INEQUALITY: ADDRESSING ASIA'S GREAT SCOURGE

TRANSFORMATIVE REALISM AND THE GERMAN ELECTIONS

By: Marc Saxer

Social Democracy is shaping the transformation by taking the center of society with it.

The Social Democratic Party of Germany (SPD) won the election because voters believe that Olaf Scholz can "tackle" the looming major restructuring competently, assertively and in a socially balanced way. The prerequisite for this to be successful was for the party to stand in closed ranks behind its candidate. How was it possible to rally the squabbling tribes of Social Democracy, until recently so hopelessly divided, behind the banner of "respect"? And what can European Social Democrats learn from the German campaign?

Unity Through Bridge-Building

Two debates about the right line to take had been tearing Social Democracy apart at the seams. In material terms, it was about the legacy of the "Third Way." Was it the Agenda reforms, i.e., the cutback of the incompetent state and the elevation of the market as the universal yardstick against which all things must be measured that unleashed a decade of robust growth, low unemployment figures and gushing tax revenues? Or have slashes in the welfare system widened the social gulf, creating a disconnected "precariat," thereby offering fertile ground for the rise of rightwing populists? With the "Welfare State Paper," unanimously adopted in 2019, the Social Democrats managed to forge a compromise among the party wings and put an end to the seemingly endless internal fighting. In the wake of years of "neoliberal aberration," the SPD (and the Greens) moved perceptibly, but not radically, to the left, thus winning back millions of former voters who, angered by the "betrayal by the former labor party," had recently migrated to the radical left or right or to the bloc of non-voters.

Secondly, there was a dispute over whether the leftwing of society today should be representing discriminated people of color or disenchanted white workers left behind. While *Die Linke* (the socialist Left Party) is being torn apart by the culture war, the SPD has managed to unite its identitarian tribes under the banner of "respect." Respect for people of color and queer people who feel excluded; respect for the hardworking population, who keep the country up and running in their effort to make ends meet for their families; respect for people in eastern Germany, whose life's work has been tarnished and sullied; respect for people in the Rust Belts who feel abandoned and forsaken; respect for the mundane ordinary folk who see their lifestyle denigrated by hip urbanites. Respect served as a bridge which everyone could walk across.

After all this quarrelling between "democratic socialists and progressive neoliberals" or "somewheres and anywheres," it was in the end the strategy of building bridges between different lifeworlds that came out on top with the voters. But bridge-building is more than a compromise recipe for the temporary pacification and reconciliation of social or inner-party conflicts; it sets out the strategic role of Social Democracy in the 2020s.

The Role of Social Democracy in the 2020s

The countries of the West have been shaken to the core by the financial, euro, climate, refugee, democracy and corona crises. The question of how to deal with all these emergencies politically has redrawn the lines on the political map. On the one side, conservatives and rightwing populists are frozen in a state of denial, rebuffing any need for any fundamental change,

or are busily engaged in conning people into believing that we can revive a golden past that never existed in the first place. On the other side of the spectrum are the Greens and progressive neoliberals, pushing for disruptive reform no matter the cost to the potential losers. Between these poles, Social Democracy is the force shaping the Great Transformation by taking the broad center of society on board.

Transformative Realism means rethinking politics in terms of social power relations

Transformative Realism shows how this can be achieved. Transformative Realism maintains that the magnitude of the challenges ahead of us no longer allows us to simply muddle along. It offers an answer to the question of how things can be done better by developing transformative politics with a clear-eyed view of the social balance of power. Against the backdrop of the existing political economy, changes in the development path can only be the outcome of social struggles between the forces of the status quo, and those who want to shift course. If we seek to change the way we live and work, produce and consume, commute and travel, this inevitably spawns strong counterforces opposing such major transformations. Some oppose change because they believe they benefit from the political economy of the status quo. Others stonewall because they do not want to give up their cherished way of life.

In the face of resistance by the forces of the status quo, the shift in trajectory necessary to overcome the multiple crises crippling our societies cannot be pushed through by any single social group — no matter how powerful it may be. Only a broad societal alliance can muster the vast power resources needed to drive through the necessary policy changes. Anyone who wants to build broad coalitions must not divide, and instead join forces with allies.

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A New Formula for Broad Alliances

Transformative Realism therefore builds broad platforms on which people with different interests, identities, worldviews and values can come together to jointly fight for a better future. This means that shared visions, broadly appealing narratives and policy platforms must be constructed in such a way that they can connect with as many lifeworlds (e.g., the milieus of post-industrial societies encompassing people with shared socioeconomic class interests, notions of morality and ideological concepts) as possible. As a starting point, sociological studies[1] help us to better understand what the people in these lifeworlds want and need, fear and hope for. Because German lifeworlds differ from those of their European neighbors, political platforms constructed from and for the German context cannot simply be borrowed or transferred. What is universally applicable, however, is the method of developing alliance platforms in such a way that they reflect the material opportunities and hardships, hopes and fears, values and worldviews of as many lifeworlds as possible.

A case in point illustrating how this works is the field of climate policy. Radical calls for a "climate revolution" or a "climate emergency," which hardly reach anyone outside the lifeworld of the young, highly educated, progressive urbanites, and indeed frighten many people away. In the fight against climate change, it is therefore not uncompromising avant-gardism that we need, but broad policy platforms upon which as many lifeworlds as possible can coalesce. But even the alliance for "green growth," composed of

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climate activists, technocrats, capital markets and tech companies, is not yet broad enough. As the French yellow vests have shown: If you do the math without including the losers of structural change in the equation, you will reap protests that throw climate protection off track. Only a genuine "Green *New* Deal" that compensates losers from structural change can find acceptance across a majority of society. Socio-ecological transformation can therefore only succeed if we take the center of society on board.

Important lessons in the construction of alliance platforms can be extrapolated from this example. In the progressive camp, a variety of approaches to alliance-building can be discerned, each of which seeks to bring together different social groups. Intersectional alliances bring together social movements fighting, for example, against housing shortages, climate change or racism. However, intersectional alliances between marginalized minorities and precarious academics cannot mobilize the power resources needed to break through the resistance of the status quo's forces. Intersectional alliances between activists with sometimes conflicting interests, identities and ideologies tend to be fragile, reaching out to too few comrades-in-arms beyond the lifeworld of highly educated, progressive urbanites. The approach of "unifying class politics" attempts to broaden the scope of progressive alliances by bringing together 99% of the population in cross-class alliances against the elite 1%.

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[1] See Rita Müller-Hilmer and Jérémie Gagné (2018). "Was verbindet, was trennt die Deutschen: Werte und Konfliktlinien in der deutschen Wählerschaft im Jahr 2017." *Forschungsförderung Report, No.* 2. Düsseldorf: Hans-Böckler-Stiftung.

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Social Democracy is accelerating modernization by broadening its social base

Who, then, is able to build transformative alliances between the different lifeworlds of a pluralist society? Forging social compromises between social groups has always been *the* strength of Social Democracy. It restored social peace in the last Great Transformation by negotiating the welfare state compromise between capital and labor. And today it is again the role of Social Democracy to uphold and maintain social balance in order to shepherd as many people as possible through the vertigo of change of the next Great Transformation.

By compensating potential losers, Social Democracy engages potential countervailing forces. By offering a social safety net, a well-equipped police force and easily accessible public services, it provides all those who are anxious the security they need to embrace the new. By inviting people to participate in shaping the transformation, it overcomes feelings of powerlessness and empowers people to make a difference in their communities. By positing that *respect* for all life achievements and lifestyles is a virtue, it reaches out to people from all walks of life who feel excluded, belittled or abandoned. Social Democracy thus accelerates the social-ecological-digital transformation by reassuring sceptics and compensating potential losers, and as a result broadens the social basis for the necessary structural reforms.

Based on this recipe, "accelerating transformation by broadening the social base," it is possible to build

In practice, however, this rarely works. Leftist populism is not compatible enough with the dominant discourses in politics, academia and the media to be able to win discourse hegemony. And if discourse power as the only significant power resource available falls short, left populist alliances are too weak to bring about the structural changes needed to overcome the systemic crisis. Even the centrist catch-all approach, which offers every demographic niche, no matter how small, a policy tested and analyzed by means of polls and focus groups ("I have a policy for that"), is running up against its limits in the post-factual age. The sterile slogans of marketing agencies are no match for the emotional force of populist campaigns.

The platforms of Transformative Realism are, on the one hand, broadly based in order to bring together people with different interests, identities, worldviews and values; but on the other hand seek to demarcate themselves from the extreme fringes. The crucial difference lies in who defines the agenda of the alliance. In most progressive approaches, highly educated urban strata dominate

public debates, articulate actual solutions and thus set the agenda. This agenda, however, primarily reflects the fears and hopes, the worldviews and lifestyles of their own lifeworld(s). If, however, a social milieu clads itself as the moral avant-garde, it summons up reactionary counterforces to resist it. Proponents and opponents of change then neutralize each other in moral mud-slinging matches. The attempt to impose an avant-garde agenda on society is therefore doomed to fail because of the social balance of power.

This does not mean that young, highly educated, progressive urbanites have no role to play. Their expertise, but also their passion, are indispensable. They must be willing and able to compromise with other lifeworlds, however, because only a broad transformative alliance is capable of asserting itself in the social balance of power. It is high time, then, to remove cultural class blinders and reexamine what normative visions have broad appeal, which policies are widely acceptable and which narratives resonate across as many different lifeworlds as possible — and which ones do not.

platforms for broad societal alliances in every political field. Designed for the German context, the platform of the "human economy" takes people on board in the journey into digital automation. The "nurturing and caring gardener state" rebalances the relationship between the state, the market and civil society. "A sovereign Europe as a community of solidary and security" is the platform upon which Europe can reform itself internally and assert itself externally. And the combination of progressive patriotism and healthy communities strengthens social cohesion in a society characterized by net immigration.

The Decade of Modernization: With the Progressive Coalition Into a New Era

Joe Biden had already won the US elections with a similar platform which combines greater optimism in the ability of the state to usher in a new era of progress with a clear commitment to take all those on board who feel anxious, excluded or looked down upon. With the billion-dollar "Build Back Better" program, the new president has sounded the death knell for the neoliberal era and elevated neo-Keynesianism as the guiding principle of his administration. With his retreat from Afghanistan, he is closing the chapter on the era of humanitarian interventionism in order to focus America's resources on reconstruction at home and the geopolitical challenge in Asia. The new era, however, confronts Europeans with new challenges. In the competition between the United States and China, economic relations are being politicized, market access is being restricted, and allies are being put under pressure. This changes the opportunity structures for Germany's vaunted export model, forces Europeans to organize their security more independently, and

deal more assertively with centrifugal forces within and outside the European Union.

These paradigm shifts in economic, foreign, and security policy will stake out the German government's latitude for maneuver even before it takes office. The new government thus faces the momentous task of making the Great Transformation faster, more resolute, and more disruptive, but at the same time politically inclusive, socially cushioning, and imbued with cultural humility.

The contours of the new government's mission are already aptly charted out in the narrative of a coalition for progress, a coalition for change, or a coalition for the future. The two *milieu* parties are selling themselves as engines of modernization, with the Greens posing as drivers of the socio-

ecological transformation, the Free Democratic Party as a digitalization turbo. The SPD is playing its historic role of cushioning the Great Transformation socially and thus lending the Republic the political stability needed in the vertigo of change. A "traffic light" coalition offers the potential to accelerate social-ecological-digital progress while maintaining political stability and social balance. With this modernization platform, the country has what it takes to overcome the stagnation of the Merkel years.

Transformative Realism as an overarching label furnishes Social Democracy with an unmistakable political calling card. With this as a compass, the SPD can successfully pilot its Progressive Coalition with the Greens and Liberals through the torrents of change. ∎

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