

THE ROOTS AND RATIONALE OF SOCIAL DEMOCRACY

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I. INTRODUCTION

Two related themes have dominated discussions about the Left in advanced industrial democracies in recent years. The first is that an increasingly integrated world economy is creating a fundamentally new situation for leaders and publics, imposing burdens and constraining choices. You can either opt out of the system and languish, or put on what *New York Times* columnist Thomas Friedman has called neoliberalism's "Golden Straightjacket"—at which point "two things tend to happen: your economy grows and your politics shrinks."¹ The second is that traditional social democracy has played itself out as a political ideology, creating a vacuum that can and should be filled by some new progressive movement with greater contemporary relevance. For example, Ralf Dahrendorf has argued that "socialism is dead, and . . . none of its variants can be revived," while Anthony Giddens has written that reformist socialism has become "defensive" and perhaps even "moribund."²

This essay argues that social democracy's current problems provide a perfect opportunity for a reassessment of its history and significance. This is because for all its purported novelty, the issue at the heart of contemporary globalization debates—whether political forces can dominate economic ones or must bow before them—is not new at all, but rather very old. Indeed, social democracy emerged from similar debates, within the international socialist movement a century ago, about the relative power and import of political and economic forces. It is because such debates have been forgotten or misunderstood that contemporary discussions of social democracy are so superficial and intellectually impoverished; it is also why refreshing the democratic Left's collective memory about its past is so important.

These days, the term "social democracy" has been stripped of all concrete referents and transformed into a content-free label. Confusion about the movement's nature and goals extends beyond politicians and voters to academic specialists as well. Some of these specialists, for example,

¹ Thomas Friedman, *The Lexus and the Olive Tree: Understanding Globalization* (New York: Farrar, Straus, and Giroux, 1999), 87.

² Ralf Dahrendorf, *Reflections on the Revolution in Europe* (London: Chatto and Windus, 1990), 38; Anthony Giddens, *Beyond Left and Right: The Future of Radical Politics* (Stanford, CA: Stanford University Press, 1994), 51–52.

view social democracy as an unstable halfway house between Marxism and liberalism, locating its essence in the rejection of revolutionary violence and the acceptance of bourgeois democracy.³ Others view it solely in terms of its praxis, locating its essence in the commitment to a specific set of reforms.⁴ Each of these views contains some truth, but misses the larger picture. Properly understood, social democracy is far more than a particular political program. Nor is it watered-down Marxism or bulked-up liberalism, but rather, at least as originally conceived, a full-fledged alternative to both, having at its core a vision of how collective political action can shape history and serve the common good.

The main goal of this essay is therefore to excavate the roots and rationale of social democracy and show that it is (or rather, was) a movement with a coherence and logic all its own—one not always recognized by all at the time and since, which has caused the term to be applied both indiscriminately and confusingly. As I use the term,⁵ social democracy refers exclusively to the movement and ideology that emerged from the democratic revisionism that Eduard Bernstein and others espoused in the late nineteenth and early twentieth centuries, which itself is best understood not as an updated version of orthodox Marxism (as most accounts would have it), but as a fundamental rejection of some of its most important principles. During the interwar years, through the work of thinker-activists such as Hendrik de Man, Marcel Déat, Nils Karleby, Ernst Wigforss, and others, democratic revisionism acquired a full-fledged program based on using democratically acquired political power to direct economic forces in the service of the collective good. The new movement gained its first test in Sweden during the 1930s and spread across the entire European continent in the wake of the Second World War. Success bred complacency and stagnation, however, as the movement failed to respond actively or creatively to the economic woes of the 1970s and 1980s, opening the door to feisty neoliberal and right-wing populist challenges. Revealing social democracy's true ideological and political contours can help social scientists gain insight into one of the most important yet least

³ Thus, Lenin fervently attacked Eduard Bernstein and other forefathers of social democracy for what he saw as their attempt to sully socialism with "bourgeois liberalism." True revolutionary socialists, he argued, recognized the "antithesis in principle between liberalism and socialism." See Vladimir Ilich Lenin, "What Is to Be Done?" in Robert Tucker, ed., *The Lenin Anthology* (New York: Norton, 1975), 12–114. For the notion that social democracy is distinguished by its belief in the possibility of a "parliamentary road" to socialism, see Adam Przeworski, *Capitalism and Social Democracy* (New York: Cambridge University Press, 1988); and Adam Przeworski and John Sprague, *Paper Stones: A History of Electoral Socialism* (Chicago: University of Chicago Press, 1986).

⁴ Some good recent statements of this view by self-professed social democrats include Edward Broadbent, "On Social Democracy," and Michael Walzer, "Editor's Page," both in *Dissent*, Fall 1999.

⁵ It is worth noting at the outset that based on the interpretation offered here, many individuals and groups who have referred to themselves as "social democratic" do not, in fact, qualify as such.

understood political movements of the twentieth century, and can also provide a fresh perspective on critical contemporary debates such as those over politics in an age of globalization and the future of the Left in advanced industrial democracies.

II. THE RISE OF ORTHODOX MARXISM

During the era of the First International (1864–76),⁶ the international socialist movement was influenced by a number of different doctrines and factions, as anarchists, Lassalleans, Proudhonians, Saint-Simonians, and others played significant roles in European working-class movements. By the last decades of the nineteenth century, however, a stripped-down, mechanistic, and rigidly codified version of Marxism had established itself as socialist orthodoxy across much of the continent. It was Engels, Marx's collaborator and leading apostle, who played the crucial role in creating the new doctrine.⁷ Although he occasionally bemoaned the vulgarization of Marxism that occurred after Marx's death and expressed his displeasure (usually in private)⁸ with those who put forward overly dogmatic and simplistic views of the master's teachings, it was nonetheless through Engels's writings that the scientific and deterministic orthodox Marxism of the Second International (1889–1914) was codified. Indeed, although Marx became a well-known figure during his lifetime, it was

⁶ The First International was founded in London in 1864. Karl Marx was a key figure in inspiring the International and was later chosen as its leader. Its goal was to unite all workers and socialist parties in the struggle for political power and socialist transformation. It lasted until 1876, when power struggles within the organization, especially between followers of Marx and those of the anarchist Mikhail Bakunin, led to its disintegration. The Second International was founded in 1889 in Paris, with Emile Vandervelde as its leader. This International was dominated by followers of Marx, but also became plagued by ideological cleavages that eventually contributed to its downfall. Its fate was sealed when its constituent parties proved unable to prevent the slide into nationalism and war in 1914.

⁷ There is a great debate in the literature about whether "orthodox Marxism" is a logical continuation or betrayal of Marx's thought. Since I am not concerned here with the true nature of Marxism, but rather with how a generation of socialists interpreted or perceived Marxism, this debate is not directly relevant to the argument presented here.

Nonetheless, it is clear that Marx's relative lack of concern with politics, combined with his emphasis on the primacy of economic forces in history, created a fateful dynamic for the generation of socialists that followed him. See, for example, Ralph Miliband, *Marxism and Politics* (New York: Oxford University Press, 1977); Robert C. Tucker, *The Marxian Revolutionary Idea* (Princeton, NJ: Princeton University Press, 1970); Alvin W. Gouldner, *The Two Marxisms* (New York: Seabury Press, 1980); Joseph M. Schwartz, *The Permanence of the Political* (Princeton, NJ: Princeton University Press, 1995); and G. A. Cohen, *If You're an Egalitarian, How Come You're So Rich?* (Cambridge, MA: Harvard University Press, 1999).

⁸ For example, in an oft-quoted letter to J. Bloch, Engels rejected the idea that either he or Marx had ever meant that the "economic element is the only determining one," which he described as a "meaningless, abstract, senseless phrase." (See Miliband, *Marxism and Politics*, 8.) Nonetheless, as even the few quotations presented below make clear, there is no doubt that Engels (as well as Marx) consistently insisted on the primacy of economic forces, and that in his popular writings in particular Engels presented a view of historical development that was deterministic and materialistic and paid little attention to the role of conscious human action.

really only in the dozen years between his death and that of Engels (i.e., between 1883 and 1895) that orthodox Marxism came into being as a coherent theoretical system.

At Marx's funeral, Engels indicated where he believed his friend's true legacy lay when he characterized Marx as the Darwin of socialism—the man who “discovered the laws of development of human history.”⁹ And indeed, historical materialism and the primacy of economics were absolutely central to Engels's interpretation of Marxism and were the focal points of many of his most popular writings. In *Anti-Dühring* (1878), for example, Engels's most influential work and the most often read and cited Marxist tract of the period, Engels laid out a simple economic and deterministic perspective. “The materialist conception of history,” he wrote, “starts from the proposition that . . . the final causes of all social changes and political revolutions are to be sought, not in men's brains, not in man's better insight into eternal truth and justice, but in changes in the modes of production and exchange. They are to be sought, not in the *philosophy* but in the *economics* of each particular epoch.”¹⁰ Even more so than Marx, Engels presented in his popular writings a view of history following an inevitable, lawlike progression that leaves little room for conscious human action. “Revolutions,” according to Engels, “are not intentionally and capriciously made, but rather have universally been the necessary consequence of conditions completely independent of the will and leadership of individual parties and entire classes.”¹¹

Engels also gave the notion of the “end of politics” its most popular Marxist expression:¹²

As soon as there is no longer any social class to be held in subjection . . . nothing more remains to be repressed and a special repressive force, a state, is no longer necessary. The first act by virtue of which the state really constitutes itself as the representative of the whole of society . . . is its last independent act as a state. [Under socialism,] state interference in social relations becomes . . . superfluous . . . and the government of persons is replaced by the administration of things. . . . The state is not “abolished.” *It dies out.*¹³

⁹ Friedrich Engels, “Speech at the Graveside of Karl Marx,” in Robert C. Tucker, ed., *The Marx-Engels Reader* (New York: W. W. Norton, 1978), 681–82.

¹⁰ Friedrich Engels, *Anti-Dühring: Herr Eugen Dühring's Revolution in Science* (Moscow: Foreign Languages Publishing House, 1962), 365–66. See also volume 1 of M. C. Howard and J. E. King, *A History of Marxian Economics* (Princeton, NJ: Princeton University Press, 1989) for a discussion of how *Anti-Dühring* and Engels's work more generally affected the development of Marxian economics.

¹¹ Friedrich Engels, “Socialism, Utopian and Scientific” (selections from *Anti-Dühring*), reprinted in Carl Cohen, ed., *Communism, Fascism, and Democracy* (New York: Random House, 1966), 125.

¹² On this point, see Miliband, *Marxism and Politics*, 11.

¹³ Engels, “Socialism, Utopian and Scientific,” 139.

Similarly, Engels also continued and strengthened Marx's campaign against those who wanted to place morality and idealism at the center of the fight for socialism, writing that "[w]e . . . reject every attempt to impose on us any moral dogma whatsoever . . . on the pretext that the moral world . . . has its permanent principles which stand above history and the differences between nations. We maintain on the contrary that all moral theories have hitherto been the product . . . of the economic conditions of society obtaining at the time."¹⁴

In short, by the time of his death in 1895 Engels had succeeded in creating an orthodox version of Marxism that was aggressively scientific, deterministic, and focused on the primacy of economic forces in history.

If Engels was largely responsible for the simplification and codification of Marxist orthodoxy, Karl Kautsky (1854–1938) was largely responsible for its popularization. Kautsky was the dominant Marxist intellectual of the Second International, and his writings were often the first, and sometimes the only, interpretation of Marx available to an entire generation of socialists in Germany and other parts of Europe. Indeed, "it was not so much in the original writings of Marx and Engels but rather through the [work of Kautsky] that Marxism was spread throughout the world."¹⁵ Although Kautsky's views evolved over time, most of his work presented Marxism as a scientific system containing laws of historical development. As one scholar notes, "It was thanks to [Kautsky's] interpretive works that the stereotype known as scientific socialism—the evolutionist, determinist, and scientific form of Marxism—became universally accepted in its main lines."¹⁶

Kautsky had been a Darwinian before he became a Marxist, and this inheritance critically shaped his interpretation. For example, like Engels, Kautsky's obituary of Marx compared the master's legacy to that of Darwin: "Through his search for the laws of economic and historical development, Marx has found a place amongst the greatest thinkers and scholars. No one could or would even wish to dispute that [his theory] gave

¹⁴ Engels, *Anti-Dühring*, in Tucker, ed., *The Marx-Engels Reader*, 726.

¹⁵ Hans Kelsen, *Sozialismus und Staat: Eine Untersuchung der politischen Theorie des Marxismus* (Leipzig, Germany: C. L. Hirschfeld, 1923), 194. The amount of work on Kautsky and his interpretation of Marxism is huge. See Massimo Salvadori, *Karl Kautsky and the Socialist Revolution, 1880–1938*, trans. Jon Rothschild (London: NLB, 1979); Gary Steenson, *Karl Kautsky, 1854–1938: Marxism in the Classical Years* (Pittsburgh, PA: University of Pittsburgh Press, 1978); Leszek Kolakowski, "German Orthodoxy: Karl Kautsky," in Kolakowski, *Main Currents of Marxism* (Oxford: Clarendon Press, 1978), 31–60; Walter Holzheuer, *Karl Kautskys Werk als Weltanschauung: Beitrag zur Ideologie der Sozialdemokratie vor dem Ersten Weltkrieg* (München, Germany: Beck, 1972); Ingrid Gilcher-Hotley, *Das Mandat des Intellektuellen: Karl Kautsky und die Sozialdemokratie* (Berlin: Siedler, 1986); Erich Matthias, "Kautsky und der Kautskyanismus: Die Funktion der Ideologie in der deutschen Sozialdemokratie vor dem ersten Weltkrieg," *Marxismusstudien* 2 (1957): 151–97; and, more generally, David Morgon, "The Orthodox Marxists: The First Generation of a Tradition," in R. J. Bullen, H. Pogge von Strandmann, and A. B. Polonsky, eds., *Ideas into Politics: Aspects of European History, 1880 to 1950* (London: Croom Helm, 1984), 4–14.

¹⁶ Kolakowski, "German Orthodoxy," 31–32.

science the same importance as Darwin's theory, and just as the latter dominated the natural sciences, so Marx's theories dominate the social and economic sciences."¹⁷ Similarly, in explaining the significance of Marx's materialist conception of history, Kautsky noted that "here were not merely the laws of motion of the modern mode of production more deeply revealed than ever before, its laws of evolution were also recognized and disclosed. . . . *Das Kapital* turned theoretical socialism into a distinct science which one can perhaps define as the study of the laws of evolution of modern society."¹⁸

Kautsky painted a picture of the capitalist system characterized by increasing crises and misery, a system careening rapidly toward its own demise. In one of his more widely read works, for example, he wrote that "[e]ver larger and more powerful grows today the mass of the propertyless workers for whom the existing system is unbearable; who have nothing to lose by its downfall but everything to gain. . . . The capitalist system has run its course; its dissolution is now only a question of time. . . . Irresistible economic forces lead with the certainty of doom to the shipwreck of capitalist production."¹⁹ Additionally, Kautsky's vision of historical development and of the transition to socialism left little room for the role of conscious human action and morality. "Historical materialism brings morality down to earth . . . from its heavenly heights. We learn to recognize its animal origin and to see how its transformations in human society are conditioned by the transformation which society undergoes as it is driven forward by technical innovations. . . . The direction in which the development of society actually moves is a function not of the moral ideal but of the given material conditions."²⁰

The orthodox Marxism promulgated by Engels and Kautsky was in many respects an extremely successful ideology. Within two decades it had become the dominant socialist doctrine within the Second International, putting other strands of leftist thought on the defensive.²¹ It provided a simple, accessible, and optimistic catechism suitable for mass proselytizing, one with a straightforward and powerful vision capable of

¹⁷ Karl Kautsky, "Obituary of Marx," *Die Neue Zeit*, 1883, quoted in Georges Haupt, *Aspects of International Socialism, 1871-1914* (Cambridge: Cambridge University Press, 1986), 10.

¹⁸ Quoted in H. Kendall Rogers, *Before the Revisionist Controversy: Kautsky, Bernstein, and the Meaning of Marxism* (New York: Garland Publishing, 1992), 22.

¹⁹ Karl Kautsky, *The Class Struggle* (New York: Charles Kerr, 1910), 119. One can find these views presented in any number of Kautsky's popular writings. See, for example, Karl Kautsky, *The Capitalist Class* (New York: National Executive Committee of the Socialist Labor Party, 1918); Karl Kautsky, *The Economic Doctrines of Karl Marx* (Hampstead, England: N. C. L. C. Publishing Society, 1936); and Karl Kautsky, *The Working Class* (New York: New York Labor News Co., 1918).

²⁰ Karl Kautsky, "Ethics and the Materialist Conception of History," in Patrick Goode, ed., *Karl Kautsky: Selected Political Writings* (London: Macmillan, 1983), 41.

²¹ This is not true of England and parts of southern Europe (e.g., Spain and Portugal) where *orthodox* Marxism never developed the hold over workers' movements that it did in other parts of Western Europe. As a result, these countries are excluded from this study.

winning converts across the globe. Furthermore, since the 1870s and 1880s were difficult times for socialists across Europe, with economic depression and repressive legislation taking a heavy toll on workers and therefore on labor movements, a doctrine that stressed the misery, inefficiency, and imminent collapse of capitalism helped many socialists keep their faith. Still, as the turn of the century neared, the situation confronting European socialists was changing once again, and the new conditions threw orthodox Marxism's weaknesses into unflattering light.

The last years of the nineteenth century, like those at the end of the twentieth and the beginning of the twenty-first, were marked by rapid and disorienting change. Then as now, a wave of globalization swept the globe, engulfing much of the European periphery and bringing new world products to Europe's shores. The structure of private capitalism was also changing, as business engaged in a frenzy of mergers, acquisitions, and cartelization while union organizing continued apace. By the end of the nineteenth century, observers like Lenin, John Hobson, and Rudolf Hilferding were proclaiming the dawn of a new and potentially more conflictual capitalist era. Alongside these economic shifts, social and political changes were also transforming Europe. Between 1870 and 1900, the population grew by more than 30 percent; since agricultural and rural areas continued to shrink, this left the region more urbanized and secularized than ever. This, in turn, weakened traditional elites and socioeconomic relationships and contributed to growing levels of class and political conflict.²²

These economic, social, and political changes created a number of problems for orthodox Marxism. One stemmed from the fact that many orthodox Marxist predictions had not come true. The proletariat was not growing immiserized, small farming and business were not disappearing, the middle classes were expanding and becoming more differentiated, and economic collapse seemed increasingly remote. By the 1890s, European capitalism was exhibiting renewed vigor, and the bourgeois state was undertaking important political, economic, and social reforms.

A second problem stemmed from the fact that orthodox Marxism had real failings, not merely as a guide to historical development, but also as a guide to constructive political action. By the end of the nineteenth century, socialist parties were becoming powerful actors in a number of European countries (e.g., Germany, France, and Italy), yet orthodox Marxism could not furnish them with a strategy for using their power to achieve their ultimate goals. Indeed, as noted above, orthodox Marxism had little in general to say about the long-term role of political organizations in the transition to socialism. For the most part, it offered only a

²² See H. Stuart Hughes, *Consciousness and Society: The Reorientation of European Social Thought, 1890-1930*, rev. ed. (New York: Vintage Books, 1977); Mark Mazower, *Dark Continent* (New York: Knopf, 1999); and Gerhard Masur, *Prophets of Yesterday* (New York: Macmillan, 1961).

counsel of passivity, of waiting for the contradictions within capitalism to emerge and bring the system down, and many found this highly unlikely as well as increasingly unpalatable.

A third problem stemmed from the increasing gulf between orthodox Marxism's passive laissez-faire economism—its insistence that government policies could not and should not fundamentally change the workings of the market—and the psychopolitical needs of mass populations under economic and social stress. Orthodox Marxism shared this failing with its liberal cousin, and as a result both found themselves under attack during the fin de siècle. Then as now, a growing number of voices were heard bemoaning the erosion of traditional values and communities and the rise of social dislocation, atomization, and fragmentation. As a result, the era witnessed a surge in communitarian and nationalist thought and a renewed emphasis on the import of morality, ideals, and faith, as Europeans groped for ways to reintegrate their societies and restore a sense of purpose to the corrupt, amoral, and "disenchanted" bourgeois world.²³

III. THE RISE OF REVISIONISM

If socialism were not going to come about simply because it was *inevitable* (as Marx, Engels, and many of their influential followers believed), then it would have to be achieved as the result of human action. Some, like Lenin, felt that socialism could be *imposed*, and set out to spur history along through the politico-military efforts of a revolutionary vanguard. In Lenin's revision of Marxism, historical materialism was replaced by the belief that individuals could be the prime movers of history. Indeed, as François Furet noted, Lenin's revolution "symbolize[d] above all the role of volition in politics and was the proof and even the guarantee that people can tear themselves away from their past in order to invent and construct a new society. It was the opposite of necessity."²⁴

²³ For a discussion of these trends and the thinkers associated with them, see Hughes, *Consciousness and Society*; Carlton J. H. Hayes, *A Generation of Materialism, 1871–1900* (New York: Harper and Bros. Publishing, 1941); Hans Kohn, *Political Ideologies of the Twentieth Century* (New York: Macmillan, 1949); Robert A. Nisbet, *The Sociological Tradition* (New York: Basic Books, 1966); Robert A. Nisbet, *The Quest for Community* (New York: Oxford University Press, 1953); and Reinhart Koselleck, *Critique and Crisis: Enlightenment and the Pathogenesis of Modern Society* (New York: Berg, 1988).

²⁴ François Furet, *The Passing of an Illusion* (Chicago: University of Chicago Press, 1999), 31–32. Indeed, many important figures on the Left found this (rightly or wrongly) to be absolutely central to Lenin's appeal. For example, Georg Lukács argued that "Lenin succeeded in refuting the 'laws' of capitalist development and injected a sense of urgent political action in Marxism." (Quoted in Carl Boggs, *The Socialist Tradition: From Crisis to Decline* [New York: Routledge, 1995], 45.) Similarly, Antonio Gramsci defined the Bolshevik revolution as "the revolution against Karl Marx's *Capital*": "Events have exploded the canons of historical materialism. The Bolsheviks reject Karl Marx, and their explicit actions and conquests bear witness that the canons of historical materialism are not so rigid as might have been thought." (Quoted in Andrzej Walicki, *Marxism and the Leap to the Kingdom of Freedom* [Stanford, CA: Stanford University Press, 1995], 119.)

Other revisionists, however, rejected violence and elitism and chose instead to revamp the socialist program so as to attract the support of a majority of society. They felt that if the triumph of socialism was not going to be inevitable, it could be made *desirable*, and could emerge through the active, collective choices of human beings seeking a better, higher good. These democratic revisionists rejected the pseudoscientific and materialist justifications of socialism proffered by orthodox Marxists; they called for a rediscovery of socialism's moral roots and an emphasis on the ideals and spirit underlying the original Marxist project. (As some contemporary observers noted, they wanted to exchange Hegel for Kant.)²⁵ Although their thought and actions often emerged independently and differed according to the local context, the democratic revisionists shared an emphasis on the desirability rather than the necessity of socialism, on morality and ethics as opposed to science and materialism, and on human will and cross-class cooperation rather than irresistible economic forces and inevitable class conflict. By the early twentieth century, the gulf between democratic revisionists and orthodox Marxists made the international socialist movement, like many of its constituent parties, a house divided against itself.²⁶

The schism was epitomized by the debate in Germany between Eduard Bernstein and his critics. Germany, it must be remembered, was the stronghold of orthodox Marxism. The country was home to the continent's most powerful socialist party (Sozialdemokratische Partei Deutschlands, or SPD) as well as its most influential theoreticians, and by the end of the nineteenth century the SPD (or at least many of its leading figures) had come to see itself as the standard-bearer and defender of orthodox Marxism.²⁷

²⁵ On the shift to Kantianism within socialism, see Karl Vorländer, *Kant und Marx* (Tübingen, Germany: Mohr, 1926).

²⁶ It should be noted that another strand of revisionism developed at around the same time—this strand was perhaps best epitomized by Georges Sorel. Like Lenin, Sorel's revision of Marxism stressed voluntarism and embraced violence as a potential weapon in the historical struggle. However, unlike Lenin, but like Eduard Bernstein and other democratic revisionists, Sorel and other "revolutionary revisionists" (as they have been called by Zeev Sternhell in, for example, Zeev Sternhell, *The Birth of Fascist Ideology* [Princeton, NJ: Princeton University Press, 1994]) tapped directly into the longing for a new morality, idealism, and community that characterized Western Europe (and France in particular) at the fin de siècle. Socialism, in Sorel's view, would result from "active combat" by individuals motivated by myths and a revitalized ethical or moral system. As with the revisionists discussed in this section, therefore, Sorel rejected the materialism and moral sterility of orthodox Marxism and came up with a revisionist socialism that stressed values, psychology, and activism. Indeed, although differing in important ways, the similarities between Sorel's revisionism and that of Bernstein are striking. In fact, Sorel was very interested in Bernstein's criticism and revision of Marxism, even arguing that if Bernstein had been born in France rather than Germany, he would have been a "revolutionary" revisionist or syndicalist rather than a social democrat. See, for example, Georges Sorel, *Reflections on Violence* [1908] (London: Collier Books, 1950), 141. I will pursue the connections among these different strands of revisionism in *The Primacy of Politics: Social Democracy and the Ideological Dynamics of the Twentieth Century* (Cambridge University Press, forthcoming).

²⁷ See Sheri Berman, *The Social Democratic Moment: Ideas and Politics in the Making of Interwar Europe* (Cambridge, MA: Harvard University Press, 1998), 66–95.

This ensured that any critique of orthodoxy arising within the party would take on special significance. And indeed, although party policies and positions had been questioned in the past, Bernstein's challenge represented a more fundamental threat to the party, and orthodox Marxism more generally, than anything that had come before.²⁸ Not only was he an important figure within the SPD and the international socialist movement more generally (he was named, for example, an executor of Engels's will), but his attack took aim not merely at bits and pieces of the SPD's program or appeal, but rather at the fundamental principles upon which orthodox Marxism had been built.

Bernstein's apostasy originated in his assessment of the implications of the changing conditions of his day, and in particular in his growing conviction that historical materialism could no longer provide a good explanation for the dynamics of contemporary capitalism or of the transition to socialism:

No one will deny that the most important part in the foundation of Marxism, the basic law so to speak, that penetrates the whole system, is the particular *theory of history* known as the materialist conception of history. In principle, Marxism stands or falls with this theory; and insofar as it suffers modification, the relationship of the other parts to each other will be affected. Any investigation into the correctness of Marxism must therefore start with the question of whether or how far this theory is valid.²⁹

Observing the world around him, Bernstein recognized that many of Marx's predictions were not being fulfilled.³⁰ He argued, for example,

²⁸ One standard way to characterize the difference between Bernstein and other early critics of orthodox Marxism is by seeing them as "revisionist" and "reformist," respectively. Broadly defined, "revisionism" refers to the attempt made by Bernstein and others to change the praxis of socialist parties by grounding it in a fundamental reevaluation of orthodox Marxism and developing a more suitable socialist theory. "Reformists" were also interested in changing the praxis, but unlike the revisionists, they were relatively uninterested in theory. For a discussion of reformist challenges to the SPD, see David Rosen, "German Social Democracy between Bismarck and Bernstein: George von Vollmar and the Reformist Controversy" (Ph.D. diss., University of Wisconsin, 1975); Gary P. Steenson, "*Not One Man! Not One Penny!*" *German Social Democracy, 1863-1914* (Pittsburgh, PA: University of Pittsburgh Press, 1981); Hans-Josef Steinberg, *Sozialismus und deutsche Sozialdemokratie: zur Ideologie der Partei vor dem 1. Weltkrieg* (Berlin: J. H. W. Dietz, 1979); and Stanley Pierson, *Marxist Intellectuals and the Working-Class Mentality in Germany, 1887-1912* (Cambridge, MA: Harvard University Press, 1993).

²⁹ Eduard Bernstein, *The Preconditions of Socialism*, ed. and trans. Henry Tudor (New York: Cambridge University Press, 1993), 12.

³⁰ For an analysis that stresses changing economic conditions as the key to the rise of revisionism across Western Europe, see Bo Gustafsson, *Marxism och revisionism: Eduard Bernstein's kritik av marxismen och dess idéhistoriska förutsättningar* (Uppsala, Sweden: Svenska bokförlaget, 1969), also printed in German as *Marxismus und Revisionismus; Eduard Bernstein's Kritik des Marxismus und ihre ideengeschichtlichen Voraussetzungen* (Frankfurt: Europäische Verlagsanstalt, 1972).

that capitalism was not leading to an increasing concentration of wealth or the immiserization of society:

That the number of property owners increases rather than diminishes is not an invention of bourgeois 'harmony economists' but a fact which . . . can now no longer be disputed. But what does this fact signify for the victory of socialism? Why should the achievement of socialism depend on its denial? Well, simply because . . . a plank threatens to break away from the scaffolding if one admits that the social surplus product is appropriated by an increasing instead of a decreasing number of property-owners.³¹

Indeed, during the late nineteenth century Bernstein argued that capitalism had become increasingly complex and adaptable:

We impute to business relationships a rigidity and narrowness which might pertain to the age of manufacture or the beginning of the machine age . . . but which are blatantly at odds with the characteristic features of modern industrial life. . . . [In fact, what we have witnessed over the past years is a] steadily growing number of different kinds of business . . . and [a] growing adaptability and flexibility [in] the contemporary business world.³²

These observations reinforced Bernstein's opposition to the view that socialism could emerge only after capitalism collapsed: "I . . . oppose . . . the view that we stand at the threshold of an imminent collapse of bourgeois society, and that Social Democracy should allow its tactics to be determined by, or made dependent upon, the prospect of any forthcoming major catastrophe."³³ Indeed, he urged socialists to reject more generally arguments based on the view that "the victory of socialism [was] depend[ent] on . . . 'imminent economic necessity'"; socialists should recognize, he believed, that it would be "neither possible nor necessary to give the victory of socialism a purely materialistic basis."³⁴

Bernstein's loss of faith in the ability of economic developments to deliver the desired socialist outcome led him to appreciate, as Lenin did, the potential of human will and political action. Unlike Lenin, however, Bernstein made ethics rather than violence the motor of his revolution. If

³¹ Bernstein, *The Preconditions of Socialism*, 200–201.

³² Eduard Bernstein, "The Struggle of Social Democracy and the Social Revolution," *Die Neue Zeit*, January 19, 1898, reprinted in H. Tudor and J. M. Tudor, eds. and trans., *Marxism and Social Democracy: The Revisionist Debate 1896–1898* (New York: Cambridge University Press, 1988), 164–65.

³³ Eduard Bernstein, "Letter to the Stuttgart Party Congress, 3–8 October 1898," reprinted in Bernstein, *The Preconditions of Socialism*, 1.

³⁴ Bernstein, *The Preconditions of Socialism*, 200.

socialism was not something that *had* to be, then it should be “something that *ought* to be.”³⁵ He viewed orthodox Marxists as “Calvinists without God” and argued that their faith in the inevitability of socialism bred a dangerous political passivity that would cost them the enthusiasm of the masses.³⁶ Over the long term, he felt, individuals were motivated by their beliefs in ideals and by a vision of a better world; they would not be convinced to struggle or sacrifice for socialism if it were presented merely as the historically inevitable result of economic laws. This was why Bernstein criticized the tendency of Marxism’s founding fathers to denigrate or dismiss the role of morals and ethics in history. Instead, he argued that there was only “one specific ‘socialist’ element in socialist theory: its all-pervasive *ethics* and its conception of justice. . . . [T]hese can never be science.”³⁷

Socialism, in Bernstein’s view, thus had to emerge from a conscious struggle for a better world. The challenge facing the working class was evolutionary: socialists had to come up with “positive suggestions for reform capable of spurring fundamental change.”³⁸ The socialist program, moreover, should aim “not at the decrease but the increase in social wealth”—at improving the living conditions of the great masses of society.³⁹ “With regard to reforms, we ask, not whether they will hasten the catastrophe which could bring us to power, but whether they further the development of the working class, whether they contribute to general progress.”⁴⁰

Bernstein’s revisionism replaced historical materialism with a belief in the primacy of politics—a conviction that individuals, motivated by their ideals and by a vision of a better world, could band together and use the power of the democratic state to gradually reshape the world around them:

This new vision [of the transition to socialism] takes place in the daily life of the working class, struggling anew against exploitation.

³⁵ Eduard Bernstein, “How Is Scientific Socialism Possible?” (lecture delivered in May 1901), reprinted in Manfred Steger, ed. and trans., *Selected Writings of Eduard Bernstein, 1901–1921* (Atlantic Highlands, NJ: Humanities Press, 1996), 95 (emphasis mine). See also Robert S. Wistrich, “Back to Bernstein,” *Encounter* 50, no. 6 (1978): 79.

³⁶ Bernstein, *The Preconditions of Socialism*, 13.

³⁷ Eduard Bernstein, “The Core Issue of the Dispute: A Final Reply to the Question, ‘How Is Scientific Socialism Possible?’” *Sozialistische Monatshefte* 7, no. 2 (1901), reprinted in Steger, ed., *Selected Writings*, 117. See also on this issue Manfred Steger’s biography of Bernstein, *Manfred Steger, The Quest for Evolutionary Socialism* (Cambridge: Cambridge University Press, 1997).

³⁸ Bernstein, *The Preconditions of Socialism*, 61. See also Eduard Bernstein, “General Observations on Utopianism and Eclecticism,” *Die Neue Zeit*, October 28, 1896, reprinted in Tudor and Tudor, eds. and trans., *Marxism and Social Democracy*, 74.

³⁹ Bernstein, *The Preconditions of Socialism*, 61.

⁴⁰ Eduard Bernstein, “Critical Interlude,” *Die Neue Zeit*, March 1, 1898, reprinted in Tudor and Tudor, eds. and trans., *Marxism and Social Democracy*, 222.

It shows the proletariat growing in numbers and in social power—not merely pushing forward, but upward as well, elevating its economic, ethical, and political standards and becoming increasingly capable of co-governing state and economy. This vision is alive and well among those . . . commonly called “revisionists.”⁴¹

But Bernstein did not stop with a critique of historical materialism; instead, he went on to attack the second pillar of orthodox Marxism as well. In Bernstein’s view, the doctrine of inevitable class struggle had the same fatal flaws as the belief in economic determinism—it was both historically inaccurate and politically debilitating. By the end of the nineteenth century, it was becoming clear that “[i]f the collapse of modern society depends on . . . the absorption of [the] middle ranks by the extremes above and below them” and on a continual increase in the ranks of the proletariat, “then its realization is no nearer in England, France and Germany today than at any earlier time.”⁴² Bernstein urged his colleagues to recognize that “the intensification of social relations has not in fact occurred as the Manifesto depicts it. It is not only useless but extremely foolish to conceal this fact from ourselves. . . . Everywhere in the more advanced countries we see the class struggle assuming more moderate forms, and our prospects for the future would hold little hope if this were not the case.”⁴³

The flip side of Bernstein’s belief in a moderation of the class struggle was his faith in there being a potential community of interest between workers and other citizens suffering from the injustices of capitalism. At the turn of the century, many in the middle classes and peasantry were feeling economically threatened and politically frustrated. Bernstein saw these people as potential allies or even recruits, and urged socialists to ground their appeals in “the feeling of common humanity [and a] recognition of social interdependence.”⁴⁴ With his focus on cross-class cooperation, his belief in the import of morality and ethics in politics, and his rejection of the primacy of economic forces in history,⁴⁵ Bernstein differentiated himself from his orthodox colleagues and tapped into the idealism, the quest for faith and activism, and the renewed emphasis on national unity that characterized the *fin de siècle*.

⁴¹ Eduard Bernstein, “Lecture Presented to the Student Association for Social Studies in Amsterdam,” in Steger, ed., *Selected Writings*, 79.

⁴² Bernstein, *The Preconditions of Socialism*, 78, 106.

⁴³ *Ibid.*, 2, 6.

⁴⁴ Eduard Bernstein, “Political Mass Strike and Romanticizing Revolution,” in Steger, ed., *Selected Writings*, 152.

⁴⁵ It should be noted that Bernstein did not completely discount the import of economic forces in historical development; instead, he believed that those forces provided constraints upon human activity or created the framework within which such activity unfolded. What he rejected was the belief that economic forces alone were *determinative*.

Bernstein's revisionist critique is the most important and well known, but he was hardly unique. Indeed, though few were prepared to follow him down the path to apostasy, all the elements of Bernstein's revisionist critique were raised in other West European countries during the late nineteenth and early twentieth centuries. In France, the "right-wing" revisionism of Georges Sorel echoed that of Bernstein in many important ways.⁴⁶ Like Bernstein, Sorel came to reject the notion that socialism would emerge inexorably from economic developments, and stressed voluntarism and the primacy of politics. And like Bernstein, he rejected orthodox Marxism's pseudoscientific nature and called for a rediscovery of socialism's moral roots. From similar critiques, however, emerged different political projects. Where Bernstein devised a democratic, humanist, and reformist revisionism, Sorel came up with a revolutionary alternative steeped in the irrationalism and anti-Enlightenment backlash of the *fin de siècle*.⁴⁷

Other French revisionists, however, remained firmly within the democratic camp. The "moral idealism" of Jean Jaurès,⁴⁸ for example, rejected a primarily scientific or economic base for socialism and instead insisted that socialism's realization depended on human action and the inspiration that would derive from a vision of a better, more just world. Jaurès also rejected the idea, held by most orthodox Marxists, that workers "had no fatherland"—that is, that there was an inherent contradiction between patriotism and socialism; in fact, he often portrayed the latter as the final realization of the (universal) values embodied in the French Revolution. Concomitantly, Jaurès pressed socialists to recognize the inherent value of democracy and, especially after the Dreyfus affair, the need to cooperate with other democratic and reform-minded forces to defend and expand democracy.⁴⁹ In addition to Jaurès's other movements on the French Left, including the "national socialism" of Alexandre Millerand and independent and possibilist socialists, brought revisionist themes and policies to the heart of the French socialist movement.

In Italy, Sorel was perhaps even more popular than he was in his home country, while indigenous critics of Marxism increasingly chipped away at the tenets of orthodoxy during the late nineteenth and early

⁴⁶ Sorel's revisionism is considered "right wing" because Sorel himself eventually gravitated to the Right, and also because Sorel became a patron saint of a number of right-wing movements—he was especially popular with the Fascists in Italy.

⁴⁷ In *The Primacy of Politics* (Cambridge University Press, forthcoming), I will further discuss the similarities and the implications of the two revisionisms epitomized by Bernstein and Sorel.

⁴⁸ This is the term used by George Lichtheim to describe Jaurès's socialist vision. See George Lichtheim, *Marxism in Modern France* (New York: Columbia University Press, 1966).

⁴⁹ Despite these similarities, many, including Jaurès, hesitated to fully support Bernstein during the revisionist controversy, due largely to their desire to avoid further splits in the French and international socialist movements.

twentieth centuries. Italy's most famous intellectual, Benedetto Croce, published several powerful critiques of Marxism and historical materialism,⁵⁰ and inside the socialist movement itself, the temptations of political collaboration with bourgeois elites and the government (especially during the Giolittian era [1890–1914]) emboldened a growing number of revisionists and reformists in their critiques of the economic determinism and political passivity of orthodoxy.⁵¹

In Austria, meanwhile, many "Austro-Marxists" were developing an "ethical" or "Kantian" revisionism of their own.⁵² Although unwilling to break with orthodoxy, the Austro-Marxist's downplaying of Hegel and advocacy of Kant, their discomfort with economic determinism, and their belief in an evolutionary path to socialism placed them much closer to Bernstein than many were willing to admit. And in Scandinavia, particularly in Sweden, revisionism was actually gaining the upper hand.⁵³

Debates over revisionism consumed the international socialist movement, and were, not surprisingly, particularly vociferous in Germany. At the SPD's 1898 Stuttgart congress, for example, Kautsky roundly attacked Bernstein for his views, commenting that "[h]e [Bernstein] tells us that the number of property-owners, of capitalists, is growing and that the ground-work on which we have based our views is therefore wrong. If that were so, then the time of our victory would not only be long delayed, we would never reach our goal at all."⁵⁴ Similarly, Wilhelm Liebknecht, a leader of the SPD, noted that "[i]f Bernstein's arguments [are] correct, we might as well bury our program, our entire history, and the whole of Social Democracy."⁵⁵ The SPD's 1899 Hanover congress passed a mild censure of Bernstein and his revisionist project, and the 1901 Lubeck congress laid out a somewhat more explicit condemnation. It was at the

⁵⁰ See, for example, Benedetto Croce, *Historical Materialism and the Economics of Karl Marx* (New Brunswick, NJ: Transaction Books, 1981). See also Paul Piccone, *Italian Marxism* (Berkeley: University of California Press, 1983); Richard Bellamy, *Modern Italian Social Theory* (Cambridge: Polity Press, 1987); and Edmund Jacobitti, "Labriola, Croce, and Italian Marxism (1895–1910)," *Journal of the History of Ideas* 36, no. 2 (1975): 297–318.

⁵¹ See Daniel L. Horowitz, *The Italian Labor Movement* (Cambridge, MA: Harvard University Press, 1963); W. Hilton-Young, *The Italian Left* (London: Longmans, Green, 1949); Spencer Di Scala, ed., *Italian Socialism* (Amherst: University of Massachusetts Press, 1996); Gaetano Arfé, *Storia del socialismo italiano (1892–1926)* (Turin, Italy: Einaudi, 1965); and Renato Zangheri, *Storia del socialismo italiano*, 2 vols. (Turin, Italy: Einaudi, 1993–97).

⁵² On Austro-Marxism, see Tom Bottomore and Patrick Goode, *Austro-Marxism* (Oxford: Clarendon Press, 1978); Norbert Leser, *Sozialismus zwischen Relativismus und Dogmatismus* (Freiburg, Germany: Rombach, 1974); Norbert Leser, "Austro-Marxism: A Reappraisal," *Journal of Contemporary History* 11, nos. 2–3 (1976): 117–33; Melanie Sully, *Continuity and Change in Austrian Socialism* (New York: Columbia University Press, 1982); Ernst Glaser, *Im Umfeld des Austromarxismus* (Vienna, Austria: Europaverlag, 1981); and Peter Kulemann, *Am Beispiel des Austromarxismus* (Hamburg, Germany: Junius, 1979).

⁵³ On the growing hold of revisionism over the Swedish SAP (Sveriges Arbetarparti), see Berman, *The Social Democratic Moment*, chaps. 3, 5, 7.

⁵⁴ *Protokoll über die Verhandlungen des Sozialdemokratischer Parteitag, Stuttgart* (Berlin: J. H. W. Dietz, 1978), 128.

⁵⁵ *Ibid.*, 134–35.

1903 Dresden congress, however, that the SPD finally took a definitive stand against revisionism; it did so by passing the following resolution:

The congress condemns in the most decisive fashion revisionist efforts to change the victorious tactics we have hitherto followed based on the class struggle. . . . The result of such revisionist tactics would be that instead of being a party which works for the most rapid transformation possible of existing bourgeois society into the socialist social order, i.e. revolutionary in the best sense of the word, the party would become one which is content with reforming bourgeois society. . . . [T]he congress is convinced, in contradiction to present revisionist efforts, that class conflicts are not growing weaker, but are continually becoming more acute.⁵⁶

At the same time that Bernstein was attacking the theoretical underpinnings of orthodox Marxism, the “Millerand case” in France was forcing socialists to confront its practical inadequacies. When the independent socialist Alexandre Millerand decided to join the cabinet of the liberal René Waldeck-Rousseau in 1899, the move was supported by democratic revisionists in France and abroad because they, on the one hand, favored cooperating with the bourgeoisie to achieve concrete reforms and viewed democracy as an integral part of the socialist project, one for which it was worth fighting and sacrificing. Orthodox types, on the other hand, opposed the move because they saw such cooperation as an implicit and perhaps even explicit threat to the doctrines of class struggle and historical materialism. This division was apparent at the Paris congress of the Socialist International in 1900, but did not come to a head until the next meeting of the Socialist International in Amsterdam in 1904. There, the German delegation proposed a resolution (based on the one recently passed at Dresden) “repudiat[ing] to the fullest extent possible the efforts of the revisionists” to do away with class warfare and participate in bourgeois society.⁵⁷ The highlight of the congress was a debate between Jaurès and August Bebel (a leader of the German Social Democrats) in which the former, despite his strong desire for harmony, felt compelled to indict the Germans for their dogmatism and political naiveté:

What presses hard on the political and social progress of Europe is not the alleged compromises, the dangerous enterprise of the French Socialists who allied themselves with democracy in order to safeguard the liberty, progress and peace of the world, but the political powerlessness of German Social Democracy. . . . The essential vice of

⁵⁶ *Protokoll über die Verhandlungen des Sozialdemokratischer Parteitag, Dresden* (Berlin: Vorwärts, 1903), 419.

⁵⁷ *Internationaler Sozialisten Kongress zu Amsterdam, 1904* (Berlin: Vorwärts, 1904), 31.

the Dresden resolution [is] that it trie[s] to set rules of action, or rather inaction [for the rest of the international socialist movement]. Behind the inflexibility of theoretical formulas which your excellent comrade Kautsky will supply you with to the end of his days, you conceal . . . from your own proletariat, from the international proletariat, your inability to act.

Bebel defended the Germans with a standard orthodox response: "However much we may envy you French your republic, and wish we had one, we don't intend to get our heads smashed in for its sake. Monarchy or republic—both are class states, both are a form of state that maintains the class rule of the bourgeoisie, both are designed to protect the capitalist order of society."⁵⁸

Bebel and the Germans ultimately prevailed, as the congress passed the Dresden-Amsterdam resolution by a vote of 25–5 with 12 abstentions. But despite the victory of orthodoxy at Amsterdam, revisionism continued to grow in strength as the reality of European political and economic life in the early twentieth century made it increasingly difficult to believe in the primacy of economic forces in history, the inevitability of socialism, and the necessity and desirability of class conflict. Social democracy, in other words—for that is what democratic revisionism would ultimately become—had its origin not in the *dilution* of orthodox Marxism, but rather in the *abandonment* of many of its core principles. The rejection was as thorough as Marx's rejection, a half-century earlier, of the basic tenets of liberalism; this was something the democratic revisionists themselves were not eager to announce but that their opponents saw clearly. Rosa Luxemburg, for example—perhaps Bernstein's most vehement and insightful critic—summed up the heretical implications of his views when she noted that socialism was "scientific" rather than "utopian" because economic developments were leading inevitably to capitalism's collapse. "If," however, she said, "one admits with Bernstein that capitalist development does not move in the direction of its own ruin, then socialism ceases to be an objective necessity and instead becomes a 'mere ideal.'"⁵⁹ She was, of course, absolutely right: with his rejection of the primacy of economic forces in history, his focus on cross-class cooperation and social solidarity, and his belief in the import of morality and ethics in politics, Bernstein (and other revisionists across the continent) tapped into the spirit of the age and laid the foundations for a true ideological alternative to orthodox Marxism. It would, however, take another generation of war and depression for the fundamentally new political movement based on revisionism to come into its own.

⁵⁸ For the speeches, see *ibid.*, 35–40; and James Joll, *The Second International, 1889–1914*, rev. ed. (London: Routledge and Kegan Paul, 1974), 104–5.

⁵⁹ Rosa Luxemburg, *Reform or Revolution?* (New York: Pathfinder, 1970), 12, 8. (The articles in this book were originally published in 1898 and 1899.)

IV. FROM REVISIONISM TO SOCIAL DEMOCRACY

The immense changes wrought by the First World War pushed more and more people on the Left to reject both historical materialism and class struggle, thereby increasing the gulf between revisionists and their orthodox colleagues. When the war broke out, socialist parties across the continent supported the war effort and in some cases even joined national unity governments; this permanently eroded the parties' internationalist and revolutionary credentials, but increased their ties to nation and state apparatuses. In addition, the expansion of government controls over national economies during the war proved that capitalism could be politically managed and was thus perhaps better reformed than destroyed. Furthermore, the democratic wave that spread across Europe at the end of the war (which lifted many leftist governments into power), combined with the dictatorship emerging in the Soviet Union, led many socialists to recognize the virtues of democracy and ponder with dismay what losing it could mean.

Equally important, however, were the intellectual and cultural changes wrought by the war. All across Europe, people saw in the conflict an opportunity for the moral and national regeneration they believed their countries desperately needed. In addition, the experience of the war itself (especially for those who saw combat) bred a generation that valued community, activism, and struggle. As is well known, these trends fed the rise of populist right-wing movements (e.g., Nazism in Germany, fascism in Italy and elsewhere) during the postwar years. Protests against the atomization, amorality, and materialism that many believed were generated by liberalism and capitalism had been growing since the end of the nineteenth century, but the war gave these protests a mass base and renewed momentum. Revisionist socialists watched these developments with concern, and argued that clinging to orthodox Marxism would doom the democratic Left to political oblivion. What was needed, they said, was a new program that would respond to the demands of the disoriented and discontented masses, and to develop such a program—an agenda for what would later become a truly distinctive “social democracy”—they returned to the themes and critiques offered by revisionists a generation before: the primacy of politics, the import of morality and ethics, and the value of cross-class cooperation.

In the 1920s and 1930s, the first task facing the newfangled social democrats was to reform, and perhaps transform, capitalism. This led to sustained conflict with orthodox Marxists, however, for achieving such reform meant finding a way to use political forces to control economic ones—something that both Marxist and liberal orthodoxy refused to countenance. The conflict played itself out most dramatically in Germany, as the SPD, which had been the main bulwark of democracy during the interwar years, found itself flanked by forces on the extreme Right (the Nazis)

and the extreme Left (the Communists) by the early 1930s. Stuck between a rock and a hard place, the SPD chose what it felt was the lesser of the evils and supported a conservative government and conservative economic policies even as the party's supporters and the rest of German society clamored for a more activist response to the catastrophe befalling them.⁶⁰ Many were, however, frustrated with this course, and at the party's 1931 congress union leader Fritz Tarnow summed up the dilemmas emanating from the SPD's policies in the following manner:

Are we standing at the sickbed of capitalism not only as doctors who want to heal the patient, but also as prospective heirs who can't wait for the end and would gladly help the process along with a little poison? . . . We are damned, I think, to be doctors who seriously want to cure, and yet we have to maintain the feeling that we are heirs who wish to receive the entire legacy of the capitalist system today rather than tomorrow. This double role, doctor and heir, is a damned difficult task.⁶¹

Despite the growing recognition that continued inaction was crippling the party as well as the Weimar Republic, the SPD's most important economic theorist, Rudolf Hilferding, as well as most of its top leadership, refused to believe that they could truly make things better. Hilferding claimed that the only solution to the economic crisis was to wait for the business cycle to run its course. In his view, an "offensive economic policy" had no place because the ultimate arbiter of developments was the "logic of capitalism." Not believing that politicians could resolve the Depression on their own, Hilferding fought all attempts at an activist, neo-Keynesian course shift.⁶² (Since neoclassical liberalism and orthodox Marxism both put their faith in ineluctable economic mechanisms and denigrated political interference in the economy, orthodox Marxists, Hilferding once noted, were the last and best of the classical economists.)⁶³

The true social democrats in Germany and elsewhere were unwilling to accept such passivity and fought for programs that would use the power

⁶⁰ See Berman, *The Social Democratic Moment*, chap. 8; Heinrich August Winkler, *Der Weg in die Katastrophe* (Berlin: J. H. W. Dietz, 1987); Rainer Schaefer, *SPD in der Ära Brüning* (Frankfurt, Germany: Campus Verlag, 1990); and Ilse Maurer, Udo Wengst, and Jürgen Heideking, eds., *Politik und Wirtschaft in der Krise* (Düsseldorf, Germany: Droste, 1980).

⁶¹ *Protokoll über die Verhandlungen des Sozialdemokratischer Parteitag, Leipzig 1931* (Berlin: J. H. W. Dietz, 1974), 45–46.

⁶² On the proposals for a Keynesian course shift, see Berman, *The Social Democratic Moment*, chap. 8; Michael Schneider, *Das Arbeitsbeschaffungsprogramm des ADGB* (Bonn, Germany: Verlag Neue Gesellschaft, 1975); and G. Bombach, H. J. Ramser, M. Timmermann, and W. Wittmann, eds., *Der Keynesianismus* (Berlin: Springer-Verlag, 1976), esp. vol. 3.

⁶³ Robert Gates, "The Economic Policies of the German Free Trade Unions and the German Social Democratic Party, 1930–1933" (Ph.D. diss., University of Oregon, 1970), 78. It should be noted that Hilferding was a more complex figure than it might appear from the brief portrayal of him presented here.

of the state to tame the capitalist system. Neither hoping for capitalism's demise nor worshipping the market uncritically, they argued that the market's anarchic and destructive powers could and should be fettered at the same time that its ability to produce unprecedented material bounty was exploited. They thus came to champion a real "third way" between classical liberalism and Soviet Communism, one based on a belief that political forces must be able to triumph over economic ones.

A key figure in these developments—and a crucial link between the revisionism of Bernstein and the mature social democracy of the post-1945 era—was the Belgian activist Hendrik de Man.⁶⁴ De Man's experiences during the First World War played a critical role in his ideological and political evolution; by highlighting the tenacity of national feeling, the potential for state control of the economy, and the immense motivating power of morality and idealism, the war, in de Man's own words, "shook [his] Marxist faith to its foundations."⁶⁵ Becoming convinced that saving socialism required a fundamental break with pre-1914 orthodoxy, de Man put forth a new vision of socialism in his writings (especially in his *The Psychology of Socialism* [1928]) and in his depression-fighting program called the *Plan du Travail* (1933), which combined short-term policies designed to increase demand and credit flows with a long-term scheme for the transformation of the economy. In addition to providing an activist strategy for fighting the Depression, the *Plan* provided a generation of socialists (often referred to as *planistes*) with a new way of conceptualizing their role in society and the relationship between capitalism and socialism. Like Bernstein, de Man neither believed in nor hoped for capitalism's immediate collapse; instead, he argued that a strategy of evolutionary reforms could transform capitalism. In order to begin this transformative process, de Man urged socialists to recognize that "the essential thing [was] not the taking over of . . . ownership but of control."⁶⁶ By capturing political power and the state, de Man claimed, social democrats could direct and tame capitalism and insulate citizens from the destructiveness of the market without having to resort to Soviet-style nationalization. To prepare the Left for the "struggle" for control, de Man—once again, like Bernstein before him—turned to the great motivating power of morality and idealism. "The thoughtful members of a younger generation," de Man argued, were "yearning for . . . faith" that orthodox Marxism could not provide.⁶⁷ Consequently, saving socialism

⁶⁴ On de Man in English, see Peter Dodge, *A Documentary Study of Hendrik de Man, Socialist Critic of Marxism* (Princeton, NJ: Princeton University Press, 1979); and Peter Dodge, *Beyond Marxism: The Faith and Works of Hendrik de Man* (The Hague, The Netherlands: Martinus Nijhoff, 1966). For an argument about de Man that parallels the one made here, see Ernesto Laclau and Chantal Mouffe, *Hegemony and Socialist Strategy* (London: Verso, 1985), esp. 74.

⁶⁵ Hendrik de Man, *The Psychology of Socialism* (London: G. Allen and Unwin, 1928), 12.

⁶⁶ De Man, *Gegen den Strom* (Stuttgart, Germany: Deutsche Anstalt, 1953), 211, in Dodge, *Beyond Marxism*, 139.

⁶⁷ De Man, *The Psychology of Socialism*, 491, 497, 498.

required rejecting the deterministic, scientific, and economic biases of Marxism once and for all:

I am no longer a Marxist, not because this or that Marxist affirmation seems false to me, but because, since I emancipated myself from the Marxist way of thinking, I feel myself nearer to the understanding of socialism as a manifestation . . . of an eternal aspiration towards a social order in conformity with our moral sense. . . . Socialism is a passion. . . . One who is fighting for the establishment of a better social system does not need scientific proof that the coming of this system is inevitable. It suffices that his conscience should tell him to work for its coming. . . . If therefore, I am asked whether I believe in the realization of socialism . . . I answer: I believe in it as a moral obligation, but not as a natural necessity.⁶⁸

De Man and his *Plan* proved an inspiration to socialists across Europe. In France, *planisme* (support of de Man's *Plan* and its associated vision) found its champions in Marcel Déat and his supporters (the "neosocialists"), who broke with the main French socialist party (the SFIO—Section Française de l'Internationale Ouvrière) over the latter's orthodoxy and immobilism. Like de Man, Déat recognized that "in the present historical phase forms of society appear possible which are not yet socialist but which are no longer capitalist."⁶⁹ The question socialists had to answer, therefore, was, "Are we going to allow these experiments to be carried out without us?"⁷⁰ Déat's answer was "No," and he urged his colleagues to focus on gaining political power so that they could begin "to transform the world in which [they lived]."⁷¹ In Germany, *planistes* could be found among the generation of young socialists who came of age during the First World War and saw in state intervention the basis for a long-called-for offensive strategy. Carlo Mierendorff was one of the most prominent members of this group; he argued that state intervention would finally provide the SPD with a "concrete socialist vision," a way of showing German citizens that the SPD could actively work to improve their lives.⁷²

Planisme was not the only activist economic strategy championed by social democrats during the interwar years. Some found in proto-Keynesian policies the perfect tool for combating the Depression and starting the

⁶⁸ Ibid.

⁶⁹ Quoted in Dan White, *Lost Comrades: Socialists of the Front Generation, 1914–1945* (Cambridge: Harvard University Press, 1992), 87.

⁷⁰ Ibid.

⁷¹ Quoted in Emily Hartshorne Goodman, "The Socialism of Marcel Déat" (Ph.D. diss., Stanford University, 1973), 125.

⁷² On Mierendorff and his cohort, see White, *Lost Comrades*; and Robert Wohl, *The Generation of 1914* (Cambridge, MA: Harvard University Press, 1979).

process of social transformation. The best-known example of this occurred in Sweden, where the SAP (Sveriges arbetareparti) initiated the most ambitious attempt to reshape capitalism from within, but such strategies found champions in a number of other European countries as well. For example, in Germany it was not Mierendorff's *planisme* but actually the proto-Keynesian WTB plan, named after the initials of its sponsors—Wladimir S. Woytinsky, a Russian émigré who became head of the main labor union's statistical bureau; Fritz Tarnow; and Fritz Baade, an agricultural expert and SPD member of parliament—that emerged as the main alternative to the reigning orthodoxy. 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.”⁷³ 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 was designed to provide the labor movement with a concrete foundation upon which to build a new economic and social order.⁷⁴

Regardless of the specific policies they advocated, one thing that joined all of the budding interwar social democrats was a rejection of the passivity and economic determinism of orthodox Marxism and a belief in the need to use state power to tame the capitalist system. In order to do this, however—and finally relegate historical materialism to the dustbin of history—they had to win majority support for their programs. Hence, during the interwar years, many returned to the themes of cross-class cooperation that Bernstein and other revisionists had preached a generation earlier. Furthermore, in an era of dislocation and disorientation, the interwar social democrats realized that appeals to “the people,” “the community,” and the common good were much more attractive than the class-struggle perspective of orthodox Marxism or the individualism of classical liberalism, and so they often embraced a communitarian, corporatist, and even nationalist approach.

Here again, de Man was a key figure. Like Bernstein and others, de Man believed that the class-struggle perspective of Marx and Engels had been invalidated by changing economic and social conditions, and by the 1920s he saw that a purely proletarian focus would doom social democrats to minority status: “Even from the narrow viewpoint of the conquest of power . . . it is becoming more and more urgent to enlarge the sphere of influence of our movement of ideas, by showing that socialism is something other than the collective egoism of a given

⁷³ Wladimir S. Woytinsky, “Aktive Weltwirtschaftspolitik,” *Die Arbeit*, 1931, 439.

⁷⁴ Wladimir S. Woytinsky, “Sozialistische Wirtschaftspolitik heisst Heute Arbeitsbeschaffung,” *Leipziger Volkszeitung*, March 21, 1932, 68. On Woytinsky and the WTB plan, see Berman, *The Social Democratic Moment*, chap. 8; Schneider, *Das Arbeitsbeschaffungsprogramm des ADGB*; and Woytinsky, *Stormy Passage* (New York: Vanguard Press, 1961).

class."⁷⁵ Furthermore, de Man did not believe in inevitable conflicts of interest. Especially since the war, he argued, there had arisen "a national community of interest between certain groups of workers and employers, or between the working class and the employing class as a whole," as well as between workers and intellectuals.⁷⁶ As a result, the time had come to replace existing conflictual relationships and institutions with cooperative and corporatist ones. In order to do this, however, socialists needed to design their policies and appeals with cross-class alliances and solidarity in mind. De Man's *Plan du Travail*, for example, was explicitly formulated to "appeal . . . not only to the working class but also to all classes of the population suffering from the present economic distress and to all men of good will."⁷⁷

Comparable visions gained adherents across the continent. In France, Déat drew on the legacy of both Bernstein and Jaurès in developing his cross-class, corporatist, and *patrie*-centered *socialisme communautaire*.⁷⁸ In Germany, the *planistes* around Mierendorff also supported crossclass and corporatist appeals, while many of the supporters of the WTB plan became vigorous advocates of a *Volkspartei* strategy (that is, of having a party of the people as opposed to one of the workers). It was in Scandinavia, however, and particularly in Sweden, that the social democratic approach was embraced wholeheartedly by a unified party. This is why one must turn to Sweden to observe the full dimensions, and potential, of the new and truly social democratic alternative.

During the interwar years, the Swedish social democratic party, the SAP, developed a new view of its role and position in society as well as a new view of the relationship between politics and economics. Especially after the First World War, an increasing number of SAP members began arguing that the market's productive powers could be harnessed while its destructive potential was controlled. The key figure in this development, Nils Karleby, insisted that "improvements in the efficiency of economic activity have always been, and should continue to be, the only means . . . of improving society's welfare."⁷⁹ He argued further that capitalism or bourgeois property relations should be viewed as a bundle of rights. If ownership were only the conglomeration of a number of individual rights,

⁷⁵ De Man, "The Crisis of Socialism," in Dodge, *A Documentary Study of Hendrik de Man*, 170.

⁷⁶ De Man, *The Psychology of Socialism*, 303; Hendrik de Man, *Die Intellektuellen und der Sozialismus* (Jena, Germany: Eugen Diederichs, 1926).

⁷⁷ De Man, "The Plan du Travail," in Dodge, *A Documentary Study of Hendrik de Man*, 291. Some have seen in de Man's advocacy of pseudocorporatism (among other things) a foreshadowing of his later collaboration with the Nazis. The fact that de Man and many of his followers later became Nazi sympathizers or even collaborators should not obscure their contributions to social democracy. I analyze these contributions in *The Primacy of Politics* (forthcoming).

⁷⁸ Goodman, "The Socialism of Marcel Déat"; Dan S. White, *Lost Comrades* (Cambridge, MA: Harvard University Press, 1992), esp. 172.

⁷⁹ Nils Karleby, *Socialism inför verkligheten* (Stockholm: Tiden, 1976 [original 1926]), 145.

then the rights could be separated from one another and gradually made subject to societal influence. Hence "[a]ll social reforms . . . resulting in an increase of societal and a decrease in private control over property [represent a stage] in social transformation. . . . [Furthermore,] social policies are, in fact, an overstepping of the boundaries of capitalism . . . [they represent] an actual shift in the position of workers in society and the production process. *This is the original (and uniquely) social democratic view.*"⁸⁰

Such views laid the groundwork for the SAP's championing of a proto-Keynesian program during the Depression, and for the SAP's selling of this program to the electorate by stressing the party's activism and commitment to the common good. For example, during the 1932 election campaign, a leading party paper proclaimed, "Humanity carries its destiny in its own hands. . . . Where the bourgeoisie preach laxity and submission to . . . fate, we appeal to people's desire for creativity . . . conscious that we both can and will succeed in shaping a social system in which the fruits of labor will go to the benefit of those who are willing to . . . participate in the common task."⁸¹ Similarly, at the party's 1932 congress, Rickard Sandler, a leading party activist, urged his colleagues to recognize that socialists had to "abandon the view that we or our children will enjoy some kind of 'freebie' socialism that . . . 'developments' will place in our hands."⁸² The only way society would move toward socialism, he argued, was if the party used all its power to push it along this path.

While the SAP was trumpeting its willingness to use political power, and in particular state power, to shape market developments, its leader, Per Albin Hansson, was popularizing his theme of Sweden as the "*Folkhemmet*" or "people's home." He 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."⁸³ 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."⁸⁴ In countries such as Germany and Italy, it was the populist Right that appeared politically dynamic and championed communal solidarity. In Sweden, however, it was the social democrats who became

⁸⁰ *Ibid.*, 85, 83.

⁸¹ *Social-Demokraten* (Stockholm), September 15, 1932.

⁸² *Protokoll från Sveriges socialdemokratiska arbetarepartis fjortonde kongress i Stockholm* (Stockholm: Tiden, 1932), 429.

⁸³ This quotation from Hansson is from a 1928 speech in the Riksdag (Parliament) that is reprinted in Anna Lisa Berklind, *Från Fram till folkhemmet* (Stockholm: Metodica, 1982), 227-30.

⁸⁴ This manifesto is reprinted in Sven-Olof Håkansson, *Svenska valprogram, 1902-1952* (Göteborg: Statsvetenskapliga Institutionen, 1959), vol. 2.

known as the party that had exciting plans for helping the “little people” and that was “one with the nation.” This contributed to the SAP’s victory at the polls in 1932.

By the mid-1930s, therefore, the democratic strand of revisionism had blossomed into a powerful and creative political movement all its own. In contrast to orthodox Marxism and classical liberalism, which both advocated laissez-faire policies, social democracy proclaimed the primacy of politics and espoused a willingness to use the state to control, or at least direct, the market. In addition, in contrast to orthodox Marxism’s focus on the proletariat and classical liberalism’s focus on the individual, social democracy appealed to the ordinary or “little” people, the “community,” and the collective good. These principles found expression in the advocacy of Keynesianism and state intervention in the economy, in a move toward cross-class alliances and corporatism (i.e., cooperation between the state, business, and labor), and in support for the welfare state. The first of these elements gave social democrats a theoretical rationale for using political power to reshape and redirect economic developments, while the latter two embodied the norms of national solidarity and cooperation that lay at the heart of the social democrats’ worldview. By the end of the 1930s, all of the components of what would come to be known as the postwar social democratic compromise had already been developed, although it was only in Sweden that they were fully implemented by a social democratic government. The irony of the postwar era would be that just as these policies came to be more widely accepted, social democrats would forget why they had championed them in the first place.

V. POSTWAR SUCCESS AND DECLINE

The Second World War had at least as profound an effect on the West European left as the First did, as many party organizations across the continent were destroyed and many leaders were killed or forced to flee abroad. But in general, when the dust settled in 1945, the Left found itself stronger than ever before and (for the most part) was accepted as a crucial component of the postwar era. In fact, it rapidly became clear that the Left—particularly the democratic Left—would play a key role in the governance and reconstruction of West European society. The horrors of fascism and Nazism, combined with the threat of Soviet Communism and the evisceration of socialist parties by many communist regimes, had solidified the commitment of socialist parties to democracy, class cooperation, and the active protection and nurturing of their citizenries (lest those citizenries succumb to the siren calls of extremism). In addition, the lessons of the Depression and the wartime economy convinced still more leftists that political power could and should be used to direct market forces for the common good. After 1945, therefore, the policies and ap-

peals formulated by the pioneering social democrats before and during the interwar years became standard fare for the mainstream democratic Left across the continent.

This shift toward social democracy—toward a vision of socialism free of class struggle and historical materialism, characterized by a commitment to the nation as a whole and the use of political power to control economic development—was reflected in the declaration adopted by the Socialist International in 1951:

Socialism was born in Europe as a movement of protest against the diseases inherent in capitalist society. Because the wage-earners suffered most from capitalism, Socialism first developed as a movement of the wage-earners. Since then more and more citizens—professional and clerical workers, farmers and fishermen, craftsmen and retailers, artists and scientists—are coming to understand that socialism holds the key to their future. Socialism appeals to all men who believe that the exploitation of man by man must be abolished. . . . It aims to put power in the hands of the people as a whole and to create a community in which free men work together as equals. . . . [It must be recognized, however, that] the achievement of socialism is not inevitable. It demands a personal contribution from all its followers . . . [and] it cannot succeed without the thorough and active participation of the people.

From the nineteenth century onwards, capitalism . . . developed immense productive forces . . . but proved unable to function without devastating crises and mass unemployment. . . . The worst excesses of capitalism have been corrected through the constant activity of the Socialist parties, the trade unions and co-operative societies. . . . Socialism fights to liberate men from the fears and anxieties from which all forms of political and economic insecurity are inseparable.⁸⁵

This vision found its concrete embodiment in policies ranging from Keynesianism and corporatism to the welfare state. At the same time, parties of other ideological stripes found themselves drawn to similar measures, having learned from decades of war and crisis that social divisions and laissez-faire capitalism could lead to disaster if left unattended.⁸⁶ For

⁸⁵ "Declaration of the Socialist International: The Basic Principles of Democratic Socialism Adopted by the Socialist International at Frankfurt in 1951 and Oslo in 1962" (Socialist International, circular 100/51, adopted in 1951 and 1962).

⁸⁶ Of course, many of these policies and appeals—including corporatism, visions of social solidarity, and even vague anticapitalist sentiments—also had long histories within other political movements. Catholics, right-wing populists, and some conservatives could all be found advocating such things at one time or another. However, social democrats were the most consistent and powerful advocates of Keynesianism, corporatism, and the welfare state, and the ones with the most comprehensive and coherent rationale for such advocacy.

example, the 1947 program of the German Christian Democrats declared that “[t]he new structure of the German economy must start from the realization that the period of uncurtailed rule by private capitalism is over,” while in France the Catholic Mouvement Republicain Populaire declared in its first manifesto that it supported a “revolution” to create a state “liberated from the power of those who possess wealth.”⁸⁷

The transformation of the West European political landscape after 1945 was nothing less than amazing, as parties across the political spectrum advocated or at least accepted some version of the policies and appeals advocated by social democrats. As a result, while some have referred to the system that reigned in the decades after the Second World War as “embedded liberalism,”⁸⁸ it would be much more correct to refer to it as “social democratic.” Not only did the policies themselves flow naturally from principles that had been championed by democratic revisionists and social democrats (rather than liberals) for decades, they were also precisely the ones developed during the interwar years by activists like de Man, Woytinsky, and the Swedes.

During the 1950s and 1960s, the social democratic system provided European societies with the political and social foundations necessary for economic growth. By the 1970s, however, economic problems began to spread across the industrialized world and Western Europe in particular, and many of the specific policies associated with social democracy came under attack. Yet by this time, most in the movement had forgotten that these policies, while crucial achievements, were only means to larger ends; as a result, social democrats often clung to the policies tenaciously and hence lost ground to neoliberal and conservative forces offering bolder, more innovative responses to arising crises. Today in Europe, social democrats are electorally successful but, for the most part, lack distinctive solutions to contemporary problems; largely because of this, they have lost the ability to generate enthusiasm among European publics.

VI. CONCLUSION

What lessons can be learned from this brief reconstruction of the roots and rationale of social democracy? The first is that political ideologies are best understood through a careful reconstruction of the interplay between ideational and material forces. Intellectual historians have a tendency to

⁸⁷ Maria Grazia Malorni, *Il movimento repubblicano popolare partito della IV repubblica* (Milan, Italy: Girfrè Editore, 1983), 47–49, quoted in Donald Sassoon, *One Hundred Years of Socialism* (New York: Free Press, 1996), 140.

⁸⁸ The term “embedded” is derived from the work of Karl Polanyi (see Karl Polanyi, *The Great Transformation* [Boston: Beacon Books, 1944]) and refers to a situation in which the economy is submerged in larger social and political relations. The broader concept of “embedded liberalism” was popularized by John Ruggie in John Ruggie, “International Regimes, Transactions, and Change: Embedded Liberalism in the Postwar Economic Order,” *International Organization* 36, no. 2 (1982): 379–415.

concentrate on ideas alone, giving the misleading impression that ideologies emerge entirely from internal debates among thinkers and writers. Social scientists often make the opposite mistake and concentrate too heavily on material factors, giving the equally misleading impression that ideologies evolve merely in response to new external circumstances. In practice, of course, ideational and material developments are interdependent, and a true understanding of the ebb and flow of political history must take both into account.

The study of social democracy is a case in point. The origins of social democracy lie both in the gaps in orthodox Marxist thought (particularly its neglect of politics and excessive emphasis on the primacy of economic forces) and in the changing material circumstances that enabled them to be recognized. As Bernstein and other democratic revisionists became increasingly aware of orthodox Marxism's failures as a guide to history, economics, and politics, they developed a powerful critique of it, but their challenge was contained for years by the intellectual prejudices and blinkered vision of an older generation unable to shed orthodoxy or recognize fully the nature and implications of the changes occurring around them. The First World War facilitated the integration of socialists into existing political systems, while the transition to democracy in much of Europe, the expansion of state control of the economy, and the intellectual and cultural changes wrought by the war created both a climate more favorable to revisionist principles as well as incentives to formulate a concrete program built around them. It was thus during the 1920s and 1930s that social democratic activists across Europe first turned the principles developed by Bernstein and others a generation earlier into a full-fledged and distinct political program. But with the exception of a few places like Sweden, it was not until after the Second World War that the democratic Left was fully integrated into European societies and the social democratic program fully embraced by the mainstream Left and at least tolerated by other parties across the political spectrum.

If the first lesson to be learned by a reexamination of social democracy, therefore, is that understanding political ideologies requires carefully analyzing how ideational and material developments interact and drive each other, the second is that social democracy as both an ideological and political movement has been largely misunderstood. It emerged out of a series of critical debates within the international socialist movement during the late nineteenth and early twentieth centuries, as Bernstein and other democratic revisionists developed a critique of orthodox Marxism. The ultimate consequence of this critique was the abandonment of many of Marxism's core principles—in particular, those of historical materialism and the class struggle. The democratic revisionists of this era shared an emphasis on the desirability rather than the necessity of socialism, on morality and ethics as opposed to science and materialism, and on human will and cross-class cooperation rather than irresistible economic forces

and inevitable class conflict. During the interwar years, the democratic strand of revisionism blossomed into a powerful and creative political movement all its own—the first such movement worthy of the label “social democracy.” Social democrats argued for the primacy of politics and proclaimed their willingness to use the state to direct economic development. In addition, social democrats appealed to the “little people,” the “community,” and the collective good. In practice, they championed Keynesianism and state intervention in the economy, crossclass alliances and corporatism, and the welfare state. By the end of the 1930s, in other words, social democracy embodied a distinctive set of principles and policies, although it was only in Sweden that they were fully adopted and implemented. After the Second World War, these policies spread across the continent, but eventually social democratic parties lost touch with the principles that had formed the original foundation of their movement. Hence, they floundered when the policies that they championed seemed to run out of steam; the result was that social democracy was soon challenged by a neoliberalism that appeared to offer more dynamic solutions to contemporary problems.

The irony here is that in important ways the contemporary period resembles nothing so much as the one in which the social democratic movement emerged a century ago. Then as now, economic globalization was bringing the world together and generating both unprecedented prosperity and social discontent. Then as now, the political environment was dominated by a belief in the primacy of economics and unfettered markets, and yet was marked by a longing for some type of societal control and communal solidarity. A third lesson to be learned, therefore, is that the issues at the heart of contemporary globalization debates are in fact very old, and that the neoliberal answers to them may not prove as enduringly popular as is generally believed. Although the contemporary era, at least in Western Europe, is hardly as crisis-ridden or tumultuous as the late nineteenth or early twentieth centuries, many similar dynamics and demands can nonetheless be seen. Most importantly, there is a general feeling that states and nations have lost control of their fates and are being left at the whim of market forces outside their control. Such fears and frustrations reign throughout European societies. For example, Edzard Reuter, the former chairman of Daimler-Benz, recently wrote, “It is no longer the elected government . . . or the chancellor that decides on the guidelines of politics. In their place an interlocked and . . . ethereal set of economic actors rules illegitimately.”⁸⁹ If today’s Left, and what remains of the social democratic movement in particular, cannot return to first principles and convince European publics that the Left can actively and creatively respond to such concerns, then we should not be surprised to

⁸⁹ Edzard Reuter, “Ratlose Zaublerlinge,” *Die Zeit*, December 9, 1999, 50.

find that other, less savory movements—of the right-wing, xenophobic, populist variety—might well arise to fill this crucial role.

A final lesson has to do with alternative courses for the Left currently being shopped around. The most (in)famous of these is the “Third Way” championed by British prime minister Tony Blair and British sociologist Anthony Giddens.⁹⁰ Although the very appellation “Third Way” is designed to indicate some continuity with traditional social democratic politics,⁹¹ if the analysis presented above is correct, the Third Way’s proponents do not understand what social democracy has at its core—above all, a belief in the primacy of politics and a commitment to using democratically acquired power to direct economic forces in the service of the collective good. Supporters of the Third Way seem to want to retain the communitarian aspects of social democracy while rejecting the idea that market forces may need to be redirected or even overruled in order to achieve more fundamental societal goals. For social democrats, efficiency is an important criterion, but it is not the only or even the ultimate one by which to judge economic or social policy. Social democrats have traditionally accepted or tolerated the market because of its ability to provide the material basis upon which the good life can be built, but have been unwilling to accept the market’s primacy in social life. Social democrats recognize, in other words, what Karl Polanyi captured so brilliantly in *The Great Transformation* (1944): although capitalism has unleashed hitherto unimagined productive powers, it has great destructive and disintegrative potential as well, and this potential requires that some sort of shelter be erected so that societies and individuals can weather the gales of economic, social, and political change that constantly howl around them. Social democracy can thus be understood as an attempt to come to terms with the challenge laid out in *The Great Transformation*: it is an attempt to develop a democratic ideology and movement that asserts the primacy of politics over economics—that allows states and people to be the arbiters of their own fates—and that provides the communal and social solidarity that is seemingly destroyed by capitalism.⁹²

What the Third Way is really resuscitating and updating is not social democracy, but rather a strand of “liberal revisionism” that was particularly popular in Great Britain in the late nineteenth and early twentieth centuries.⁹³ According to the criteria laid out here, sentiments like those

⁹⁰ Anthony Giddens, *The Third Way: The Renewal of Social Democracy* (London: Polity Press, 1998); Anthony Giddens, *Beyond Left and Right: The Future of Radical Politics* (Stanford, CA: Stanford University Press, 1994).

⁹¹ Indeed, the subtitle of Giddens’s book is “The Renewal of Social Democracy.” See note 90.

⁹² The qualifier “democratic” is crucial here, since Polanyi saw fascism as an attempt to come to terms with this challenge as well, but of course in a nondemocratic, totalitarian way. See Polanyi, *The Great Transformation*.

⁹³ See James T. Kloppenberg, *Uncertain Victory* (New York: Oxford University Press, 1986); and Richard Bellamy, *Liberalism and Modern Society* (University Park: Penn State Press, 1992).

expressed by Lionel Jospin (the leader of the French Socialists) are closer to the social democratic tradition than those expressed by Blair. In 1999, at the Socialist International's twenty-first congress, Jospin reminded the assembled delegates that "[t]he market is an instrument that is effective and important, but it is nothing more than an instrument."⁹⁴ What Jospin does not seem to fully recognize, however, is that times have changed and that achieving social democratic ends in the twenty-first century will require new means. What exactly these means should be is beyond the scope of this essay, but if they are to be consistent with social democracy's history, they must at the very least retain the goal of "decommodification"—of severing individuals' chances in life from the whims of the marketplace. Retaining its distinctiveness requires that social democracy retain its commitment to preventing economic forces from becoming the ultimate arbiter of societal developments. Indeed, there are some intellectuals and activists making a case for just such a revitalization of the social democratic program. For example, sociologist Gosta Esping-Andersen argues in his most recent book (*Social Foundations of Postindustrial Economies*) that a certain type of decommodifying welfare state is not only compatible with twenty-first century capitalism, but that the two are interdependent;⁹⁵ the success of countries like Sweden, Denmark, and the Netherlands indicates that he is probably right. The key is designing policies that help individuals actively respond to, and take advantage of, the opportunities their rapidly changing environment affords them.

In order to remain consistent with its history, a social democratic response to contemporary problems must also have the fostering and maintenance of communal and social solidarity at its core. The history of social democracy is marked by the desire to find an alternative to the individualism of classical liberalism and the class-struggle perspective of orthodox Marxism. Relatively homogenous societies and independent states made an emphasis on communal solidarity relatively unproblematic during the first two-thirds of the twentieth century, but now, thanks to immigration and nations' interdependence, such appeals are difficult to sustain (at least for those unwilling to flirt with chauvinism and xenophobia). Nevertheless, social democrats must find some way to refashion communitarian appeals in order to address the social dislocation of the contemporary era and generate a broad popular base for the welfare state and activist government. Perhaps this will happen through focusing more on subnational identities; perhaps it can happen through the fostering of a true European identity. Regardless of how it happens, a social democratic revitalization will require a recapturing, for the Left, of the themes of social and communal solidarity. In short, therefore, for social democ-

⁹⁴ Quoted in *Die Zeit*, November 11, 1999, 2.

⁹⁵ Gosta Esping-Anderson, *Social Foundations of Postindustrial Economies* (New York: Cambridge University Press, 1999).

racy to remain as successful and distinctive a movement during the twenty-first century as it was during a good part of the twentieth, it will have to find some way to build upon its principles new policies that respond to the particular needs and contours of the contemporary era, yet retain the activism, belief in human will and solidarity, and commitment to creating a better world that characterized the interwar pioneers.

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