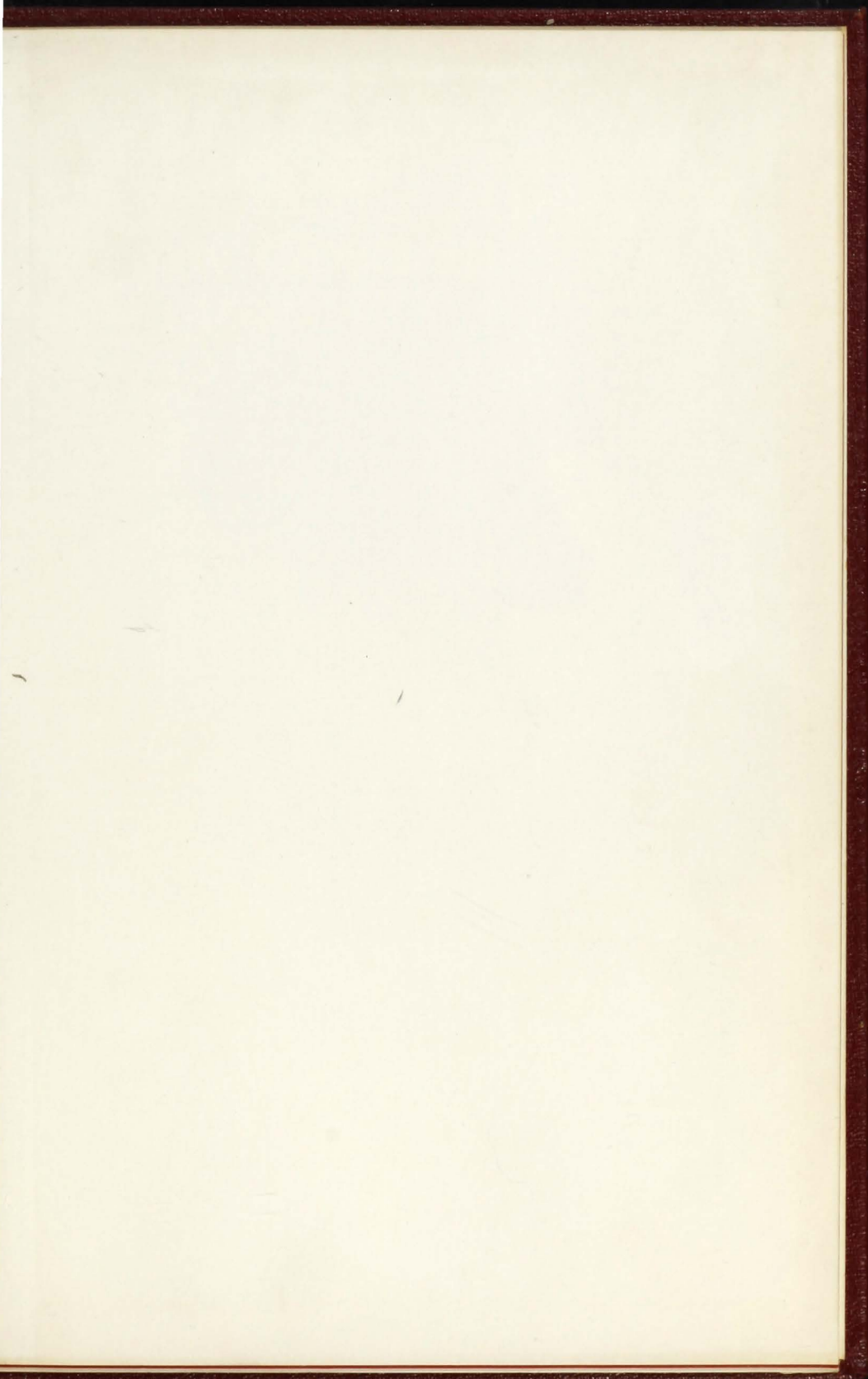


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BRITISH ASSOCIATION
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BY ANTHONY TROSCHEL



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social democracy
in Europe

Anthony Crosland
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social democracy in Europe

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European Socialists are fervently anti-imperialist in principle. But we are not, I fear, above indulging in some cultural imperialism in practice. We sometimes treat our social democracy as a kind of ideological export industry. Having proved (as we think) the quality of our product for home consumption, we naturally want to persuade others to buy it for their own use. In the process, we are apt to ignore the differences in political, economic and social background that make particular features of our form of socialism inappropriate elsewhere.

So let me say at once that I recognise the profound differences between the problems which you face, as a social democratic government in Latin America, and the problems which I and my colleagues face, as members of a social democratic government in Europe. Perhaps the most important is the difference between your mainly agrarian economy, and the economies of Western Europe founded on substantial industrial wealth. But there are a host of other differences as well. Your different political culture, in a continent where democratic government is still markedly the exception. Your complex relationship with an immensely powerful United States. Your vital interest in a high and stable price level for your primary products. And so I could go on. These differences make me chary of drawing any direct conclusions for Latin America from the experience of Western Europe: that is a task which I shall leave to you.

socialism defined

I start by asking the basic question: how should we define socialism? We must not subscribe to the fallacy that some ideal socialist society can be said to exist, of which blueprints can be drawn, and which will be ushered in as soon as certain specific reforms have been achieved. When presented with such blueprints, we should react as the great liberator Simón Bolívar reacted when, having by then learned many hard lessons in practical politics, he wrote the first of his great manifestos in temporary exile in 1812. He then expressed himself as follows: "The codes consulted by our magistrates were not those which could teach them the practical sciences of government, but were those devised by certain benevolent visionaries who, creating fantastic republics in their imaginations, have sought to attain political perfection, assuming the perfectibility of the human race. Thus we were given philosophers for rulers, philanthropy for legislation, dialectics for tactics, and sophists for soldiers."

So we shall not suddenly wake up one day, as many early socialist revolutionaries naïvely hoped and expected, and find that something called "socialism" has arrived outside the window. For the word "socialism" is not in any way an exact descriptive term, connoting a particular social structure, past, present or even immanent in some ideologue's mind. Rather it describes a set of values, of

aspirations, of principles which socialists wish to see embodied in the organisation of society. What are these values? I believe that essentially they are these.

First, an overriding concern for the poor, the deprived and generally the underdog, so that when considering the claims on our resources we give an exceptionally high priority to the relief of poverty, distress and social squalor. Secondly, a belief in equality. By equality we mean more than a meritocratic society of equal opportunities, in which unequal rewards would be distributed to those most fortunate in their genetic endowment or family background. We also mean more than a simple redistribution of income. We want a wider social equality embracing the distribution of property, the educational system, social class relationships, power and privilege in industry—indeed, all that is enshrined in the age old socialist dream of a “classless” society. To us, the fundamental divide between Left and Right, socialists and non-socialists, has always been about the distribution of wealth, power and class status. Thirdly, strict social control over the environment—to enable us to cope with the exploding problems of urban life, to plan the use of our land in the interests of the community, and to diminish the growing divergence between private and social cost in the whole field of environmental pollution. (This is also an aspect of social equality, since the rich can often buy themselves a good environment; only social action can give the less well off the same protection). This is not necessarily an exhaustive list; but when I search my mind, these three aims seem to me to constitute the essence of social democracy in the 1970s.

social democracy and communism

How then does social democracy differ from communism? It differs in two fundamental respects. First it is a thesis about means as well as ends. In particular, it rejects the Marxist thesis that socialism requires, depends on, and indeed can be defined as, the nationalisation of the means of production, distribution and exchange. The ownership of the means of production is not now, in our view, the key factor which imparts to a society its essential character. Collectivism, private ownership or a mixed economy are all compatible with widely varying degrees of equality, freedom, democracy, exploitation, class feeling, industrial democracy and economic growth. We can therefore pursue our goals within the framework of a mixed economy, with public ownership taking its place as only one of a number of possible means for attaining our objectives. Indeed, I would go further. A mixed economy is essential to social democracy. For while a substantial public sector is clearly needed to give us the necessary control over the economy, complete state collectivism is without question incompatible with liberty and democracy.

This leads me to the second and most fundamental difference—indeed, an un-

bridgeable gulf—between social democracy and communism : namely, that social democracy is democratic. Underlying all our beliefs is a profound concern for liberty, democracy and the rule of law. We refuse to accept that socialism has any meaning except within a framework of liberty for the individual and representative democracy. Democracy today is under threat, as it always has been and always will be. The brutal events in Chile have evoked anxious doubts about the democratic road to socialism in Latin America. The recent developments in India have come as a traumatic shock to social democrats all over the world. In Portugal the balance between democracy and dictatorship is still tragically poised and precarious. Less than a month ago Mr Brezhnev publicly voiced his support for those hard liners like Konstantin Zarodov, who argue that any cooperation between communist parties and others is only tactical and that communist parties must never lose their hegemony over the working class in the revolutionary process. Even in Western Europe, there is deep scepticism about the democratic credentials of the powerful French and Italian communist parties. And some pessimists fear the consequences for democracy of a combination of slow economic growth and rapid inflation in societies where rising expectations have developed from aspirations into fierce demands.

I want to say a word about Italy which is, after Portugal, the West European country most seriously threatened by communism. It is quite wrong to believe that the Italian communists are basically different from communists in other countries.

What is different is their strategy, their style and perhaps also their record as extremely efficient administrators in local government. But it would be a disastrous mistake for democrats in Italy, either on the left or on the right, to believe that the "historic compromise" proposed by the communists can actually be achieved. It is impossible to envisage a communist party in power in Italy which would in the long run safeguard democratic principles. It is impossible to imagine communist rule in Italy without a gradual watering down of basic civil liberties such as freedom of the press. And I certainly cannot see the Italian communist party, after having come to power by democratic means, allowing their electoral strength to be tested in any subsequent election. For such action would not only contradict their Marxist philosophy of the dictatorship of the proletariat, it would also be utter stupidity on their part. And whatever one can and should say about the communists, one can hardly call them fools.

These threats and anxieties must make us more resolute, not less, in the defence of liberty. If we want for the future (whatever has happened in the past) to disprove Simón Bolívar's poignant prophecy that "many tyrants will arise upon my grave," we must be constantly active, vigilant and resolute. Need we define more closely what we mean by liberty? I doubt it. For we all know what in practice it

means to speak our minds quite freely, to write and debate without fear of censorship, to support this democratic party or that, and above all to live without the fear of secret police, arrest, interrogation and torture. The difference between our system and theirs, between Costa Rica and Britain on the one hand and Chile or Soviet Russia on the other, is surely summed up in a poignant passage in Alexander Solzhenitsyn's *Gulag Archipelago*: "It seems a virtual fairy tale that somewhere, at the ends of the earth, an accused person can avail himself of a lawyer's help. This means having beside you, in the most difficult moment of your life, a clear minded ally who knows the law." Simple words; but never was a more eloquent tribute paid to freedom and the rule of law.

If I argue for social democracy as against communism, I must answer the common but facile question: is not dictatorship more *efficient* than democracy? Do we not pay a heavy price, in terms for example of economic growth, if we choose the road of freedom and democracy? My answer, which I assert dogmatically, is: No. I call for support on innumerable historical examples.

When I was growing up in the 1930s, Britain seemed indolent and incompetent, while Nazi Germany appeared a terrifying symbol of ruthless totalitarian competence. Yet in World War II, when the final crunch came, democratic Britain mobilised its resources far more fully and efficiently than Nazi Germany; and of all the great nations engaged in that war, Mussolini's Italy was incomparably the least efficient. In the immediate post-war years, many of my European colleagues were deeply alarmed by the rapid rate of economic growth in the communist countries, which they attributed to the advantage of dictatorship. But, in fact, if we compare different countries in terms of economic growth, we find no evidence that dictatorships perform better than democracies. The Soviet Union, with her agriculture still a disaster area, is forced to buy 10 million tons of wheat from capitalist America. The rates of growth of Germany and Japan far outstrip those of the of the communist bloc. Some of the least efficient—and most corrupt—countries of the world are to be found amongst the dictatorships. In recent times, authoritarian regimes seized power in Greece and Chile in the name of clean government and economic competence; both regimes proved a catastrophe.

equality with liberty

So: our creed is "equality with liberty." How far, in practice, can we achieve it? "The gradual development of the equality of conditions," wrote de Tocqueville, "is therefore a providential fact, and it possesses all the characteristics of a Divine decree: it is universal, it is durable, it constantly eludes all human interference, and all events as well as man contribute to its progress." That was in 1830. Today we would be less certain, for the creed of equality arouses violent opposition. (I refer

here solely to equality within nations, though greater equality between nations is, perhaps even more important to social democrats).

I deal first with the opponents on our right. Throughout the 1960s, the anti-egalitarians in Europe seemed to sense that history was moving against them. In Britain, at least, they lay low. But over the past year it is the privileged who have been the worst hit in the current cold economic climate; and they have felt in need of some thicker ideological clothing. So, preached by prominent Conservative politicians, a new brand of Rightism has emerged which openly proclaims (rather than silently hankers after) the virtue and necessity of more inequality.

Lesser proponents of this Conservative reaction have not progressed much beyond phrase-mongering. For example, the standard platform speech of British Conservative politicians attacks Labour's belief in equality as "the politics of envy." This is the authentic voice of beleaguered privilege. For what Conservatives describe as the "politics of envy" is no more and no less than a socialist rejection of the claims of the wealthy to a wholly unacceptable degree of privilege. The more sophisticated new Conservatives advance two arguments. First, they argue that greater equality requires higher taxation and public expenditure, and so an ever expanding state bureaucracy; and Conservatives have always (at least in theory) feared bureaucracy, save perhaps for the police.

I deal with public expenditure later. But we must take seriously the fears about the growth of state power, especially given the *penchant* of some socialists for the continual spawning of giant new institutions under centralised control. We should never forget that a change from private control to state control is socialist only if that control is democratic; a transfer from a private bureaucracy to a public bureaucracy in no way furthers the aims of socialism. We should not be in the business of creating endless giant Leviathans manned by armies of bureaucrats; and we must therefore heed this warning. But the warning should not be directed solely to the Left. Max Weber rightly warned us that in capitalist and socialist societies alike, bureaucracy was likely to acquire an "overtowering" power position. The growth of State power is a phenomenon common to both right wing and left wing regimes, though often from different motives. Certainly the British Conservative Government of 1970-74 was almost trigger happy in its use of state power and the law to further its Conservative objectives; and the same has been true both elsewhere in Europe and in North America. Moreover the concentration of power is not confined to the public sector; it is typical of modern society in general. And to paint General Motors or IIT as bastions of individual freedom against an over mightly state is perhaps a trifle far fetched. The fact is that we want democratic control over *all* concentrations of power; and here the socialist tradition is far more relevant than a Conservatism which is obsessed by state power alone.

The second argument against equality is based on the need for sufficient financial incentives in a mixed economy. The standard of living of working class people, it is (rightly) said, can be improved much faster by economic growth than by any conceivable redistribution of existing incomes. Thus, if in Britain we were to confiscate all incomes in excess of £5,000 a year—a reasonable middle class income—and distribute the proceeds amongst the rest of the population, we should raise their incomes by the equivalent of perhaps one year's normal economic growth. But this is not the point. For at least in the advanced industrialised countries, the argument for more equality is based not on any direct material gain to the poor, but on the claims of social and natural justice. And the question is: do these claims conflict with the need for incentives? Have they indeed, as the new conservatives suggest, been pressed to the point where they endanger efficiency?

No one doubts that we must balance the need for incentives against the dictates of social justice. The trouble is that we lack clear evidence as to the degree of differential rewards which efficiency demands. Some people argue that higher taxes on the rich will actually make them work *harder* in an attempt to maintain their real incomes. Certainly international comparisons do not show any clear correlation between high growth rates on the one hand and a wide dispersal of income on the other. We must also note that existing differentials often reflect not differences in effort or productivity, but the factors of inheritance or family background or very frequently sheer good luck. However much inequality may or may not be essential for efficiency, inequalities of this kind are neither equitable nor efficient. We can make significant progress towards greater equality through attacking great wealth and high incomes which have no conceivable relevance to efficiency or economic growth.

Of course much of this talk of incentives has an overt class bias. Incentives in fact are not needed only by the middle classes. Indeed the working class whose work is intrinsically much less satisfying, may need material incentives correspondingly more. Sir Keith Joseph, a prominent British Conservative, in one of his speeches in favour of larger income differentials, made a passionate plea for greater rewards for middle class businessmen whom he described as "the people who give themselves ulcers." He seemed quite unaware that incidence of ulcers amongst the middle and professional classes was only half that amongst manual workers.

If revisionist Social Democracy is secure against the attack from the right, what of the attack from the extreme left?

Despite social democratic governments, say the Marxists, inequality has not diminished. The reason is the entrenched power of private ownership; and the solution lies in a massive programme of nationalisation. In Britain, a passionate academic

debate has raged over the trends in the distribution of income and wealth. Books, articles and pamphlets have appeared in a torrential flood. No sooner has one side produced figures to show that inequality persists unchanged, than the other side proves that it has shrunk to the point of non-existence. Fortunately we now have the definitive first report of the Royal Commission on the Distribution of Income and Wealth chaired by Lord Diamond. The text runs to 371 paragraphs, 59 tables and 14 charts; so I hope you will excuse a somewhat breathless summary. So far as post-tax income is concerned, the top 10 per cent of earners now command 21.4 per cent of total personal incomes, compared with 34.6 per cent immediately before the war. The bulk of the shift occurred between 1939 and 1950, but the trend has continued since, though at a slower pace. For, as the Royal Commission concludes, "the combined effect of the tax system, the receipt of transfer payments and direct and indirect benefits in kind is . . . a major redistributive one." For capital wealth, the picture is broadly similar. The top 1 per cent of the population own 17.4 per cent of total wealth (including all pension rights) and the top 10 per cent own 45.7 per cent. Since 1939 the share of the top 1 per cent has fallen very markedly and that of the top 10 per cent considerably; and this redistribution steadily continues.

This statistical evidence confirms the evidence of our senses. Continental beaches, the old haunts of the rich, are now crowded with working people from Germany, Sweden, Holland and Britain, enjoying the pleasures once reserved for the few. The motorcar—that *bête noir* of the conservationist extremists—brings a new freedom to millions of ordinary people. Meanwhile the middle classes moan endlessly over Sunday morning sherry, no longer about the servant problem which is past redemption, but about the imminent financial necessity of sending their children to state rather than private schools. The evidence of increasing equality is surely undeniable.

Yet so, despite de Toqueville, is the persistence of inequality. I refer not only to the stubborn residue of grinding poverty, though that is real enough. I refer also to the grossly excessive sumptuary spending of the wealthy classes. And the kind of inequality which the statistics do not reveal—the deep seated barriers of class attitudes and prejudice—has proved more resistant than we had hoped to the effects of economic levelling. We are much nearer to our goal than we were. But there is a long way still to go; and this will be a continuing challenge for generations of socialists to come.

public expenditure and equality

I turn now to one particular aspect of the social democratic creed. Social democrats have traditionally stressed the role of higher public expenditure in achieving

both their welfare and their egalitarian aims. A large growth in public expenditure, both absolutely and as proportion of GNP, has in fact been a feature of all modern industrial economies ; but where right wing administrations have raised and spent grudgingly, social democrats have done so willingly. This was particularly so in the post-war period when the gap between private affluence and public squalor appeared intolerably wide, and all the public services which socialists wanted to see developed were woefully short of capital and labour.

Today, however, the imbalance is less evident. In Britain and elsewhere, the public service has been almost the fastest growing area of employment. The numbers of teachers, nurses, social workers and local government employees have grown at a staggeringly rapid rate ; and the quality of our social capital has enormously improved—new and well equipped schools, old people's homes, leisure and recreation centres, local authority housing built to first class physical standards.

But this upsurge of public spending has of course required a tight rein on private spending ; and the consequent increase in taxes on ordinary working people has without doubt both disappointed expectations and contributed to inflation. We have, moreover, made the painful discovery that a shift from private to public spending does not necessarily increase the equality.

We rightly saw that public spending could distribute goods according to need rather than to income. For example, a National Health Service could in principle provide the services of the best surgeon to the patient with the most need for his services, rather than the one who could afford to offer him the biggest fee. But we drew from this the mistaken conclusion that public spending was *ipso facto* egalitarian—that it was always financed by the rich while its fruits were consumed by the poor, and therefore that the faster it increased, the more equal a society we should create.

This has turned out—and I stress here that I am talking in a Western European and not a Latin American context—to be, for a number of reasons, an oversimplification. In the social services, much of the spending has gone on creating large bureaucracies of middle class professional people. Where we once were sure that better education would enable working class children to catch up with the children of the middle classes, we know—thanks to the work of Jencks and his associates in the US—that “. . . the character of a school's output depends largely on a single input, namely the character of its entering children. Everything else—the school budget, its policies, the characteristics of the teachers—is either secondary or completely irrelevant.”

Moreover we underestimated the capacity of the middle classes to use their

political skills to appropriate more than their fair share of public expenditure. They demand more resources for the schools in their areas ; they complain vociferously if they have to wait for their operations ; they demand that the State intervenes to subsidise the price of the rail tickets from their commuter homes to their work. Too often these pressures have been successful ; and in consequence the distribution of public spending has been tilted away from the areas of the greatest need towards those which generate the loudest demands.

Should we then abandon our belief in high public expenditure ? My answer is clearly : No. For the principle remains valid ; it is the practice which has gone wrong. We need to reform the practice ; we need in our public spending decisions to ask not only ; how much ? but also : to whom ? In particular, we must give a higher priority to social expenditure which is unambiguously progressive—for example, cash benefits to the old, the sick and the unemployed—and restrain that which is regressive—for example, some forms of indiscriminate subsidy, or excessive highway construction, or (in Europe) higher education. Only then will public expenditure play the progressive role which we expect of it.

growth, ownership and socialism

The achievement of greater equality without intolerable social stress and a probable curtailment of liberty depends heavily on economic growth. The better off have been able to accept with reasonable equanimity a decline in their *relative* standard of living because growth has enabled them (almost) to maintain their *absolute* standard of living despite redistribution. And much higher public expenditure has been possible without a general taxpayers' revolt because it too comes (at least in part) out of economic growth (though the now simmering resistance amongst British ratepayers and the meteoric rise of the anti-tax Glistrup Party in Denmark should warn us against over complacency on this point).

But in the wake of the energy crisis, all the developed countries have suffered a sharp setback to economic growth. If there were reason to believe that this was permanent, and that we were entering a phase of zero growth, social democrats would indeed be anxious and confused ; for while scarcity persists, we cannot possibly achieve our aims and redeem our pledges without a healthy rate of growth. I do not myself believe that the setback is permanent, or that post-1972 experience should lead us to modify our views on either the desirability of growth or the possibility of achieving it.

I allow myself a brief digression. The recent period of zero growth, short lived though I think it will prove to be, enables us to test some of the notions of the extreme environmentalist school of anti-growth ideologues typified by the Club of

Rome. They do not stand up well to the test. First, on the predicted shortage of material resources. The oil crisis in fact had nothing to do with a shortage of physical resources, and everything to do with a powerful suppliers' cartel. But what is interesting is that the response to the crisis has been precisely what the pro-growth critics of the Club of Rome predicted. The rise of prices has led both to vigorous energy savings and the rapid development of substitute sources—on such a scale that the OPEC countries are failing even to maintain their gains in real terms. There is no reason to think the same would not occur in other cases. Secondly, we have also seen, what some of us strongly argued against the Club of Rome, the heavy cost of zero growth—including the cost to the environment. If I take my own Department of the Environment in Britain, two of my recent decisions will have a bad effect on the environment—a heavy cutback on subsidies to public transport and the postponement of certain anti-pollution measures. Both decisions were the direct consequence of the present halt to growth and the resulting constraints on public expenditure; and they demonstrate that we must have economic growth to provide the resources needed to improve the environment itself, quite apart from the innumerable other claims.

Assuming we want growth, can we achieve it within the mixed economy? Or does it require, as a few people in Britain argue, a rapid and wholesale programme of nationalisation? I argued the opposite case in my book *The Future of Socialism* published in 1956, and again last year in my essay *Socialism Now*. It seems extraordinary that it should still need arguing in view of the unprecedented growth and success of the Western European mixed economies since the war—a success which surely should clinch the argument once and for all.

Moreover I am not clear that it is appropriate to pursue this issue much further in a lecture on European Social Democracy. For amongst the European socialist parties, the British Labour Party is unique in the doctrinal energy which it still devotes to the issue of public ownership. In the comprehensive new draft Programme of the Swedish Social Democratic Party, precisely two brief mentions are made of the extension of collective ownership. In Germany, the SPD abandoned public ownership as a major goal as early as 1959 in the famous Bad Godesberg programme; and Brandt and Schmidt have successfully resisted attempts by some younger members of the Party to restore it to its former prominence. The Austrian Party made no mention of nationalisation in its 13 point programme for their recent—and brilliantly successful—election campaign. Even in France where a vestigial Marxism has deeper roots, much more thought is being given to the promotion of industrial democracy as a means of changing power relations, than to the mere transference of ownership.

My own views on public ownership remain unchanged. I believe that it is one of a

number of instruments available to government to deal with excessive monopoly power, or consistent under-investment, or (as in the case of oil or minerals or development land) a failure to plan a national resource in the interests of the community. (In a Latin American context it may serve other purposes also; on this I am not competent to judge.) It is a useful weapon in a socialist government's armoury, and each of the specific nationalisation proposals in the British Labour Government's present programme can be justified on its merits. But no sound social or economic case for a massive nationalisation programme has been made out. And certainly such a programme in Britain would not cure the underlying weakness of British industry. For this can be traced to a narrow and insular conservatism which in turn stems largely from basic weaknesses in our social class structures, causing us (as Chancellor Helmut Schmidt has recently commented) to "devote so much time, money and energy to the class struggle."

There is of course one threat to growth to which none of us yet has a proven answer: the menacing increase in the rate of inflation. True, rapid inflation is not necessarily incompatible with rapid growth; Brazil is one country where the two co-exist. But certainly orthodox conservative measures to deal with inflation—that is, tight monetary policies—must, by creating unemployment, reduce the rate of growth, and this has occurred over much of the world in the last two years.

This is why many (though not all) European socialist parties prefer the alternative of prices and incomes policies such as we are pursuing in Great Britain now. Administered in co-operation with the trade unions, such policies have the further advantage of transforming wage bargaining from mere power bargaining to an exercise in the social determination of relative incomes. Some of the most encouraging experience in this field has been in Scandinavia where, with the full consent of the trade union movements, centralised bargaining procedures in which the government is directly represented have been accepted as the normal means of determining incomes. From time to time these procedures have broken down. But over most of the period since World War II they have enabled pay settlements to be reached in a more orderly, and also in a more equitable, manner than in other democratic countries where so called free collective bargaining is the norm.

A particularly interesting development is the agreement recently concluded in Norway, where the Finance Minister, Mr Per Kleppe, has persuaded the unions to accept only 80 per cent compensation for the rise in the cost of living over the past year. Only 30 per cent of this will be met by direct wage increases. The remaining 50 per cent will accrue from a package of government fiscal measures embracing higher family allowances, increased food subsidies, a rise in old age pensions and a cut in income tax. The Norwegian trade unions have accepted this deal because they recognise that it provides the best hope of achieving the Nor-

wegian government's target of halving the rate of inflation over the next 12 months.

This approach is in the mainstream of social democratic thinking ; and though the performance of past incomes policies make one wary of claiming too much, I believe that our present policy in Britain will similarly both help to cure inflation and lead to a more equitable distribution of rewards.

European social democracy and the voter

Whatever the intellectual verdict on European social democracy, there is no denying its immense political vitality. In practically every West European country, a social democratic party is either in power, or sharing power, or challenging hard for power.

In Britain, in Austria, in Norway, in Sweden, in Denmark and in Malta, democratic socialists currently govern alone. In West Germany they dominate the governing coalition ; in Holland they lead it ; and they form part of it in Luxembourg, Switzerland and Eire. As for the challengers, in France a socialist candidate came within 1 per cent of winning the Presidency in 1974. And the socialist parties have been in and out of power in the kaleidoscopic shifts of Italian politics.

So, social democracy has been highly successful in mobilising political support. Other more extreme parties have to rely on "ifs" to maintain their plausibility. *If* only the people were not fooled by the mass media. *If* only the truth about our society was not suppressed. *If* only people understood elementary economics ; *if* only they had read *Das Kapital*. Social democracy can rely on hard facts, on how people have actually chosen to behave. And to a remarkable extent, they have chosen to vote for us.

The counterpart of the success of social democracy in post-war Western Europe has been the failure of communism. We can easily forget how uncertain that seemed in the immediate aftermath of 1945. The communists had established a brutal grip on Eastern Europe ; they looked poised for eventual power in France and Italy ; no one could tell how events might develop in a defeated Germany ; and even the more stable democracies might not have survived a return to the slumps and unemployment of pre-war capitalism.

Today, however, the communist threat has been decisively turned back. There are now only three countries with substantial communist parties, and in two of those there are hopeful signs. In France, the polls recently showed Francois Mitterand and the socialist party in a two-to-one lead over the communists. In Portugal, which we watch with such agonised anxiety, the Soares socialists emerged from

the elections to the Constituent Assembly as by far the largest single party. Only in Italy have the communists retained most of their post-war strength, and that largely due to the further disastrous split in the Italian Socialist Party of July 1969.

One word about the Socialist International. The fact that I am standing before you here today is largely due to the fact that we both belong to one and the same organization despite our differences of geography, culture and maybe politics. It is the strength of the Socialist International, whose General Secretary helped to bring my visit about, that it leaves sufficient room for democratic socialists of different shades to meet, talk and act together. As it says in the Statutes, it is the purpose of the Socialist International "to strengthen relations between the affiliated parties and to co-ordinate their political attitudes by consent." I cannot think of any international organisation which so clearly states its democratic principles. And the Socialist International is also the strongest organisation of its kind in the world today, comprising 56 political parties with a total membership of 17 million, an electoral strength of 75 million, and 22 governments which govern almost 200 million people in all continents.

conclusion

Mr President, my political misfortune is that I was born an optimist. The intellectual fashion in the Western World today is deeply pessimistic, even chiliastic. In the words of the American ecodoomster, Robert Heilbroner: "There seems to be a widespread sense that we are living in a period of historic exhaustion . . . Economic growth and technical achievement, the greatest triumphs of our epoch of history, have shown themselves to be inadequate sources for collective contentment and hope . . . A society . . . celebrating itself in the act of individual consumption is finally insufficient to retain our loyalty."

Now it may be true that, as Robert Nisbit has recently written, "we live in a kind of twilight age of government, one in which the loss of confidence in political institutions is matched by the erosion of traditional authority in kinship, locality, culture, language, school and other elements of the social fabric." It is certainly true that there is growing evidence of discontent with the authoritarian nature of the industrial *work* situation, though social democrats should welcome this as a force for future advances towards industrial democracy. And perhaps most dangerous, people make more and more incompatible (and often unreasonable) demands on government; and they grow sullen when their expectations, which they now see as entitlements, are not met.

And yet there is another side to the picture. There is little evidence either from casual observation or opinion surveys that people are less generally contented than

they were ; little evidence that they are less confident that their children's lives will be better than their own ; little evidence of a general flight of faith from democratic parties and institutions—indeed, rather than turning to the political extremes, a majority in most European countries seems increasingly to be moving towards the centre.

So for my part, when I look beyond the discontented elite, I find the current pessimism to be much exaggerated. But whether it is or not, we European socialists still have much to do. Large parts of our traditional aims—the relief of poverty and the pursuit of equality—remain to be accomplished. At the same time, there are new challenges.

For the contradictions of capitalism are not now those which Marx analysed 100 years ago. The need today is for the development of a more profound industrial democracy ; for more democratic control over our private and public bureaucracies ; for the fostering of a greater sense of community and spirit of co-operation—all combined with the ever present, everlasting need for vigilance in the defence of liberty. These are challenges which should lift the spirit of socialists for the next stage in advancing our ideals. The support of the people has not faltered ; let us not falter ourselves.

fabian society the author

The Fabian Society exists to spread socialist education and research. It is affiliated to the Labour Party, both nationally and locally, and embraces all shades of Socialist opinion within its ranks—left, right and centre.

Since 1884 the Fabian Society has nurtured thoughtful socialists who are prepared to discuss the essential questions of democratic socialism and relate them to practical plans for building socialism in a changing world.

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The Society is organised nationally and locally. The national Society, directed by an elected Executive Committee, publishes pamphlets, and holds seminars and conferences of many kinds. Local branches—there are one hundred of them—are self governing and are their own centres of discussion and also undertake to teach.

Enquiries about membership should be sent to the General Secretary, Fabian Society, 11 Darnley Street, London, SW1H 9BN; telephone 01-930 3077.

Anthony Crosland is the son of Sir Grimond. He has been Secretary of Plans for Local Government and Regional Planning (1962-70), President of the Board of Trade (1967-69), Secretary of State for Education and Science (1971-73) and Economic Secretary to the Treasury (1969-70). He is now Secretary of State for the Environment. The author of *The Future of Socialism*, *The Conservative Enemy*, *A Social Democratic Britain* (Fabian Society, 1973), *Towards a Labour Housing Policy* (Fabian Society, 1974) and *Socialism Now* (Jonathan Cape, 1974), Anthony Crosland is also a past Chairman of the Fabian Society.

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they were little evidence together are not sufficient that their confidence here will be better than their own; indifference of a general kind to them from democratic parties and institutions—indeed, rather than sympathy to the political extreme, a majority in most European countries seem to be moving towards the centre.

So far my work, when I look beyond the Anglo-American view, I find the current estimate to be much exaggerated. But whether I do or not, the European nations are still less united to us. Large portions are undergoing the trial of poverty and the pursuit of equality—events to be so developed, at the same time, that are now unknown.

For the introduction of capitalism and property laws which Marx analysed 40 years ago. The need today is for the development of a more profound industrial democracy; for more systematic control over our affairs and public institutions; for the lowering of a greater portion of our property and spirit of cooperation; all combined with the ever present, unrelenting need for vigilance in the defence of liberty. These are challenges which cannot be the sport of isolation for the next stage in advancing our work. The support of the people has not declined; let us not forget ourselves.

fabian society the author

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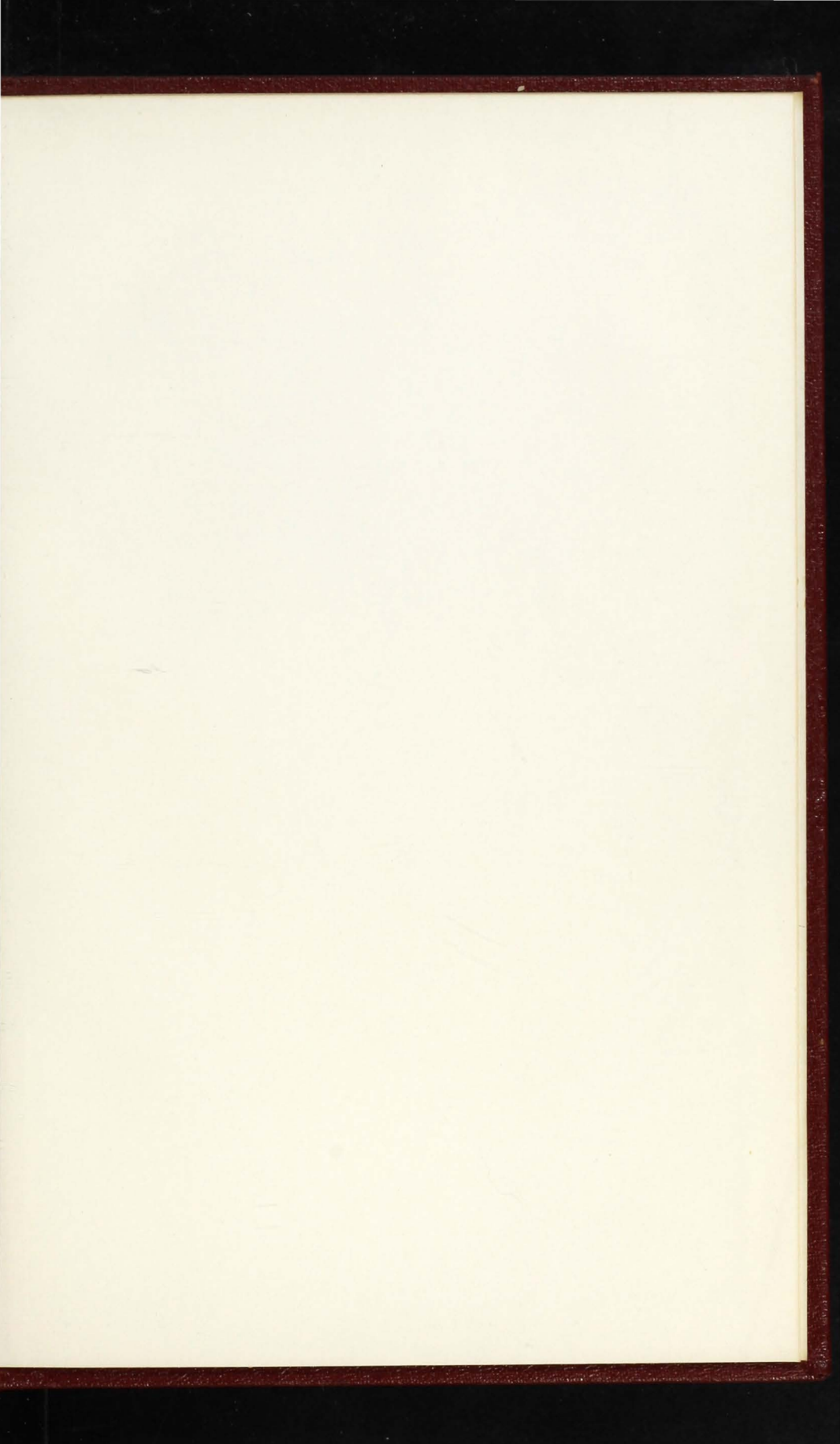
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