Socialist Studies: the Journal of the Society for Socialist Studies 6(1) Spring 2010: 206-209

BOOK REVIEW

Bailey, David J. 2009. *The Political Economy of European Social Democracy: A Critical Realist Approach*. London and New York: Routledge. ISBN 0415462134. Cloth: 115.00 CAD. Pages: 196.

Reviewed by Ivanka Knezevic
University of Toronto

The goal of this book is to provide a critical-realist, agential explanation of a paradox: why have 'new' social-democratic parties in Europe declared the political forms and mechanisms of the European Union suitable for accomplishment of the 'traditional' social-democratic goal of the limited decommodification of labour, despite ample evidence, not only of unsuitability of these forms and processes for the purpose, but of the clearly neoliberal direction of the EU policy-output? Bailey explains the paradox away: the *Realpolitik* of social democracy, with its twin dependence on an identifiably proletarian electorate and on integration into the capitalist economy, which the parties have agreed to manage rather than undermine, makes this approach perfectly consistent. Tensions between party elites and the electorate escalate as the elites try to find programmes that would mark them as viable parties of government, appeal to middle-class or identity-based constituencies and still persuade their traditional working-class constituency that its interests are adequately represented.

The idea that struggle for electoral success explains social democratic ideology is not new. European Marxists and anarchists made this their main rhetorical weapon against social democracy, which they (correctly, as Bailey shows) regarded as not socialist at all. This book, however, develops this idea into an explanation of the development of modern social democratic parties. The underlying cause of changes is the effort of the party leadership to regulate and control demands for decommodification of labour, made by its largely working-class constituency, so that these demands can be represented within the limits of the representative-democratic nation state and be compatible with a successful capitalist economy.

Early 'traditional' social democratic parties have sometimes achieved capitalist reproduction during crises of overaccumulation through Keynesian reflationary policies, but the 'new' social democracy has

ISSN 1918-2821

opted since the 1990s exclusively for recommodification of labour: liberalisation of wages, expansion of part-time and temporary work, flexibilization of minimum wages, and overall increased role of labour market in determining conditions of life of the population. Thus, the 'new' social democratic parties suppress demands for decommodification, rather than trying to manage and control them.

One of core strategies of the 'new' social democracy is to persuade its electorate that decommodification policies are unfeasible in the 'current state of the economy,' and that recommodification is either inevitable or favourable in the long run (since it will strengthen the economy and create resources for future decommodification initiatives). The elusive promise of the EU Social Charter (presented by these parties under the slogan of 'Social Europe') becomes an answer to a thorny question: how to keep the electoral support of a largely working-class constituency, while telling it that its core demand within national politics must be abolished? Party programmes now include the commitment to decommodification of labour at a European level, where economies of scale are expected to accomplish what national economies cannot and where coordinated action by national parties (united in the Party of European Socialists - PES) can create strength in numbers for negotiations with the EU administration. This rhetoric hides two problems. First, PES demands to the EU are usually very similar to their very modest national policies. Second, any such demands clash against institutional and historical obstacles within the EU. Bailey notes the following as the most important: the small size of the EU budget which prevents the implementation of any large-scale decommodifying measures, the EU's market-building tradition (an institution that begun as the European Steel and Coal Community could hardly be otherwise), its increasing tendency to opt for 'soft,' non-binding decision making (the European Employment Strategy was, significantly, one of the first policies to incorporate this principle), and its undemocratic nature. European social-democratic parties have been aware of these obstacles to their stated policy ambitions, but they chose to ignore them. The inability to realize their stated policy goals became an ideal means to explain and legitimate their limited ambitions and success in pursuing decommodifying policies to their constituencies.

Thus, the central change in the transformation from 'traditional' to 'new' social democracy becomes the degree of constraint that party elite exercises over the traditional decommodifying demands of its constituents. Given this fact, Bailey is right not to expect an international mobilisation of the European working class to pursue more substantive decommodifying

policies; party elites have no incentive to pursue this option, which would problematize their efforts to reproduce party relations that maintain their power.

As mentioned, Bailey uses a critical-realist theoretical framework to analyse the transformation of social democracy in five EU countries. Over the last fifteen years, this approach has become increasingly popular in diverse areas of the social sciences. It pushes the critical stance of the social-constructionist approach further, in a reaction against both positivism and post-modernist interpretivism. Bailey's somewhat caricatured presentation of positivism and the 'ideational approach' (social-constructionist explanations to the rest of us) does not detract from the merits of this approach.

Critical realism's explicit re-introduction of researchers' values as legitimate criteria of theoretical assessment bears a striking resemblance to original Marxist epistemology sketched out in the 'Economic and Philosophical Manuscripts' and the 'Contribution to the Critique of Political Economy.' Some of Bailey's crucial analytical assumptions: that causation of social reality is stratified and that internal contradictions are crucial for explaining change, again remind a reader of the original Marxist requirement for radical analysis.

Bailey's approach also owes much to contingency theory, as the use of methodological concepts of 'analytical narrative,' 'non-deterministic and therefore post-hoc explanations,' and 'causal processes' testifies. Still, the study is more nomothetic than path-dependent explanations usually are. 'Analytical narratives' (case studies of the five countries) are marked by the tension between richness of historical detail, necessary to contingent and agential approach of critical realism, and a nomothetical exposition, which it also demands. Even such unique factors as long social democratic rule in Sweden, or the importance of left-wing terrorism and identity- and single-issue politics for the success of Italian Euro-Communism, lose their vivacity.

Overall, this is a broadly undertaken and systematic look at real-political underpinnings of the seemingly inexplicable ideology of the 'new' social democracy. It goes a step further than previous critiques of the recommodification of labour, which were content with pointing out its unreality and internal contradictions, forgetting that mere logic seldom persuades political actors. Bailey's theoretical innovation is in explaining how the structure of social relations that enable the formation and maintenance of 'new' social democracy explains party leaders' decision that these inconvenient inconsistencies were best forgotten. The only

significant weakness in the explanation is its relative neglect of some external influences on the structure of party relations. While repeated crises of overaccumulation are taken into consideration, the global connectedness and mobility of capital and the rise of neoliberalism since the 1970s are merely mentioned.

An overview like this should be a required reading not only for West European social democrats, but also for East European scholars, whose timidity before a foreign scholarly tradition and a political necessity of struggling for the EU membership sometimes prevents them from seeing numerous paradoxes, impossibilities and trickle-down assumptions of 'Social Europe.' A natural extension of this research project would be a similar look at socialist ('post-communist' in the organisational sense) parties in Eastern Europe.