

## The Triangles (and Circles) of Social Democracy

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Tony Fitzpatrick, University of Nottingham

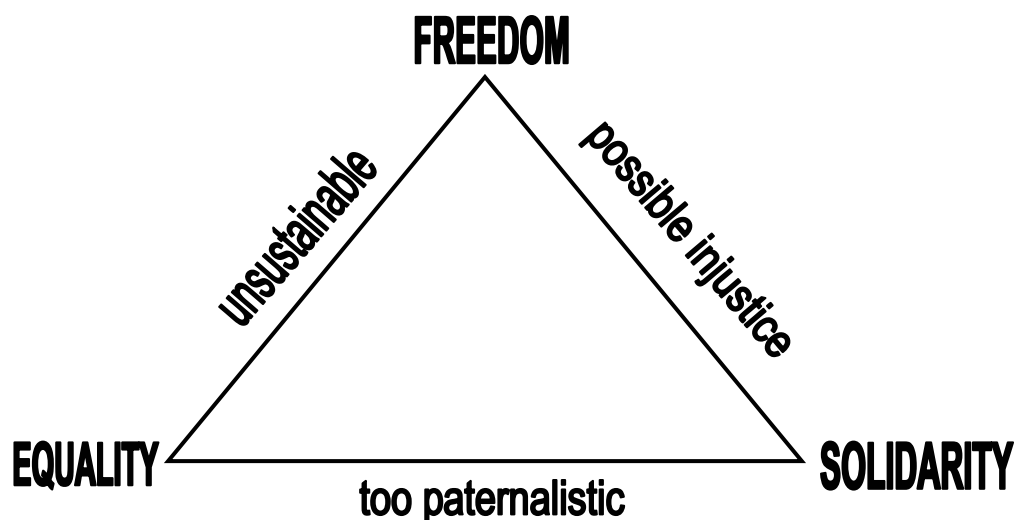
- \* Paper for the Workshop *Governance of Welfare for the 21st Century: New Social Risks and Renewal of Social Democracy*, 18-19 February 2005
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### The Triangles (and Circles) of Social Democracy

The twentieth century experienced a battle between a range of ideologies. From a European perspective the three main survivors of that battle are conservatism, social democracy and feminism (allowing for the fact that these cover a wide range of ideas and schools of thought). By the mid-1990s it looked as if the era of conservative dominance was coming to an end, supplanted by social democratic parties armed (in part at least) with a female-friendly agenda.

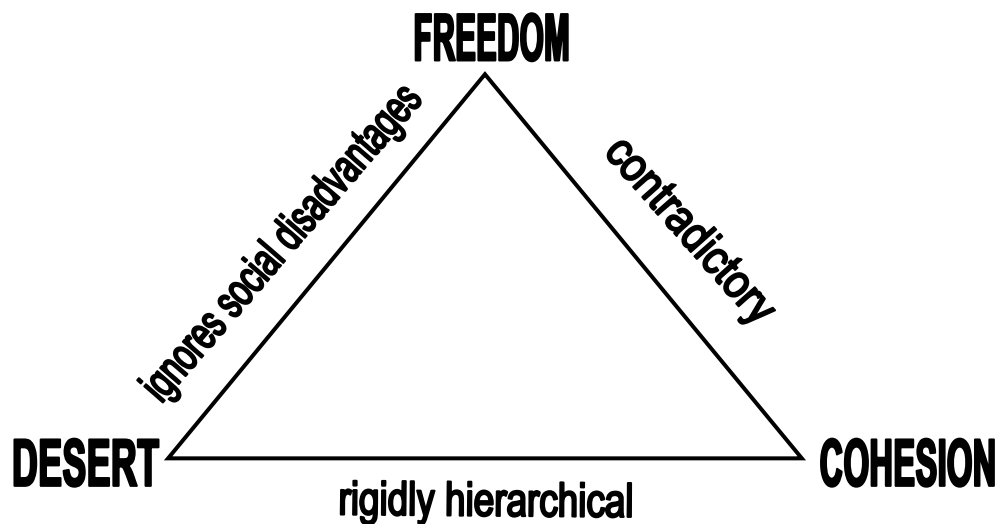
But while conservative parties often found themselves defeated and out of office, *conservatism* remained influential. This is partly because of the legacy of those parties, but also partly because social democracy has more principles and social objectives to reconcile than conservatism, and tries to be more humane in pursuing a strategy of reconciliation.

Traditionally, social democracy has been concerned with individual freedom, social equality and economic solidarity. There are many potential points of tension between these three but let me outline the main ones.



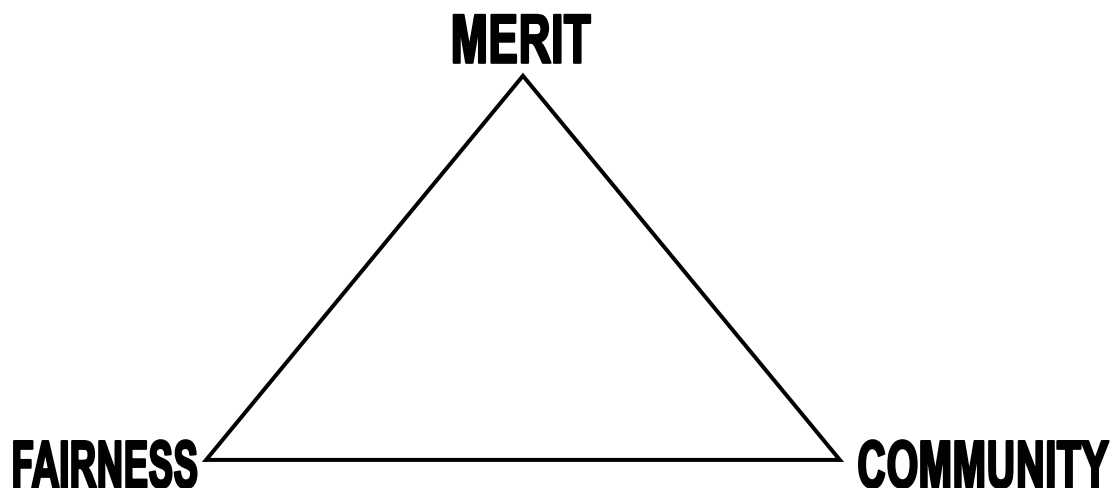
Its main strategy of reconciliation was corporatist: giving workers freedom (voice and autonomy) through union representation, equality (through wages, welfare and social insurance) in exchange for growth, and solidarity (through wage bargaining) in exchange for productivity and industrial harmony. Whether or not such corporatism is still feasible the problem with it (from a social democratic point of view) was that it collapsed citizenship and social membership into employment and so neglected non-employment forms of activity, solidarity and social contribution.

Before looking at post-corporatist forms of reconciliation the point I am making is that by being less concerned with social equality conservatism is able to effect a reconciliation of its favoured principles much more easily. (Going to pass over what this involves.) Yet this has not always been appreciated.



In the 1970s some claimed that to abandon social equality was to invite a legitimisation crisis; more recently, that doing so undermines social cohesion and inclusion (trilemma debate). But in dealing with these potential problems conservatives are able to reach for solutions that have not lain within the purview of social democracy (at least not until recently). They have been able to privatise/individualise sources of responsibility for social problems, adopt cruel-to-be-kind measures and punitive policies for those unable or unwilling to play along. Given its commitment to social liberalism, social democracy has been less willing to adopt such get-tough solutions.

The distinctiveness of the 'new social democracy' has been its willingness to do so, to bring together elements of the traditional left's agenda along with that of the right. New Labour's principles now look like this.



Firstly, it has emphasised merit and the idea that people must be helped to help themselves: a 'hand-up, not a handout'. This is an individualistic doctrine where it is the idea of aspiring to a better standard of living, for oneself and one's family, which is assumed to be people's primary motivation. Secondly, however, this is not to imagine that New Labour has ignored the importance of social cohesion. It has repeatedly stressed the importance of social inclusion and integration into the norms

and mainstream of society. However, although it has wanted to improve the position of those at the bottom (assuming they can demonstrate they deserve such improvement) this does not necessarily translate into social equality *per se*. New Labour has been concerned with the height of the social floor but not necessarily with the height of the social ceiling. Finally, then, without much of an egalitarian emphasis it has spoken more in terms of community and has associated community with notions of desert, duty and reciprocity. By its motto that 'rights imply responsibilities' New Labour argues that what you put into society must be broadly proportionate to what you take out.

As such, these principles have given rise to some clearly identifiable strategies (going to concentrate upon employment and social security):

- A sticks-and-carrots emphasis upon 'labour market activation'. An 'active' welfare system is one that will help the 'deserving' (through Personal Advisers assisting with job searches, for instance) but will clamp down on those who shirk their social obligations. Receiving benefits for 'doing nothing' is no longer an option and that to continue receiving benefits claimants must take accept one of the following: subsidised employment, full-time education or training, a job in the voluntary sector, work with an environmental taskforce. There are a range of penalties, i.e. having your benefit stopped, attached to non-compliance.

New Labour claims success in cracking down on benefit fraud but in the UK this issue usually gets lost in a political and statistical fog.

- Like its conservative predecessors it has rejected universalism as too wasteful and blunt an instrument and has preferred selectivist measures. Social insurance benefits have therefore been allowed to wither.

Pensions reform saw not the re-indexing of the state pension to earnings but the introduction of a means-tested Minimum Pension Guarantee. As a result of the objection that this created a savings trap, for those whose incomes were just above the entitlement threshold, the government introduced a means-tested pensions credit above the level of the MIG.

- New Labour has wanted to 'make work pay'. It is aware that employment is not *per se* the route out of social exclusion since wages may be low. Therefore, it has sought to raise the floor below which wages cannot fall and to improve the system of in-work transfers.

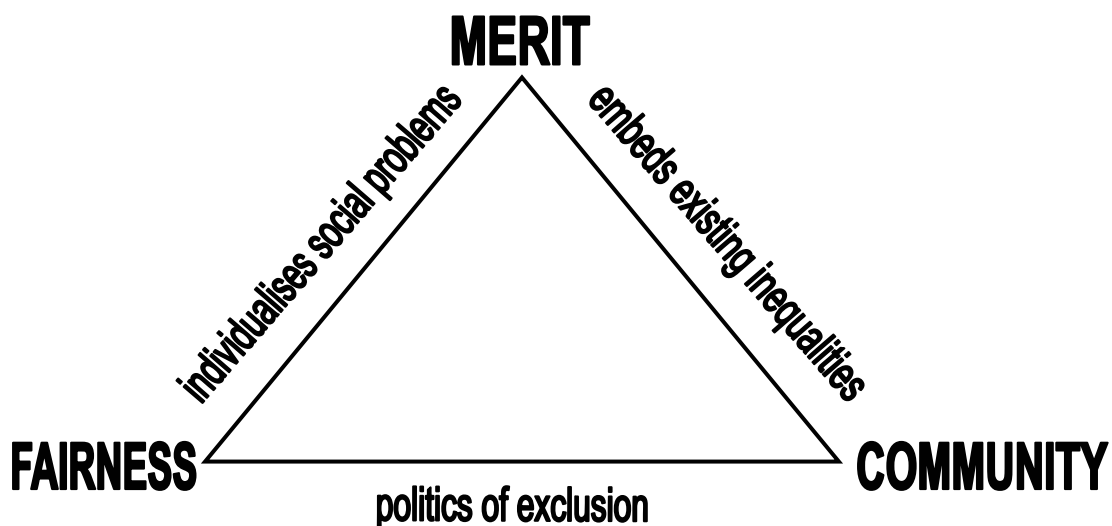
Minimum wage now stands at £4.85 per hour (for those aged 22 or more). TUC wants £6 for all ages introduced in 2006.

Tax credits were introduced in 1999 and the various strands are now in the process of being integrated. 2003 saw the introduction of a Child Tax Credit and a Working Tax Credit; in 2004 the Pensions Credit was introduced.

- The government has repeatedly emphasised the importance of private provision. As social insurance has declined so people have been encouraged (though not yet compelled) to take out private forms of insurance (pensions again).

- Government has been receptive to the idea of the work-life balance, given its commitment to women entering the labour market and to families. Because British workers work the longest hours in Europe and stress is the greatest cause of absence from work. So far this has taken the form of improved parental leave and encouraging employers to be flexible. More radical suggestions, e.g. for a 'part-time economy' not really on the agenda.
- New Labour also receptive to idea of limited 'citizenship grants'. Child Trust Fund running from January 2005. Children born after August 31, 2002 are eligible for the new scheme where the government gives £500 to every poor child and £250 to better-off families to encourage the savings habit. This money can then be added to by family, friends and later the child her/himself. Together with top-ups made by the Government each child's nest egg will grow to an average of £3,000 to £4,000 by the time they are 18. A form of *asset-based welfare* and the role that assets (financial stocks and resources ones) can play in improving individual and collective wellbeing.

Idea of introducing universal citizen's pension is also part of British political discussions, though far from being adopted as government policy.



In short, the proposed advantages of the new social democracy over the old is (a) its abandonment of strong equality (so putting less pressure on social expenditure and economic regulation) and (b) its attempt to maintain social cohesion by appealing to (i) traditional values and norms (e.g. that social participation means being in paid work, so producing high levels of taxation to fund increased expenditure on 'good' welfare [schools and hospitals]), (ii) cracking down on forms of behaviour that threaten or are feared may threaten social harmony (curfews, ASBOs, zero tolerance, incarceration, anti-terrorism).

New Labour therefore believes that it can have social justice with economic dynamism while avoiding a legitimisation crisis – though with many other countries UK politics suffering from deficits of trust and democracy.

The main problems with NSD are as follows.

Merit + fairness. Genuine equality requires the removal of the structures that distribute power, wealth and capital unevenly. To graft a few 'meritocratic' policies onto a class society means that (1) existing structural inequalities are justified, because inequalities are now wrongly held to result from individual efforts, and (2) those at the social bottom are held responsible for their disadvantages because they obviously did not make proper use of the opportunities provided for them.

Equality of opportunity is meaningless without some equalization of outcomes, otherwise the former ossifies into the very system of undeserved advantage and disadvantage that it is meant to correct. 'Outcome equality' requires not just social protection but a substantial redistribution of material and cultural resources.

Merit + community. For instance, it is socially conservative. Existing hierarchies treated as natural and desirable, because *desired* by those who gain the most from them. Two instances of this. First, market forms of independence are fetishised. Second, treats dependency upon the state is treated as the main problem. This misses other forms of dependency that may be equally damaging, e.g. upon the labour market and upon the family.

Fairness + community. Once social justice brought together with pathological approach then the socially excluded become a source of otherness who must attract surveillance, disciplinary strategies etc. Risk of ghettoisation and alienation of public space.

What might the possible alternatives be? Are they desirable and can they address the same social, economic & cultural developments NSD claim to successfully address?

One of those debates obviously concerns globalisation and some insist that globalisation can be shaped according to social democratic principles and aims. Once we have established that globalisation does not necessarily sound the death knell of social democracy, even if it does make life harder for high-spending welfare states, then we can imagine a social democratisation of global markets converging with the global-orientation of social democratic movements to produce a new form of politics which makes room where it is wanted for egalitarian solutions to social problems. However, a successful expansion of the geographical scope of social democracy depends upon being clear about what kind of social democracy we want.

I want to distinguish between productivist and a post-productivist social democracy. A succinct defence of the former is provided by Midgely and Tang (*International Journal of Social Welfare*, 2001) when they contend that social democrats have to beat conservatives at their own game by shaping capitalism so that (1) it generates greater wealth and growth than under laissez faire regimes, but (2) without abandoning the fair distributions which are essential to social democracy and appeal to most people's innate sense of decency and humanity. The history of social democracy is therefore the history of productivist attempts to balance (1) and (2) in a variety of national, political and cultural contexts.

Productivism is not the same as productivity. It is the ideological fetishisation of productivity growth where the latter takes on the quality of an end rather than a means.

This is not to suggest that productivity becomes simply an end-in-itself since there are goals that productivity and growth are always designed to serve: for social democrats this goal involves fair distributions. However, by taking on the quality of an end the drive for ever-greater productivity reconfigures these goals so that they, themselves, are interpreted in terms of their contribution to GDP growth. Distributions are largely regarded by social democratic parties as fair or unfair in relation to *economic* contributions, hence the social democratic emphasis upon redistribution by and through employment. For productivity to serve deeper goals those goals must serve the processes of productivity growth. So, productivism is the institutional, discursive and psychological process by which social goals are subordinated to the domains of productivity growth.

While its productivist appeals have enabled social democracy to become socially and politically embedded, they have also undermined its ability to recognise the potential limits to productivism. To specify those limits I need to define two forms of value: emotional and ecological.

First, there is the kind of emotional value expressed in an ethic of care and for which the much sought-after work-life balance is an obvious condition. Carework creates economic (or exchange) value, in that it involves the performance of activity that neither the capitalist market nor the state have either the inclination or the ability to remunerate in full, yet economic value is not its primary rationale. We do not have children in order to populate the future economy, or look after us in old age; we do not care for elderly relatives in order to make a profit. Some care can and should be performed as waged activity, and should be factored much more closely into social and economic policies than at present, but most care will always remain informal, performed for reasons of emotional belonging.

Second, there is the ecological value of the environment. Greens have long pointed out that economic value depends upon and feeds off an environmental substructure. The resources we mine and the ecosystem we pollute are the origins of economic value yet economic orthodoxy still relates productivity to labour rather than to natural resources. A much wider conception of social activity and participation is required, one that sets the economic in an environmental context rather than the other way around.

We therefore have two forms of value, emotional and environmental, that are related to, but might be said to underpin, the economic value that remains central to contemporary societies. The emotional and the environmental are not, therefore, *different* forms of value but the strata upon which economic value is dependent and against which it must be measured.

For the sake of convenience let me place emotional and ecological value under the joint heading of 'reproduction'. Productivism is that which would subsume reproduction within the sphere of production, insisting that the costs of pursuing ever-higher levels of economic wealth *can* be incorporated within the existing political economy, e.g. by insisting that carework and sustainability are job- and therefore growth-friendly.

Post-productivism is that which would subsume production within the spheres of reproduction, insisting that those costs are beyond the capacity of the employment society to fully recognise and absorb so that we must alter our conceptions of value and so of affluence, growth and work. Post-productivism is therefore a doctrine of 'reproductivity' whereby economic growth is justified if and only if it can be demonstrated that the emotional and ecological sources of production are enhanced. Reproductivity does not, then, deny the importance of productivity but subjects it to 'non-productivist' criteria, e.g.. it points out that there are emotional limits to the extent to which working-time can be squeezed and ecological limits to reliance upon cheaper raw materials.

Concentrate on ecological case.

Evidence suggests that social democratic societies like Sweden are the Greenest. But because of the stress upon international market competitiveness the emphasis has been placed upon technological, end-of-the-pipe fixes, top-down managerialism rather than grassroots democracy, a win-win philosophy that avoids the difficult questions of trade-off and a legacy whereby Swedish industry has developed through environmental exploitation. Environmental concerns have not been integrated into the wider array of economic, social and welfare issues, unless to justify a 'business as usual' approach.

Jamison and Baark find that Denmark's record is better but that, even here, environmental policies have not been integrated in the social lifeworld, such that they are easily abandoned when they become too costly – a risk also noticeable in Finland. In the Netherlands and Norway, the environment tends to be brought into the decision-making picture only when it benefits, but does not challenge, economic orthodoxy, e.g. job creation in the waste management industries.

So while the social democratic record is impressive its incompleteness may be due to the limits of productivism rather than to defects in policy making that merely require an administrative fix. If so, then there is a question mark over whether the solution to the problems of productivism is yet more productivism. In terms of both caregiving and sustainability, social democracies have arguably gone further than other countries in incorporating reproductive values into their socioeconomic institutions and policies. Yet they are bumping up against the limits of productivism because the dominance of economic value makes it harder to achieve more than modest (though still welcome) forms of gender equality and sustainability. The Centre-Left may, therefore, face a choice between seeking a productivist future and a post-productivist one.

What might a post-productivist welfare system resemble?

Post-productivism might be formulated as a post-employment approach in which multiple forms of valuable activity, both formal and informal, are identified and nurtured. What this implies is that economies cannot be based (as they are now) upon the fiction that wages are or can be the dominant means through which the mass of people generate and exchange value. If there is to be an expansion of informal activity then non-waged equivalents have to be encouraged and, in fact, those equivalents are already available in the form of time.



Bob Goodin supports a welfare society of resource autonomy, the resource in question being available in two currencies: income and time. This means correcting imbalances in the existing distribution of resources between employed and unemployed, men and women, affluent and non-affluent. Since the *sine qua non* of this approach is often taken to be the freeing up of time, so that it can be distributed more equitably in conjunction with income and wealth, we should examine this at more length.

Gender imbalances require a greater equilibrium between homelife and worklife and a redistribution of carework from women to men. But it is the broader divisions of affluence which present even more of a problem. Challenging the culture of overwork means encouraging many of those who are time rich and income poor to converge upon those who are time poor and income rich, and *vice versa*. As always, though, desire is unlikely to translate into social change unless government channels preferences and actions in the appropriate direction.

Among other things this might suggest more imaginative employment policies. For instance, employers might be obliged to replace wage increments with increments of time above a stipulated level of the pay scale. The establishment of time banks and time credit schemes could accompany the new fashion for Child Tax Funds and tax credits. And informal exchange schemes have been proposed as a means of repairing the defects produced by over-reliance upon formal labour markets.

#### Basic Income

One of the proposals often associated with a post-employment approach is that of a BI. This is because it does not make income maintenance conditional upon labour market activity and so could facilitate a more pluralist approach to social participation than is currently the case, e.g. an element of a political economy of care.

A Basic Income would be received by every man, woman and child periodically (whether on a weekly, monthly or annual basis) as an *unconditional right of citizenship*, i.e. without reference to marital or employment status, employment history or intention to seek employment. It would replace most of the benefits, tax reliefs and tax allowances that currently exist, and could be age-related, e.g. with a higher Basic Income for elderly people. Basic Income therefore represents an alternative both to means-testing and to the social insurance principle.

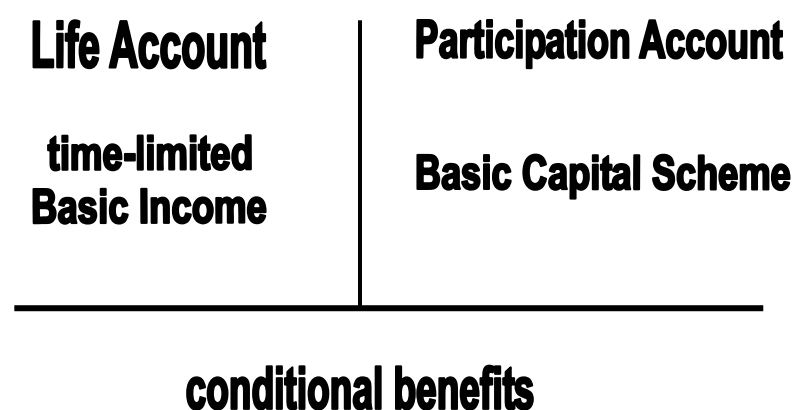
<b>conditional benefits</b>	<b>earnings</b>	<b>local currencies (of income and/or time)</b>	<b>other assets</b>
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## Basic Income

However, many complain about its unconditional nature.

Stuart White is one of these, says BI would permit free-riding and so violate the reciprocity of social interaction and cooperation. But while he rejects the proposal in its unconditional form he enthuses for one of BI's neighbours: a Basic Capital Scheme (BCS). White therefore ends in support for a two-tier welfare system. The main tier would be, as now, income-related and universal benefits linked to the performance of productive contributions; the second tier would comprise two accounts: a Life Account consisting of a BI that could be drawn without a participation test but which would be 'time-limited' to a specified number of years, and a Participation Account consisting of a BCS for which a test of qualification would be required but which could be used for a number of community-friendly activities. The BCS therefore derives from an asset-based or endowment-based version of egalitarianism.



Both of these strategies embody a post-employment approach in that they move away from the emphasis upon paid work, but White's continues to make paid work more central than an unconditional BI. So much of the controversy revolves around the principle of conditionality. Two considerations.

A favourite objection to BI is that its introduction would sanction unproductive behaviour and so lead to a new class of social drop-outs. A famous example derives from Rawls's response to the accusation that the difference principle (the idea that social and economic inequalities should be arranged so that they are to the greatest benefit of the least advantaged) would permit the idle to claim as big a share of social resources as the productive. By adding 16 daily hours of leisure time to his index of primary goods Rawls can therefore classify as a free rider the kind of person who chooses to spend their waking hours surfing off the Malibu beach compared to those who work an 8 hour standard day. The difference principle is therefore a principle of fair reciprocity.

The initial problem is that we are all free riders at some point or another and in some respect or another. In the surfing example what happens if a wealthy businessman is walking along the beach and stops to admire the surfer's abilities? Should he offer a fee to the surfer, or if he does not does this mean that the businessman is now the free rider? But for how long? Can the accusation of free riding be levelled at the surfer again once the businessman has moved along? And what if a political theorist is passing who decides she can get a journal article out of asking these questions? Is a

fee now owed to the surfer and the businessman on pain of the political theorist becoming a free rider? In sum, how can we remove individual free riders when that potentially includes all of us?

Or is it that we should remove a *class* of free riders, i.e. those who free ride on a frequent basis that is socially unacceptable? Here, the problem lies in coming to a convincing consensus of what this class is and who belongs to it. Nancy Fraser maintains that (most) men free ride on the unpaid labour of (most) women.

However, Rawls and White might contend that their aim is not to abolish *the* free rider but to reduce the opportunities for free riding in general. However, it may be that a certain amount of mutual free riding is an ineliminable *and even necessary* part of tit-for-tat social cooperation, i.e. a form of back-scratching social exchange where we occasionally turn a blind eye in return for others' doing the same for us. Therefore, it may be perfectly desirable to reduce the opportunities for free riding without having to imagine that free riding must disappear in its entirety. The need to maintain social interdependency does not necessarily require that we police and stamp down on each and every possible example of free riding; interdependency may require identification and valuation of those instances where (a) free riding contributes to interdependency and/or (b) a politics obsessed with free riding is counter-productive.

Secondly, think of the following scenario. After being shipwrecked Alf and Betty are lucky enough to find themselves on a beach with a large pool of fish and some useable angling equipment left by the beach's previous inhabitants. If Betty then catches a large haul of fish does Alf, after lounging around all day, have the right to claim an equal share on the grounds that the pool and the equipment are their joint inheritances? White argues not on the grounds that it was Betty's labour which enabled the fish to be caught and Alf cannot claim an equal share of *that* since he chose to relax instead of working.

Is White correct to reject Alf's claim? He is, as things stand. But what if Alf's claim is not for an *equal* share but for a *minimal* share of the fish on the grounds of common ownership? Does he not have a *prima facie* case now? White can still argue that it was Betty's *labour* which enabled the resource to be converted into food but this all depends upon where we decide to make the distinction between labour and inheritance. If the previous inhabitants left the equivalent of enough fish – caught, prepared and ready to eat – to last two people on minimal rations for a lifetime, i.e. the fish and not just the rod, then Alf's claim again appears reasonable and Betty's labour is a personal choice (that Alf is not obliged to subsidise through a work test) designed to yield more-than-minimal rations for her and her alone. In short, if there are analogies where Alf's claim can be rejected there are others where it cannot.

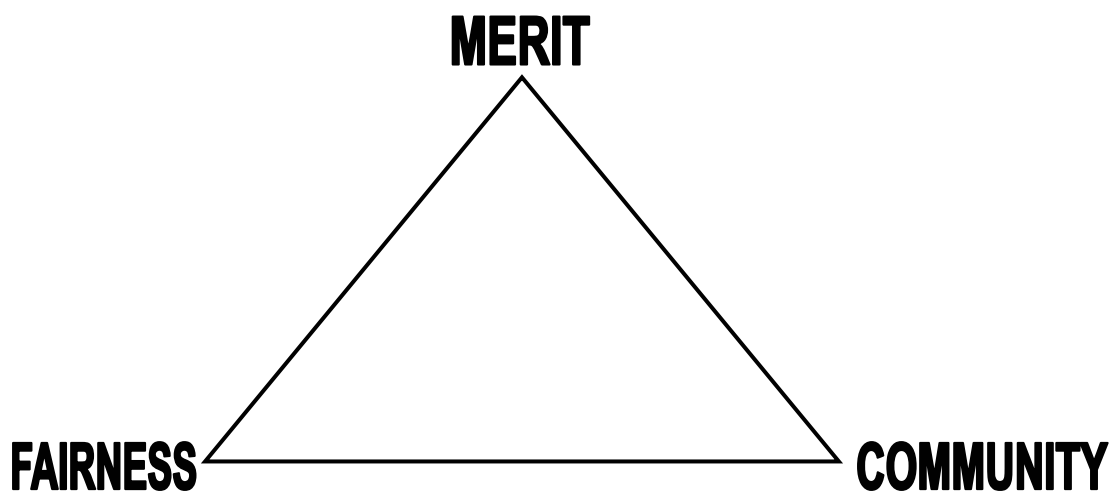
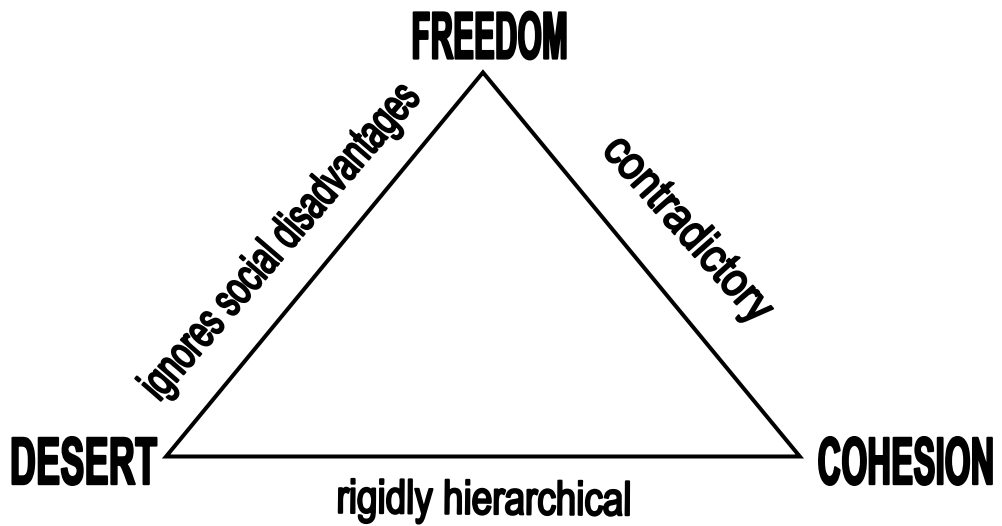
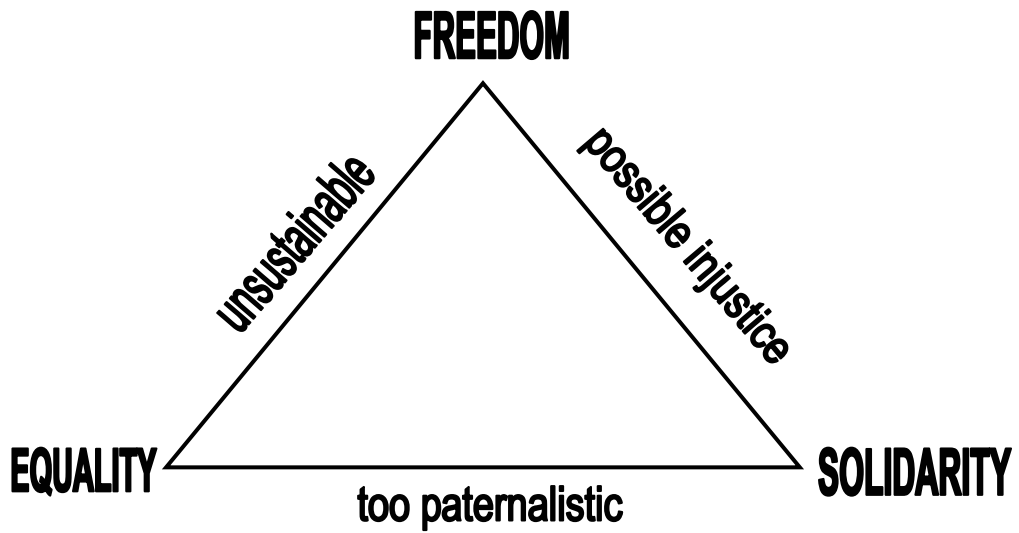
Take another example. What if Betty is over-fishing such that the pool barely has time to replenish? If labour is all important then she can still claim to deserve the fish she catches, regardless of the consequences, since her reward is proportional to the effort she expended. Unfortunately it also means that if everyone else copied Betty the use of resources would be unsustainable and the stock would be quickly exhausted. Perhaps, then, Alf's claim for a minimal share of the fish that Betty's labour has produced can be made on the grounds that his non-work is necessary in order to ensure that Betty actions (her labour) are sustainable. In short, non-work may be a

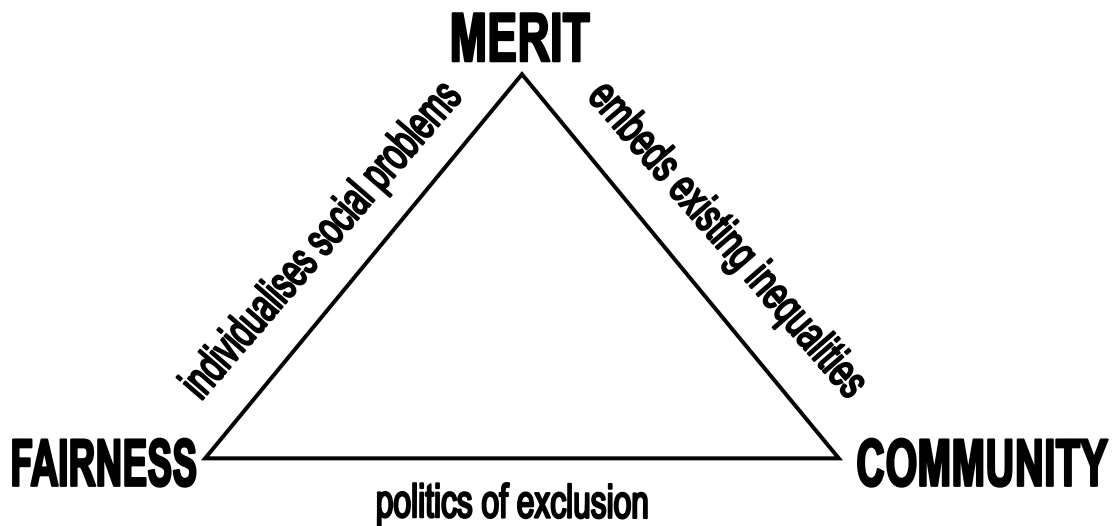
sign of laziness and lack of contribution, but it may not. The implication is that *social* obligations do not always correspond to labour and that the meaning of work is and should be contestable.

So my point is not to reject the concept of social obligations but to observe that ‘duty’ and ‘reciprocity’ do not coincide as closely as White believes. There may be actions that I *should* not reciprocate and it may be that I owe duties to those who *cannot* do so. In the case of future generations, for example, it may be that the duties we owe to our descendants, as a kind of intergenerational interdependency, are actually stronger than those which are prompted by an ethic of reciprocity.

We therefore have 3 strategies (see figure):

1. NSD’s attempt to forge a ‘new productivism’ based upon merit, community and fairness, where employment is absolutely central but where new synergies are formed between workplace and needs of families.
2. A politics of post-productivist based upon equality and deliberative democracy (neither justified here), with a more pluralist attitude towards social contribution and remuneration.
3. A compromise between the two (White’s approach).





**conditional benefits   earnings   local currencies  
(of income and/or time)   other assets**

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**Basic Income**

**Life Account**

**Participation Account**

**time-limited  
Basic Income**

**Basic Capital Scheme**

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**earnings & conditional benefits**

