and occupy manual jobs which the natives refuse to take up.

Migration could be an asset, but only if it is framed within a broader concept in which the economic, cultural and social aspects are dealt with simultaneously. For this to happen, a strategy for managing migration must encompass the economic, cultural and social aspects of the integration of migrants. More important is the task to create conditions in which both the citizens of the reception country and migrants share a feeling of building a new, dynamic society in which each of these parties are contributing to its well-being. Whereas, in static societies, integration means either assimilation or ghettoisation (where different societies exist in parallel universes), dynamic societies embrace migration as part of their overall development.

Thus, if centre-left parties wish to win back voters they would need to envision a unifying narrative to explain how people from different backgrounds could live together and what strategy will be deployed to make it happen.

### **Changing work patterns**

As the industrial revolution transformed the way that economy functions, new challenges arising from automation, digitalization and other aspects of technology development are transforming the way we live and work. Not only are the patterns of work different, but also the nature of employment is gradually changing.

As manufacturing declines and industrial jobs keep on shrinking, digitalization and artificial intelligence are replacing old economic and social models.

Disruption caused by new economy entrance such as Uber, Deliveroo or Fintech (technology platform providing financial services) are having significant impact on labour practices.

Short, fixed-term jobs via an app or a website, freelance and remote work are causing important economic shifts, by progressively replacing traditional job contracts and office-based work, and thus bringing about stronger competition and greater job uncertainty.

This creates new social inequalities with enormous wealth being concentrated among a small fraction of super-rich people. As a result the gap between the rich who get richer and others who struggle to maintain their social status is widening. Furthermore, according to the Forbes list, the majority of the richest people who not only possess wealth but hold power and increasingly wield political influence, come from the technology sector.

Work has always been a defining feature of left-wing parties. From the beginning of social movements, working conditions were at the centre of political activism. But the present dimension of change in the working world is very different from past experiences. Accordingly, as robots and the digital economy continue to replace people and change working patterns, it is questionable to what extent new forms of labour will make up for the jobs lost through new digital economy. At the same time with the decline of manufacturing industry the role of trade unions, which have been traditionally allies of the left-of centre parties, is diminishing. According to the World Economic Forum estimate, global job losses due to digitalization range from 2 million to 2 billion by 2030. There is great uncertainty, with concerns also about the impact on wages and working conditions.

The social dimension of this historic transformation will need to be addressed in order to avoid wage deflation or even social unrest.

### **Demographic challenge**

Never in history have people lived so long as in many parts of the developed world. In Europe, several countries are facing increased pressure on health services and pension funds as the population grows older. At the same time some European countries (Italy, Germany, but also the countries in the east of Europe) are witnessing plummeting birth rates, which will translate into an aging and shrinking population in the not so distant future.

Proposals aimed at increasing the participation of older people in the labour market stand in stark contrast to the development of the digital economy which requires new sets of skills. Migration is often mentioned as a solution to offset population decline. However, given the political circumstances it will require a fundamental reassessment of migration policy.

### **Can the Centre-Left reverse its fortune?**

The odds of the return of the centre-left and other social democratic parties depend on their ability to reinvent credible policy proposals that will take these new realities into account.

However, realism does not have to mean populism. On the contrary, the resuscitation would be only possible if there is a radically new programme for society adapted to these new circumstances. Refashioning the centre-left party narrative with a few buzz words that sound hollow and are reminiscent of former times will not attract new votes or bring back the alienated supporters to the fold.

Politics may have little impact on the pace of technological advancement or demographic trends. But the speed and the way in which the digital platforms and artificial intelligence are transforming society can be better managed. The policies of political institutions can and should adapt the social conditions of large sections of the population to the changing economic circumstances caused by technological progress. This task should be borne by the centre-left parties.

Ideas such as the universal basic income deserve attention and should be further developed in the context of a new vision of society. Civil society and local governments could be involved in the task of reforms implementation in order to allow citizens to shape the new environment in which they wish to live and work. Equally important is the role of education, training and life –long learning that are becoming the preconditions for everyone to participate in the labour market.

Finally, developing a new grand bargain together with all left parties will help centre-left to win back disillusioned voters.<sup>1</sup> This strategy proved to be successful when President F. Mitterrand became the first socialist to hold office in the history of the French Fifth Republic.

But this requires vision, courage, conviction and an intellectually powerful leadership with a stewardship mentality. As long as the new policies of the centre-left do not combine the capacity to anticipate and the courage to implement, any effort is likely to be doomed to failure. The upcoming European Parliament Elections in 2019 will be the first test in this endeavour.

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<sup>1</sup> The example of Portugal where a left wing alliance secured power, can perhaps serve as inspiration for other centre-left parties in Europe.