Beyond party labels, the general aims and means of Social Democracy may be defined as development based on social justice and, these days, environmental equality too, plus the popular and liberal democratic politics that is required to get there. 1 By now, Social Democracy is losing ground. The Swedish stronghold is a critical case in point. 2 Four schools of thought dominate the discussion of why it happens to this the first-generation Social Democracy with roots in the industrial revolution: (i) the globalisation of capital, (ii) neo-liberal governance, (iii) ecological limits to growth, and (iv) influx of migrants. This paper argues that from a north-south historical perspective, a fifth factor calls for our attention: the tendency since the 1980s of adjusting to these new conditions in order to sustain Social Democracy in once own country. This is at the expense of the efforts by leaders like Olof Palme at fostering internationalisation of social democratic movements in different contexts. The paper concludes that the new adjustment strategy has prevented the development of alternatives to the impeding factors, because inclusive development in the post-colonial South has become increasingly important for Social Democracy in the North too.

The mainstream arguments

The first of the four mainstream arguments for why Social Democracy in the North is losing ground is the increasing deregulation and mobility of finance and production. This has undercut the nationally confined Keynesian economic policies, as well as the growth pacts between employers and unions, related welfare policies and interest group participation in public governance. All of these policies

were fundamental for Social Democracy. In short, employers and financiers have been able to avoid the previously nationally negotiated regulations and agreements by expanding in global markets, beyond the reach of democratic governments and trade unions.

The second explanation is that social democratic governments have deemed it necessary to adjust in the 1980s to these trends by also adopting neo-liberal economic policies and new public management. Most importantly, the deregulation of the financial markets increased private debts at the expense of public spending and welfare policies. This caused both speculation and growing inequality. Hence, large sections of the population lost trust in social democratic policies as an alternative to the negative effects of globalisation and neo-liberalism. Recent examples of this argument is the critical report about the deterioration of the Swedish model by the think tank Katalys, and the subsequently foundation of the social democratic organisation Reformisterna in order to alter this trend.

Thirdly, it is often maintained that Social Democracy is suffering from an inability to alter its focus on economic growth in favour of sustainable development and environmental justice, even in face of the growing threats against the global climate. This has caused frustration among young people in particular but also critique of those who wish to foster sustainable development. The latter are often deemed neglecting the issue of how the burdens of phasing of fossil based energy should be shared.

Finally, the more recent argument that Social Democracy is suffering losses to right wing nationalists because of the growing influx of economic and political refugees from the economically and politically crisis ridden Global South, when at the same time welfare policed has been undermined and the need for unskilled migrant labourers has been reduced. Many people who have already lost out in the process of deindustrialisation and urbanisation have obviously not been convinced that they should accept tougher completion in the labour market and contribute to the housing and basic welfare services for the immigrants, while ‘liberals’ rip the gains of globalisation.

The fifth factor

These arguments are certainly crucial – but insufficient in a north-south historical perspective. From that angle, another additional circumstance seems to be equally important. The missing factor may best be summarised by the paradox that while the mainstream accounts for the decline are rooted in the hegemony of market driven international exploitation and conflicts, most social democrats have reduced, since the 1980s, their engagement in fostering alternative internationalisation of Social Democracy. On the contrary, they have given priority to adjustment to the market driven globalisation – in defence of Social Democracy in one country. (Alluding to Stalin’s turn to ‘socialism in one country’ in terms of giving priority in international matters to the special interests of the Soviet Union when efforts of socialists in other countries faltered.) How did this happen?

To understand, it is useful to focus on four critical junctures. One, why it proved so difficult in the 1970s for Palme and others to build a social democratic alternative to market driven globalisation. Two, how liberal economists thus got the upper hand within Social Democracy by adjusting in the 1980s to the new globalisation and neo-liberal governance; later on also suggesting European rather than global Keynesianism. Three, how social democrats related in the 1980s to the new liberal-

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democratic internationalism. Four, how the current social democratic leader Stefan Löfven, who became Prime Minister in 2014, designed an attempt at new internationalism but retreated two years later.

(1) The rise and fall of social-democratic internationalism

The largely social democratic Swedish model had two international pillars. One was national independence and ability to decide on its own priorities. This called for alliances of likeminded countries and movements to contain imperial powers. Most famously, during the Cold War, this included engagement in favour of all countries’ – and colonies’ – right to national independence and to develop their own transformative reforms. Not being part of the North Atlantic Treaty Organization (NATO), Sweden and leaders like Olof Palme were in the forefront.

The second pillar was successful export industries. Besides access to iron core and forests, the industrial competitiveness was based on innovation and high productivity. This rested with the social growth pact in the 1930s between capital and labour – complemented by strategic public procurements, interest representation in state governance, and productive oriented education and welfare.

It is important to note, moreover, that export promotion did not undermine the first principle of genuine national independence in other countries – as long as these countries could develop their own social and economic policies, and thus withstand negative business interests.

Besides, Swedish export industries were rarely involved in the developing countries where progressive development was at stake. And where the industries were involved, as in South Africa, social democrats were often in the forefront of commonly undisclosed support for countervailing progressive forces, such as a major part of the funds for the ANC and United Democratic Front. Conversely, where private business stayed out, but investments were needed to foster political and economic independence, as in North Vietnam, Sweden was the first western country to acknowledge this independent nation. Moreover, while the US engaged in terror bombardments, strategic support was granted for North Vietnam’s industrial and social development. Hence, the keywords of the two international pillars for social democrats were free trade and investments that did not undermine others’ national priorities, and bilateral agreements on development cooperation with likeminded developing countries.

Insufficiently strong social democrats in the South to build ‘New International Economic Order’

Already in 1971, however, the Bretton Woods agreement on fixed currency exchange rates in relation to the US dollar was the first major warning that the space for national economic governance was reduced. Hence, social democrats must go beyond the nationally confined models. While leaders in the previous empires like the United Kingdom and France contemplated cooperation with their former colonies, progressives like Olof Palme, Willy Brandt and Bruno Kreisky tried instead to foster a ‘New International Economic Order’ in co-operation, in particular, with the movement of countries that were not aligned to either the west or the east in the cold war. According to basic Keynesian thinking, less

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8 For details of the idea of small state solidarity, see the chapter by Marklund and Mørkved Hellenes.
unfair terms of trade for the developing countries, and better conditions for their poor people, would increase the demand for products from the North too. 9

Irrespective of what the social democrats in the North could do, however, most likeminded counterparts were quite weak, and others were not so interested. Liberation movements were economically fragile, including the victorious Vietnamese. The second-generation social democrats in countries like Sukarno’s Indonesia, Nehru’s India, and Nyerere’s Tanzania had failed or stagnated. They had tried to compensate for the lack of comprehensive industrialisation by state planning and land reforms, by way of formally democratic but top-down development states. But results were modest. In the process, moreover, two basic cornerstones of Social Democracy – broad collectivities plus active citizenship and democracy – were neglected. Subsequently, most popular democratic movements suffered from either ‘middle class coups’ 10 supported by the West, or statist ‘national democracy’ supported by the East. Meanwhile, China was into a devastating cultural revolution. And as discussions about a better international order were going on, democratic socialist President Salvador Allende in Chile was ousted.

In theory, increasing competition from new industrialising countries was no problem for Swedish social democrats – as long as there was rising demand for export and investments in new sectors with new jobs, and socially responsible measure at structural adjustment to get there. Yet, much of that was now unfeasible – without a New International Economic Order that would have allowed for global Keynesianism.

With regard to the later on so important migration, the root causes for forced migration were only addressed indirectly in terms of general support for inclusive and democratic development. Moreover, the immigration of job seekers were reduced from the early 1970s to family reunification and subordinated to whether there was a need to expand the workforce or not. If the answer was positive, immigrants would be granted similar rights as Swedish citizens, and their cultural rights would be respected. Refugees from failed attempts at progressive transformation were welcome, such as after the coup in Chile. But when the numbers of ill-fated friends increased from the late 1980s, from first Eastern Europe and then the former Yugoslavia, various measures were taken to restrict their chances of getting to Sweden. Later on the regime was somewhat liberalised, until new stiff restrictions were imposed in 2016. 11

Another problem was the environmental concerns. Cheap energy was basic for the Swedish industry. Oil prices increased. Norway found its own oil, and managed the revenues well. 12 Many Swedish social democrats deemed nuclear power to be the obvious substitute for expensive environmentally

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9 For the international negotiations about the New International Economic Order, see the chapter by Marklund and Mørkved-Hellenes.
10 These were intellectually rationalised by Samuel Huntington’s argument that strong political institutions must be added to social and economic modernisation, otherwise socialists and communists might take advantage of instability – and that the military, with the West, might have to support the middle classes to thus foster ‘political order’. (Huntington, S.P. ‘Political Development and Political Decay’, *World Politics, 17*(3),1965: 386-430
11 For details, see Brochman, O. ‘From bounded universalism to the trial of internationalization: Migration and Social democracy in Scandinavia’. Forthcoming - details to be added.
12 The economic elite in Stockholm, by contrast, made an historical mistake by refuting the option of exchanging, via Volvo Company in Gothenburg, Swedish industrial knowledge for Norwegian energy.
disastrous oil – to, thus, sustain the provision of cheap energy for basic industries. Surprisingly enough for the political and economic elite, however, the environmental movements gained wide popular following by objecting to the risks of nuclear power, while the social democrats did not know what to do. As not just leftists and greenish activists but also an erratic bourgeois party leader said it was a matter of life and death, the social democrats even lost the elections in 1976 – having dominated governments since the early 1930s.

Meanwhile the Swedish model was up against the wall. The unions were strong but stimulation of demand meant less competitive exports and more import than investments. Deregulation of international finance facilitated tax evasion and capital flight. When combined with cheaper overseas transportation and long distance communications, investments increased instead in countries with more favourable business opportunities. As a result, the old-style cooperation between unions and employers to increase productivity and international competitiveness did not generate sufficient new investments and jobs.

Blue-collar workers unions suggested wage earners funds to gain better control and foster long-term investments. But this caused divisions in the social democratic movement, and the bourgeois parties united. They joined hands with business and commenced massive resistance against ‘surreptitious socialism’. Later on, the employers also refuted the system of interest representation in public governance.  

Things falling apart

Olof Palme regained power in 1982, having won a public referendum on nuclear energy with a compromise proposal, and having watered down the wage earners funds proposal. But none of the major problems were resolved. In particular, the nationally confined social democratic model was eroding. And because of the weakness of the likeminded partners in the South, it had proved impossible to counter the rising market driven globalisation by building a new international economic order.

Within Sweden, moreover, businesses with low productivity (and thus problems of paying wages according to collectively negotiated standards) had for long been told to either increase productivity or close down (and advice retrenched employees to find new jobs in the ever expanding more competitive sectors). This worked earlier. But it was less possible in large parts of the labour intensive service sectors, and even more difficult in the growing public welfare sectors with huge numbers of rather low paid employees. Who would pay higher wages for them? With taxed incomes or with higher taxes? Liberals suggested cutbacks and privatisation; and reduced taxes on private services. A few years later, social democrats conceded. They also agreed to business oriented new public management. In France too, President Mitterrand made a U-turn in 1983, away from his socialist oriented programme.

Palme was depressed. In 1985 he even lost control of his finance minister, Kjell Olof Feldt, who opted for deregulation of the credit market. This added to the basic problems of market driven globalisation and the failure to provide an alternative. The floodgates were now wide open for financial and real estate speculation. A new bourgeois government (1991-1994) had nothing to offer. By 1992 the economic meltdown was real.

Subsequent social democratic governments (1994-2006) had to repay huge public debts. Welfare spending was reduced, including the support for the good numbers of people badly affected by structural adjustment. Business-like new public management gained ground, as did privatisation of public welfare and services. Some two thirds of the population with fitting education and skills
benefitted from well paid jobs and cheap loans, and thus chances to speculate in housing. The financial crisis hardly affected them – the losses were ‘socialised’; i.e. paid by the most vulnerable citizens too. Hence, others did not benefit, including in run down suburbs and the rust belts. Social democrats lost badly already in 2006, faced internal divisions, were short of alternative policy proposals, and did not get back until 2014, limping.

Internationally, Olof Palme tried to hold on to international cooperation among likeminded partners as the alternative to neo-liberal globalisation, coordinated via the Socialist International and the United Nations. The efforts continued to include principled support for, for example, the anti-dictatorial struggle in Latin America, the anti-apartheid struggle in South Africa and meditation in conflicts like between Iran and Iraq. International solidarity via trade unions came in addition.

After the assassination in 1986, however, most of these priorities lost steam. With regard to the Global South, most social democrats found no other way but to please the investors and support exports and investments in the expanding ‘new markets’ – to sustain Sweden’s competitiveness. The old idea of preventing at least investments that contradicted local attempts at progressive change was swept under the carpet in favour of Social Democracy in one country.

The European substitute fails too

Meanwhile it remained necessary to defend national independence and to promote, somehow, international demand. After the fall of the wall in 1989, the European Union seemed to be a better point of departure than the seemingly unrealistic New International Economic Order. Priorities changed quickly. One example is that of the number of official visits to and from the country between 1965 and 1989, 37% related to developing countries and 24% to Western Europe (except the Nordics). Between 1990 and 1995, the figures were 18% and 60% respectively.13

The Norwegians were rich enough to defend their sovereignty, and many Swedes were unconvinced of the benefits of the EU; but business, unions in export industry and the bourgeois parties were all positive. After a referendum, Sweden joined in 1995. The social democrats linked up with other party friends in Europe who supported Tony Blair’s ‘Third Way’ policies. Efforts at national social rights and pacts between capital and labour were thus deemphasised in favour of efforts within the EU at a ‘Social Europe’ (with redistributions and social cohesion) and Keynesianism.

In a number of countries, this vision generated some optimism and electoral advances for social democrats. But just as in the Global South during the 1970s, the likeminded partners within the EU were not strong enough to foster a Social Europe and to foster European Keynesianism. Social democratic ideas lost out to ordo-liberal market driven regimes and austerity policies – and over the years, to right wing nationalists too.14 In face of the refugee crisis in 2015, the EU was even unable to develop a common policy for shared responsibility – only agreeing on maintaining a wall against unwanted migrants, much as Donald Trump builds his wall along the Mexican border.

(3) Liberal internationalism – markets and democracy

Beyond EU, new liberal internationalism gained ground instead. There were two pillars. First, the increasingly market driven globalisation. Second, that it also paved the way for a third wave of democracy, in the South and then in the former eastern bloc too. It lasted for almost four decades,

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except where dictatorial regimes were supported by hegemonic parties, most prominently in China, or competing global powers, as in the Middle East and North Africa respectively.

With regard to the market driven globalisation, as already indicated, social democrats with responsibility for exports as well as trade unions in internationally dependent businesses, found no alternative to the fallen Keynesian oriented experiment but to foster trade and investments in the most dynamic developing countries – irrespective of regime. Ideas of corporate social responsibilities (including lame restrictions on arms trade) and international solidarity between unionised workers were saluted. But principled policies and measures to foster likeminded actors’ struggle for change, such as those used against the apartheid regime, were set aside, illustrating, again, the essence of Social Democracy in one country. In 1996, for example, the Swedish prime minister Göran Persson even expressed his admiration for China’s ‘stability’.

Norway, in partial contrast, made most of its money offshore, but thereafter, like Sweden, trying to build Social Democracy in one country. Norway, however, did better than Sweden, much thanks to social democratic oriented governance of their revenues, thus avoiding the Dutch Disease of overspending, or, even worse, Brazilian-like corruption, or a Venezuelan disaster. But rather than investing the oil revenue based pension funds securely while also fostering inclusive development in the South, which in the long run would have been good for Norway too, even social democrats opted for quick profits in dynamic emerging economies and companies, rarely contributing to inclusive development. Hence, for example, one of the Norwegian Social Democracy’s grand old lady Gro Harlem Bruntland’s darker moments in life was when summing up a visit to promote Norwegian business in Suharto’s Indonesia in 1995 by stating that the country was a ‘source of global and regional peace and stability’.

Elitist democratisation

With regard to democratisation, the process of liberal internationalism commenced already in the mid-1970s with the transitions from authoritarian rule in Portugal, Greece and Spain. At this stage, social democrats and other leftists were crucial spearheads, and their likeminded friends in Sweden provided stern support via the Socialist International. In Sweden, Theodorakis’ songs were almost as popular as ABBA’s Waterloo.

There were no major disputes in Sweden about the importance of promoting the rule of law, anti-corruption, and liberal-democratic rules and regulations, including elections and human rights. But in the years to come, liberal democrats all over the world accommodated the powerful groups and promoted elitist pacts rather than popular driven negotiations. Swedish social democrats questioned the scope of the transformations, and while supporting human rights argued that consistent implementation called for popular politics and democracy. Yet, they supported the processes, for lack of an alternative.

Similarly, while social democrats at least drew attention to the social and economic preconditions, the increasingly powerful liberal and conservative parties paid little interest in the role of unions, social movements and radical parties, such as those spearheaded by Lula in Brazil or Mandela in South Africa. Radical social democrats provided separate support from their own pockets to likeminded activists, trade unions and social movements, like in Mandela’s South Africa, Lula’s Brazil and Aquino’s Philippines. The Socialist International deteriorated but several separate efforts were intact.

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From Sweden, the Olof Palme International Centre in particular did good work. But Sweden’s official development cooperation emphasised mainstream think tanks providing advice, elitist reformists and civil society watchdogs. Moreover, multilateral international cooperation was upgraded, and the bourgeois parties resisted, with great fanfare, bilateral agreements (including support for human rights and democratisation) with countries that were not deemed democratic, such as Vietnam and Cuba, making them in turn even less interested in democracy.

Over the years, the market driven globalisation gained further importance – while the third wave of democratisation was petering out. Even the centre-left efforts such as in South Africa, the Philippines and Brazil were not as successful as expected. South Africa was ridden with unemployment and corruption. In the Philippines, authoritarian populist Duterte replaced a liberal-social democratic coalition. Brazil tried to use increasing incomes from oil and other commodities to combine less inequality and growth but local democratisation was insufficient in containing corruption. Here as in so many other new democracies it was next to impossible for new social democratic oriented civil society organisations, social movements and trade unions to make a difference in national governance. The admirable centre-leftist regimes and movements did not stand out as a solid basis for a new attempt at social democratic internationalism of the kind visualised by Palme an others.

In the process, Swedish social democrats lost much of its interest. A typical argument was that the Global South that industrialised and turned competitor must handle ‘its own problems’ of repression and exploitation of people and nature – aside from international trade unionism and demands for human rights plus the signing of ILO conventions in return for international free trade agreements, to prevent social dumping. International aid could focus on poverty, disasters and civil society watchdogs. Hence, the demand for contextual knowledge of the problems and options for potential partners in the Global South faded away too. Higher education and research, for example, focused instead on free-floating international relations, ‘global governance’, and on quantitative indices of growth and democracy, far beyond the realities and contexts where transformative politics have to be rooted and gain strength.

(4) Suspended restart

Swedish social democrats led by Stefan Löfven, a welder and former trade union leader, regained office in 2014, in coalition with the Green Party. Löfven conceded the responsibility for international development cooperation to his coalition partner, but there was a separate social democratic minister for strategic development. She would study the new global challenges and suggest ways to move ahead in cooperation with the various ministries. Löfven was also in favour of restoring as much as possible of the rights-oriented foreign policies, now labelled feminist by the high profile minister, Mrs Margot Wallström. Further, international Keynesianism would be fostered through a ‘Global Deal’ on decent labour conditions, fair trade and investments. This was Löfven’s own pet project. And to balance export promotion, there would be international unionism too, along with social corporate responsibility.

However, the new agenda for development cooperation was fragmented, not reflecting Löfven’s core idea of reshaping elements of social democratic internationalism. The minister for strategic development engaged her own think-tank-network in study groups, which, moreover, did not follow the practice of public commissions (equivalents within public governance of tripartite negotiations in working life). This saved time, but the groups were not inclusive of all relevant parties and expertise, there was no firm review the state of knowledge, and the lose proposals were scattered and not
properly anchored in other departments and interest organisations. The minister was discharged, replaced by nothing.

The main priority of promoting export to build Social Democracy in one country returned to the fore. Sweden never supported the efforts from the 1990s by the social democratic UN High Commissioner for Refugees, social democrat Thorvald Stoltenberg, towards a comprehensive refugee policy to address the root causes and provide temporary protection. The idea of international unionism and corporate responsibility to balance export promotion and Swedish investments neglected the need for broader alliances with the majority of labouring people outside the modern factories. Remarkably, Sweden even sustained its commitments to sell arms to Saudi Arabia and the United Arab Emirates in spite of their contribution to the conflicts in the Middle East that so many people have had to flee – including to Sweden itself. According to a leading social democrat in the parliament, 'There should not be political decisions for each and every arms trade affair'. Possibly most important, the progressive foreign policy initiatives by Mrs Wallström and Löfven’s Global Deal were up against the same challenge as Palme and Brandt: shortage of strong local partners on the ground, beyond the UN-meeting rooms. In short, the new initiatives were obviously, primarily, to consolidate Social Democracy in one country, not to revive the efforts at social democratic internationalism based on cooperation between strong local partners. And to the extent that there were such attempts, the suffered from week likeminded partners.

Hence, there was no international alternative at hand when by 2015, less than a year after Löfven tried to kick off his new internationalism, the conflicts and crises in the global South generated extensive forced migration and refugees who even reached northern Europe. On the contrary, the Swedish social democrats had few options but to recall previous rules on non-forced economic migration (introduced in the 1970s to regulate the workforce) and to apply them, along with the earlier kind of methods to restrict the arrivals of refugees from eastern Europe and former Yugoslavia, when imposing even harsher measures. Given the non-functional international agreements and weak local partners, there were few immediate alternatives. In the process as well as afterwards, however, there was much less emphasis on forceful medium- and long-term strategies than on political adjustment to the rhetoric and positions of the populist ethno-nationalists.

**Root causes in the South**

In conclusion, so far, the four mainstream explanations for the problems of Social Democracy in the North have international foundations in common. Our fifth explanation is that Olof Palme and others tried but failed to counter these obstacles by fostering a social democratic oriented alternative in terms of a New International Economic Order. One major cause for their defeat was the weakness and likeminded local partners in the South. Ironically, the reaction among more liberal oriented social democrats then, for example in Sweden, was not to strengthen the weak partners but to adjust to the threats, thus trying to build Social Democracy in one country. This made things worse. It has undermined Social Democracy, not only in the South but also in the North.

Logically, the contemporary key to the reinvention of Social Democracy in the North is to alter this priority. History cannot be redone, but it seems unavoidable to return to the fundamental assumptions of Palme and others of fostering internationalisation of locally based social democrats rooted in the special conditions in various countries, instead of defending Social Democracy in dominant northern countries by adjusting to market driven globalisation.

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Kenneth G Forslund: ‘Jag tycker inte att politiken ska sitta och besluta affär för affär om svensk vapenexport.’
Yet, why would the majority of the population in Sweden that still benefit from the market driven globalisation rock the boat? Would it not be better to continue to adjust; only adding more relief and human rights for those who lose out? Moreover, why would there be better chances now than in the 1970s to foster crucial social democratic partners in the South? Have we not quite recently witnessed even the backsliding of the ANC in South Africa and Aung San Suu Kyi in Burma, the transformation of the Arab Spring into terrible repression and even civil wars like in Syria, and the fall of liberal-Social Democracy in the Philippines and Brazil, in favour of right wing populists Duterte and Bolsonaro?

Inclusive development in the South, a precondition for Social Democracy in the North too

There is a crucial bottom-line for change: the need for long-term expansion of the export markets for Swedish business. This is the mother tongue of the Prime Minister as well as most trade unions – though they are short of a strategy. In 2014, for example, the blue-collar workers confederation (LO) published a major report on how to foster full employment. The message was to increase wages and investments. In contrast to the dominant austerity measures and efforts to compete by neglecting work conditions. The analysis focused on Sweden and Europe, but the authors agreed that the argument could and should be expanded to the Global South as well. It is true that the LO’s leaders, who thereafter negotiated a general report to push the government to adopt more progressive policies to foster more jobs and equality, felt that their focus had to be on Sweden and that improvements in other contexts were ‘too far away’.

But beyond this illustration of the embarrassing provincialism among many leading social democrats these days, the fact remains that the international markets need to be expanded. The crucial question then is whether this is feasible by supporting the market driven globalisation of finance and production, or if it rather calls for the fostering social democratic oriented internationalism – including global Keynesianism – as visualised by Palme. In case of the latter, the key words would be more equal chances and equality, not least in the Global South, as a basis for sustainable growth in the North too.

The lynchpin is that only relying on the current uneven development in the South and the demand of the novo rich is insufficient. It may certainly yield good profits for Swedish export companies and investors. But there may not be good jobs and incomes for Swedish employees, and it would not contain the devastating exploitation in the South and the global heating and the causes for why there are so many more migrants and refugees. Rather, there must be increasing incomes and demand from ordinary people as well.

The internationally negotiated agreement in favour of inclusive development, Agenda 2030, as well as the treaties to reduce global heating, are important steps in this direction. However, they are technocratic and depoliticised. They avoid the crucial factors of power relations and the politics of change. What interests and what actors will propel change? Hence, more social democratic oriented development is necessary, as its rest with forceful progressive forces. If we do not trust enlightened despots (spelt China), this presupposes human rights and democratic and judicially fair rules of the game. How to get there? Is it feasible?

Uphill battle for Social Democracy in the South

Social Democracy has always been particularly difficult in the South. Its essence in terms of sustainable development based on social justice, and the popular democratic politics required to get

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18 Carl-Mikael Jonsson, Swedish LO-lawyer and researcher, personal communication, Stockholm, 10.11. 2015. Ingemar Lindberg, retired LO-researcher, personal communication via e-mail 3 and 5.11.2015.
19 Jonsson. Ibid.
there, rests on four cornerstones, originally developed by the first generation in the North: (i) broad interest-based collectivities, (ii) democratic linkages between state and society of equal citizens, (iii) social rights and welfare policies and (iv) dynamic socio-economic growth pacts. In the South, the first two were up against colonialism, feudal-like subordination and uneven development. In spite of this, the efforts in have remained valid and proven possible. And the third cornerstone of social rights and welfare has been crucial in terms of self-help, such as through cooperatives and demands for public reforms.

Comprehensive welfare state programmes, however, have been unrealistic. This is because they have historically been combined with the fourth cornerstone, dynamic social growth pacts. And democratic social growth pacts, in turn, have been impossible in the South. The major explanation is that they have presupposed effective democratic governance and comprehensive industrialisation, generating broad and unified collective organising on part of labour as well as capital. This was lacking in the South. What should be done? As already mentioned, the second-generation social democrats who fought colonialism in countries such as India and neo-colonialism in Latin America, tried to compensate for the insufficient historical preconditions by structural top-down reforms. Typically, however, they failed. And in the process, many human rights and democratisation was undermined too. In addition, ‘middle class coups’ supported by the West and ‘national democracy’ fostered by the East made things worse.

Paradoxically however, the rise of problematic market driven finance and production provided some new space for political freedoms and popular quests for rights and democracy – except in the autocratic developmental states, and much of the Middle East and North Africa inflicted by imperial powers and their proxy regimes. Within the thus fledgling third wave of new democracies, and the earlier once that had survived (with India in the forefront), there was some new room of manoeuvre for a third generation of social democrats too. They did not start from top-down, as the preceding second-generation activists, but strengthened unions, civil societies, grass roots participation and tried to make a difference in local and national elections.

There have been two most fundamental problems. One, that the foreign supported elites have sustained their own interests and set rules of the democratic game, often preventing the rise of autonomous popular representation, including social democratic movements and parties. Second, the uneven economic growth. This combines increasing urbanisation and speculation in land, housing and infrastructure; poorly managed exploitation of natural resources and low-wage manufacturing; modern factories and sweatshops; permanently employed workers and contract labourers – along with huge numbers of precarious informal labourers, some hardly making a living, but also freelancing professionals.

Hence, as already indicated, the efforts at scaling up and combining scattered interests and local practices have rarely proved feasible. It has been next to impossible, for example, to build broad progressive trade unions that are inclusive of workers in the very diverse industries and with different forms of employment. Many are even short of fixed employment or unemployed. Even unions in showcase South Africa are not inclusive of the huge numbers of most vulnerable people, and the welfare schemes are more like relief on the backyards of neo-liberal development than means to foster inclusive development. Similarly, the Brazilian social movements among, for example, landless peasants and the celebrated participatory budgeting, failed to alter the national priorities and central level corruption of incomes from oil and commodity production. Is this the end of story?

**Openings through broad alliances for rights and welfare, and interest representation**
In spite of the setbacks, there are also vibrant counter movements, against the onslaught of rapid and uneven economic and social development and abusive politicians. In partial contrast to the predominantly conservative reactions in the North, some of the counter movements in the economically dynamic regions in the South are more promising. They typically include formal as well as informal labourers, farmers, urban poor, and middle classes with precarious work conditions. These movements are certainly hampered, as usual, by divisive interests due to uneven and unequal development. Examples include those between labourers in formal and informal sectors, and between civil society groups with different projects. But the comparative case studies (including those that I have been involved in for decades) suggest that the movements might pave the way for, as it were, a re-sequencing of social democratic development.

The lynchpin would be agreements on demands for civil rights, social justice, public welfare reforms and impartial implementation – ahead of social growth pacts. Such movements may unite behind populist and liberal reformists who address such issues to win elections. Even some industrialists want the state to handle welfare.

In short, early demands for rights and public welfare might open up for broad alliances that are necessary to foster the missing factors that used proceed welfare states: the more solid democratic linkages between state and equal citizens in society the effective governance and the social growth pacts. The options and challenges vary with context, but what are the generic lessons?

Firstly, there is a potential to build broad alliances and negotiate agreement between urban poor and middle-class leaders and business towards socially acceptable urban development plans. For example, this is how a reformist Indonesian mayor in a Central Java caught people’s imagination and became Governor of Jakarta and even President of the country. Similarly, workers and professionals with quite different employment conditions, as well as informal labourers and precarious middle class employees, may come together in favour of minimum rights and wages as well as universal welfare schemes. The remarkable broad and successful alliance for a public health reform in Indonesia in the early 2010s is a case in point. Employers who must compete based on efficient production may also be supportive. In the process, they may engage in effective and impartial non-corrupt implementation of the public services too.

Populist hindrances: poor reform agendas and shortage of democratic interest representation

Secondly, however, as case studies also testify, the promising cooperation between such leaders and CSOs along with popular movements tends to be constrained. The alliance of movements and CSOs is rarely enduring and capable of keeping the leaders accountable and the reforms on track. Hence, it is hard to counter the rising fortunes of right wing and religiously oriented populism.

The first root-cause for this is that the unifying rights and welfare policies were not long term enough to be followed up and transformative by strengthening the movements and CSOs and fostering inclusive development.

The second and even more problematic hindrance is that the individual horse-trading between political executives and movement-leaders in the context of populism. Thus, dominant populist leaders are often able to dive and dominate various unions and organisations and their leaders. To return to the case of Indonesia, the popular movements in favour of initially reformist populist President Joko Widodo thus lost steam, the President opted for support among the elite, and later on from the military and conservative Muslim leaders too. He won the elections in 2019 by having abstained from most of his reform agenda and weakened democracy and the rule of law.
The lesson for progressives is that this calls for the development of series of transformative reform agendas as well as for democratic interest based representation, so that popular organisations can expand and negotiate inclusive and sustainable development.

Reclaiming social democratic internationalism

In other words, there is a potential to renew Social Democracy in the Global South by building broad alliances for socially acceptable urban development plans, universal welfare schemes and impartial implementation. But for this potential to become real and foster pacts for inclusive development there is a need for long-term transformative rights and welfare policies, along with democratic interest representation.

Support from social democrats in the North for such contextual efforts is not only a normative issue but follows from a critical analysis. As we have seen, the revival of the movements and parties in the North calls for internationalisation of their nationally confined growth pacts and welfare states. It is necessary to increase viable exports, hold back climate change and reduce forced migration. To make a difference, moreover, the measures cannot be based on the means and priorities of the North alone. As was pointed out already by Palme, among others, in his critique of the cold war priorities, internationalisation must be rooted in the aims and challenges of social democratic movements on the ground.

This calls for the restoration of the same basic principle that applied in the joint struggle for South Africa: that investments and trade may not hinder the rise of freedoms, equal citizenship and democracy and shall contribute to inclusive and sustainable development. It is a matter of long-term investment. There is a need for more efficient companies and better-paid employees instead of the extracting resources and as cheap as possible labour. Somewhat higher price for cloths in our super markets is an investment in better conditions for the workers’ and their families and, thus, the rise of a more sustainable and inclusive local economy – which may reduce the environmental destruction, the number of economic refugees and increase the demand for Swedish products and services. The same applies to the need for immediate massive support to people having ousted dictatorial regimes. An additional example is revival of the ideas of a comprehensive refugee policy based on temporary protection of vulnerable people and addressing the root causes for forced migration. With regard to the latter, one component might be a new Marshall program in, for example, North Africa, similar to the reconstruction in Europe after the Second World War,

Similarly, international cooperation must be based on the challenges and options for each of the likeminded partners by way of thorough studies and discussions of contextual problems and options. This has been neglected in public education and research as well as among the practitioners. To be effective, donors’ priorities need to be subordinated to cooperation between local partners with actual knowledge and engagement in struggle for liberal democracy and social oriented development. Thus is possible to develop new joint priorities and agendas and provide support for those who really: (i) build strategic alliances between people with formal and informal employment; (ii) try to develop and foster series of transformative reforms for universal rights and productive welfare programmes; (iii) fight for democratic representation of the concerned interest- and issue organisations in these processes.

In the same vain, our analyses suggest that there is a need to share more insights. It is widely accepted that several experiences in the history of Nordic social democracy may serve as sources of inspiration in the South. But the reverse is also true. For example, social democrats in the North who face the challenges of unifying employees with increasingly different employment conditions may well learn from how likeminded partners in the South try to build broad alliances for universal rights and
inclusive social security system. The same applies to migrant workers’ struggles for regulated rights and freedoms.