

Comments and Reviews

Gøsta Esping-Andersen: *Politics against Markets. The Social Democratic Road to Power*

Princeton: Princeton University Press, 1985, 366 pp.

During the last few years social democracy has become a fashionable subject of scholarly study in Europe and even in the United States. No major works on this subject were published in the 1960's or early 70's. Since then, however, the ideological developments, policies and class bases of social democratic parties have captured the interest of many political scientists and sociologists. To some extent this change has to do with the regress of the New Left and Leninism as sources of inspiration for social science studies. For an average new-left academic of the year 1968 the social democrats were sellouts, doomed to end up on the rubbish heap of history. Those among the leftists who were open-minded could, however, see the limitations of Leninism or other traditional Marxist models as instruments for analysis of recent developments within European labour movements, such as the recovery of social democracy in France, Italy, Spain and Greece and the Eurocommunist trends. They understood the need for a new theory of reformist socialism and they engaged in empirical, comparative research on social democratic or socialist parties.

Gøsta Esping-Andersen is a good exponent of this renewed interest in social democracy, starting from a revision of traditional Marxist theories. In the preface of his new book, he gives an unusually straightforward account of his own intellectual development during a decade of preoccupation with the social democratic parties in Denmark, Norway and Sweden. He started in the early 1970's as 'an average Danish new-left student'; then, as empirical research progressed, Leninism had to give way and his theoretical model was altered again and again; his doctoral dissertation in 1978 was quite different from his early writings, and the book he has now written is not only a polished up version of the dissertation. 'For, once again, I came to reject the arguments, theory, and empirical substance of what had gone before – not merely because the realities of socialist parties continued to unfold, but also because the research project itself remained dynamic. To harbor such an elastic theoretical disposition may not

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be altogether honorable; academics are supposed to launch a paradigm that has staying power.' No doubt, Esping-Andersen's progress from Leninist dogmatism to empirical 'elasticism' and, concomitantly, to a better understanding of social democratic reformism, was facilitated by studies and research during many years at American universities. He is now Associate Professor of Sociology at Harvard University.

The theoretical thesis and the main empirical results of the book can be summarized in the following way. The Scandinavian social democratic parties were successful to the extent that they were able to forge viable class alliances and to give state policy an all-embracing and solidaristic direction. The social democratic road to power was not simply predetermined by class structure; it was mainly created by the parties through strategic choices of alliance partners and policy options. Esping-Andersen lays more stress than other authors on the importance of the class alliances between workers and peasants which were successfully formed during the fight for democracy and again in the 1930's, when parliamentary majorities for crisis programs and welfare policies were created through logrolling with the agrarian parties. The emerging welfare state was built on the principles of solidarity and universality: the market was marginalized as the principal agent of distribution and the chief determinant of peoples' life chances. In this way the workers became 'decommodified', and internal differentials in the working class were eradicated, thus strengthening the class base of the social democratic parties.

Economic and social policies after World War II were, more or less successfully, guided by the same principles. When deviations occurred, giving more free scope to the market, the class bases and the parliamentary positions of the social democratic parties were weakened. This was particularly the case in Denmark, where the risk of 'welfare backlash' and 'party decomposition' is far greater than in Norway and Sweden. The welfare policy seems, however, to have exhausted its potentials in all the Scandinavian countries, mainly because public sector expansion must come to an end and tax revolts be avoided. A leading hypothesis is 'that unless the social democratic movement manages to relieve the state of its sole responsibility for welfare distribution, decommodification and solidarity, and to reallocate that responsibility in the economy, the movement risks a backlash against the welfare state' (p. 35). If social democracy is to survive as the leading political agent, a new class alliance has to be formed instead of the old agrarian alliance which, for obvious reasons, is fading away. The new partner will, of course, be the white-collar groups, and the alliance may be forged under the banner of 'economic democracy', i.e. some form of wage-earner funds. Sweden is the foremost candidate to such a political realignment; the prospects for the Danish social democratic party are gloomy indeed, and the Norwegian party takes a position in the middle.

The composition of the book is guided by the theoretical themes which are

presented in the first chapter in connection with a brilliant critical analysis of Leninism and other theories on reformist socialism. In the first part the social bases of social democracy are identified through a broad historical account of the class structure and the class alliances in the development of Scandinavian social democracy over the past century. The present trends toward party decomposition are analyzed in relation to the parties' changing social bases. The second part of the book deals with the political bases of social democracy. Skillfully combining quantitative analysis and historical case studies of the parties' accomplishments in social, housing and economic policy, the author comes to his conclusions about the impact of state policies on class politics and party decomposition. In the third part, 'Social Democracy at the Crossroads', the prospects for a new political realignment are discussed, focusing on contemporary plans for economic democracy.

The thesis of the book is not entirely new. Similar arguments for a new realignment have, for instance, been presented by Walter Korpi (1978) and Ulf Himmelstrand (1981). The same historical explanations of the structural strength of the Swedish and – to a less extent – the Norwegian party were discussed by many authors; neither has the structural weakness of the Danish social democratic party been overlooked (Elvander 1980). A distinguishing feature of Esping-Andersen's book is that he so strongly emphasizes the social democratic policies and reforms as independent variables, explaining variations in the electoral accomplishments of the three parties. On this point I have, however, some critical remarks. Although I agree with the main thesis, I think that the author should have related his arguments and his findings to previous studies and discussed more thoroughly the complicated relationship between policies and their effects on the one hand and the structural limitations of policy-making on the other hand. Let me take an example from the Danish housing policy.

In 1958, the Danish social democrats made a compromise agreement with their non-socialist coalition partners *Radikale Venstre* and *Retsforbundet* and passed a new housing act that departed completely from the previous 'social' housing policy. The act stipulated the withdrawal of the state from the credit market; this was the beginning of a far-reaching reprivatization of the housing market, which created strong tensions between homeowners and renters – even within the social democratic party. The new housing policy was a typical example of a non-solidaristic welfare policy which, according to Esping-Andersen's well-founded theory, erodes the class basis of social democracy and leads to party decomposition. Why, then, did the party enter into such a disastrous course? Did the social democrats have a free choice between coalition partners and policy options when they made the housing agreement in 1958? Esping-Andersen has no discussion of such questions, he does not even ask them. In my opinion, the long-standing structural and ideological weakness of the Danish social democracy, embedded as it was in a liberalistic petit-bourgeois environment, imposed

strict limitations on the party's options. The social democrats had no real choice and they were caught up in a series of vicious circles, connecting initial structural limitations with policy choices and policy outcomes which increased the limitations.

Another weak point is that a coming welfare state revolt seems to be taken for granted, not only in Denmark but also in Norway and Sweden: 'If my hypothesis is correct, then one would also expect that the welfare state revolt will be weaker in the other two nations and that social democratic decline will not correlate with welfare state issues' (p. 246). The author cannot explain convincingly why a welfare backlash is almost predetermined unless a realignment around economic democracy can be created by the social democratic parties. Many things point in another direction: the welfare revolt which had already occurred in Denmark in the beginning of the 70's was followed by increasing support for the welfare state, even among the young workers who left the social democrats for Glistrup; in Norway, no signs of a welfare backlash can be observed, and economic democracy is not on the agenda; the Swedish social democrats were able to ward off the neo-liberal attacks on the welfare state during their last term of office, at the same time as the importance of the wage-earner funds was played down. Gøsta Esping-Andersen is probably right in his analysis of potential welfare state problems, but the connection with economic democracy is not so self-evident as he seems to believe.

In the historical parts of the book the author mainly relies on secondary analysis of the vast material that has been brought together by other studies of Scandinavian politics. This method is quite natural in a broad overview of hundred years of social democratic politics in three countries. Sometimes, however, the reader would be happy to see more references to primary sources, for example in the long chapter on economic policy-making. Here, one gets the impression that a clever analysis of 'established facts' occasionally takes the place of empirical evidence.

Another example is the remarkably superficial treatment of the issue of economic democracy – an issue which according to the author is a determining factor for the future of social democracy. No explanation is given of the many changes that were made successively in the different plans for wage-earner funds which were presented by the Swedish LO and the party in 1976-1982. The construction with regional funds, accumulated from a levy on total wages, which belonged to the first LO-SAP report in 1978 is incorrectly related to the original Meidner plan from 1975. The internal opposition to wage-earner funds in the party is disregarded, as well as a membership revolt within the TCO against the pro-fund stance of the leadership. Even worse, the failure to create a wage-earner front, uniting the LO and the TCO behind the proposal of 1978, is not analyzed (Micheletti 1985). This is astonishing because the creation of such a coalition would be the essence of a new realignment strategy. Finally, nothing is said about

possible explanations for the total absence of a fund issue in Norway, although such explanations are discussed in the literature (Elvander 1979, 1980).

Despite some flaws and errors of this kind, Gøsta Esping-Andersen has written a very good book. The theoretical analysis of the history and present problems of social democratic parties is better than most other writings on the subject. Much of what is said here is clearly relevant for socialist parties outside Scandinavia. The book is an important contribution to the relatively underdeveloped field of comparative research which has political parties as its object. Last but not least: the author has an excellent command of the English language. Even from this point of view, it is a pleasure to read this book.

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