

# From Welfare State to Opportunity State

How Progressives Should Respond to Demographic Change

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The “Demographic Change and Progressive Political Strategy” series of papers is a joint project organized under the auspices of the Global Progress and Progressive Studies programs and the Center for American Progress. The research project was launched following the inaugural Global Progress conference held in October 2009 in Madrid, Spain.

The preparatory paper for that conference, “The European Paradox,” sought to analyze why the fortunes of European progressive parties had declined following the previous autumn’s sudden financial collapse and the global economic recession that ensued. The starting premise was that progressives should, in principle, have had two strengths going for them:

- Modernizing trends were shifting the demographic terrain in their political favor.
- The intellectual and policy bankruptcy of conservatism, which had now proven itself devoid of creative ideas of how to shape the global economic system for the common good.

Despite these latent advantages, we surmised that progressives in Europe were struggling for three primary reasons. First, it was increasingly hard to differentiate themselves from conservative opponents who seemed to be wholeheartedly adopting social democratic policies and language in response to the economic crisis. Second, the nominally progressive majority within their electorate was being split between competing progressive movements. Third, their traditional working-class base was increasingly being seduced by a politics of identity rather than economic arguments.

In response, we argued that if progressives could define their long-term economic agenda more clearly—and thus differentiate themselves from conservatives—as well as establish broader and more inclusive electoral coalitions, and organize more effectively among their core constituencies to convey their message, then they should be able to resolve this paradox.

The research papers in this series each evaluate these demographic and ideological trends in greater national detail and present ideas for how progressives might shape a more effective political strategy.

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Matt Browne, John Halpin, and Ruy Teixeira

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# Introduction and summary

In October 2009, the Center for American Progress published “The European Paradox,” a paper prepared for the inaugural Global Progress Conference held in Madrid that month.<sup>1</sup> That paper sought to analyze why the fortunes of European progressive parties had declined following the previous autumn’s sudden financial collapse and the global economic recession that ensued.

The starting premise was that progressives should, in principle, have had two strengths going for them. First, we argued that modernizing trends were shifting the demographic terrain in their political favor. Second, we asserted that the crisis had illustrated the intellectual and policy bankruptcy of conservatism, which had now proven itself devoid of creative ideas of how to shape the global economic system for the common good.

Despite these latent advantages, we surmised that progressives in Europe were struggling for three primary reasons. First, it was increasingly hard to differentiate themselves from conservative opponents who seemed to be wholeheartedly adopting social democratic policies and language in response to the economic crisis. Second, the nominally progressive majority within their electorate was being split between competing progressive movements. Third, their traditional working class base of support was both shrinking and increasingly being seduced by a new politics of identity driven by cultural insecurities rather than by economic arguments.

In response, we argued that if progressives could define their long-term economic agenda more clearly—and thus differentiate themselves from conservatives—establish broader more inclusive electoral coalitions, and organize more effectively among their core constituencies to convey their message, then they should be able to resolve this paradox over time.

While many of the prescriptions we outlined in that paper over a year and a half ago still hold, it is high time for us to revisit and reassess the challenges progressives now face. This is the focus of our paper. In the pages that follow, we will

examine the shifting politics of the economic crisis that has enabled right-wing populism to steal away progressive constituencies on one side of the political spectrum, while more leftist parties have nabbed progressive values voters on the other side. We then delve in more detail into this new politics of identity and break down the elements of a new progressive coalition that must answer this challenge:

- The traditional (yet shrinking) working class
- Rising educated, middle class, and professional voters
- Immigrants and minorities
- Women
- Singles and seculars
- The younger generation

After examining how these new political actors fit into the contours of traditional progressive parties, we then conclude with what we hope is a provocative argument that progressives must go beyond defending the welfare state to advocacy of a new agenda centered on what we call the opportunity state.

We believe the future of progressivism rests on our support of this opportunity state, which we argue must show the voters of our new coalition how progressive state action can enhance their individual life opportunities and help them build a solid middle-class life through lifelong educational opportunities, high-wage, high-skilled economies, the transformation of infrastructure and cities, clean energy, a more modern tax and labor market system, new international leadership, and the creation of a global middle class and new export markets. We look forward to your reactions.

# The shifting politics of the economic crisis

In the space of 18 months, the European paradox—the contrast between seemingly favorable underlying conditions for progressives and unfavorable political outcomes—has mutated, become more severe, and spread. A new politics of austerity has transformed the political landscape, in Europe, North America, and Australasia. In the public mind, what began as a crisis of casino capitalism—deregulated financial markets and bankers’ irresponsibility—has become a crisis of the profligate state—excessive public deficits and unnecessary and unhelpful government intervention.

While in the midst of the global economic crisis progressives found it hard to distinguish themselves from a right-wing movement that seemed—at least in Europe—to have adopted many of the core tenets of progressive economic policymaking, today, the role of the state and government spending is being subjected to a harsh attack. This new conservative narrative combines a seductive story of economic decline in the face of rising powers in Asia and wasteful government spending with fear of the other: be they immigrants, minorities or foreigners.

This is politics that is strong on message but short on policy, devoid of any real solutions to our societies’ economic and social woes. Its central thrust is an appeal to the comfort of old identities, old ways of thinking, and old structures. Unfortunately, for the time being, it is proving successful at the ballot.

While we should not be surprised by the conservative movement’s short-lived support for economic stimulus and public investment—it had dissipated long before the Group of 20 developed and developing nation’s key summit in Toronto last fall—the incapacity of progressives to define and defend an alternative economic agenda is troubling. In both Europe and the United States, long-term unemployment remains persistently high, with the potential to rise further, and the threat of a deflationary trap is ever present. Worse still, the potential for sovereign default looms over many Eurozone countries. The resurgence of the old conservative economic orthodoxy not only puts long-term job growth and economic recovery at risk, but also promotes a thoroughly unprogressive style of leadership—one that glorifies the ability to impose suffering on others in tough times.

Yet the central tenets of a progressive alternative remain unclear. Indeed, in the current climax, progressives seem trapped in a socioeconomic conundrum—forced to defend the status quo against a relentless right-wing attack rather than outline a forward-looking agenda of investment and reform. Consider, for example, that in many European labor markets an insider-outsider dynamic has emerged in which progressives are forced to defend the privileged working conditions, secure long-term contracts and generous benefits afforded established workers, even if they are no longer suitable to the current economy—and even if they make it increasingly difficult for younger workers to find employment.

When progressives do present overall labor-market reforms, these proposals are often resisted by trade unions, splitting the movement and alienating core support groups. This challenge becomes ever more acute—particularly for those like us who view trade unions as an essential ingredient to any true progressive coalition—as the size of the traditional working class, and thus its relative importance to the progressive coalition declines. Continuing with the status quo will surely lead to more electoral bleeding to reformist or center-right parties. But charting a new path on labor market reform that provides greater flexibility while maintaining the social democratic commitment to economic security will be difficult, and will have to develop in partnership and dialogue with new constituencies, parties and reformed trade union movements.

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### A new politics of identity

In this context, it is perhaps unsurprising that anxiety about the future is rising and that citizens in many of the industrialized countries across the globe fear their best days are no longer ahead of them. This anxiety is producing new fertile grounds for right-wing populism.

Emerging in parallel to the traditional albeit revitalized conservative attack on the state is the presence of a more profound, if nuanced, politics of identity. Interestingly, this new politics of identity has both a positive and negative element. On the one hand, middle-class progressive-values voters and the younger generation place an ever-increasing importance on a tolerant society that supports equality for gays, promotes multiculturalism, and expresses concern for the environment. These are what one could term postmaterial voters, who are also commonly among the main beneficiaries of the globalization of the economy.

On the other hand, a conservative politics of fear is being promoted by the right. This negative politics of identity works to instill animosity—often among those whose economic fortunes and security have declined during the last few decades or who are feeling “squeezed” by declining public services and rising living costs—toward the aforementioned groups. This negative politics attacks a remote political elite and vilifies minorities and those with an alternative lifestyle, blaming them for the decline in moral values, increased economic competition for both good and bad jobs and declining, and inefficient public services.

Taken in combination, this new politics of identity traps progressives on both sides. Whatever political position they adopt is bound to alienate either their working class voters, who tend to be more conservative with regards to values, or progressive-values voters and the Millennial generation, who are turned off by the more nationalist rhetoric that appeals to the traditional or core voter base.

These trends play out differently from country to country, depending on the degree of political competition on the left and right, or the barriers to entry for new political parties. Regardless of the system, however, it is common to witness a fragmentation of the progressive vote. The traditional working class is peeled off to the left and extreme right by those seeking to defend the status quo and oppose socioeconomic and cultural change. Urban and aspirant voters too, are attracted by more values-driven movements and parties such as the greens and liberals, in part out of frustration with the traditional social democratic and labor parties inability to modernize their agenda and embrace the future.

Both these groups—the populist right and the values-driven left—appear attractive in their absolutism, which tends to present traditional progressive parties as managerial rather than drivers of change. Indeed, and perhaps more worryingly, the message of social democratic parties often amounts to little more than the promise to manage decline better than their competitors. However, competing progressive parties share a common crucial failing, namely that they tend to be clientelistic in nature, catering to specific groups with specific interests. While their agendas respond to the immediate and specific concerns of their constituents, they do not offer a national agenda of renewal that can found the basis for a broader governing constituency.

So this is the political landscape, broadly sketched, in which progressives need to forge a new political coalition. In the next section, we will detail the makeup of the new progressive coalition.



# The new progressive coalition

In this new context, the core political challenge for traditional progressive parties is to shape a new political identity capable of forging a coalition that brings together:

- The traditional (yet shrinking) working class
- Rising educated, middle class, and professional voters
- Immigrants and minorities
- Women
- Singles and seculars
- The younger generation

The country studies done for our cross-national project on progressive strategy and demographic change demonstrate not just the desirability but the necessity of this new progressive coalition. Start with the decline of the traditional working class.

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## The decline of the working class

Across all countries, the size of the traditional or blue-collar working class is declining sharply. In Germany, for example, the proportion of blue-collar workers in the workforce has been cut in half since the late 1950s to just over one-quarter of the workforce today, while the proportion of white collar workers has nearly tripled to 57 percent.<sup>2</sup> Similarly, in Sweden the proportion of blue-collar workers has been cut in half to one-quarter of the workforce just since the mid-1970s.

Closely related to this trend, employment in the industrial sector has dropped rapidly across countries, replaced by employment in the service sector. In Germany, the industrial sector has declined from 55 percent of employment in 1950 to just 26 percent today. Similarly, in the Netherlands industrial employment dropped from 40 percent to 20 percent of the workforce between 1950 and 2003, and in the United Kingdom from 47 percent to 24 percent over the same period.<sup>3</sup>

Finally, union membership has been steadily dropping across countries. In the Netherlands, union membership has dropped from 32 percent to 24 percent of the workforce between 1970 and 2009. In Australia, union membership has been cut in half just since 1990, declining from 41 percent to 20 percent of workforce.

Since labor and social democratic parties were built around unionized, blue-collar workers in industry, these trends together signal a dramatic undercutting of the traditional voting base of these parties. Of course, the magnitude of these trends varies across countries, and in some these trends are less severe than in others. But the fundamental fact remains that in all countries the traditional base of social democratic parties has been substantially eroded, and is likely to erode further in the future.

Moreover, the problem of the declining working class is even more severe than that suggested by the raw numbers on decline. This is because even as the ranks of the traditional working class thin out they also become less supportive of social democrats in many countries. In Sweden, the Social Democrats' share of the LO (blue-collar workers union) vote has declined by 20 points from 1982 to 2010. In Denmark, Social Democrats' share of the traditional working-class vote declined by 17 points from the 1960s to the 1990s, in the United Kingdom by 18 points from the 1960s to the 2000s and in France (second round presidential vote) by 19 points from 1974 to 2007.<sup>4</sup>

Again, there is much variation across countries in the magnitude of this trend. Indeed, in some countries, among them Australia and perhaps Spain, there appears to be relatively little diminution of working-class support for social democrats. But in most countries, it is a serious problem.

There is also considerable variation in where the lost support from blue-collar workers is going. Some of it is going to the traditional right, but in countries with strong multiparty systems much of that lost support also finds its way to parties of the populist left, such as the Socialist Party in Netherlands or the Left Party in Germany, and the populist right (the PVV in Netherlands, the National Front in France, the Sweden Democrats in Sweden, JOBBIK in Hungary), with the latter typically predominating over the former.

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## Rising educational levels and white collarization

The other side of the decline in the traditional working class is the rise of white-collar and professional workers (sometimes lumped in with shopkeepers and the self-employed and referred to by the catch-all phrase “middle class”). As mentioned

earlier, the proportion of white-collar workers in Germany's workforce has nearly tripled since the 1950s, and the rate of white collarization is not far off in other countries. This is a universal trend.

Closely related to this is another universal trend: the rise in educational levels. Across countries there has been a sharp decline in the ranks of those with the lowest levels of education and a rapid increase in those with the highest levels of education—college and advanced degrees. In the Netherlands, for example, the proportion at this educational level rose 15 points between 1985 and 2009, and in France this proportion rose 14 points between 1982 and 2006. As a number of the country studies noted, the highly educated group is expected to continue its rapid growth in the future.

These are changes with profound implications for progressives. Simply on the level of numbers, the sheer size of the white-collar population means social democratic parties have become far more dependent on white-collar votes for electoral success than they were in the past. As political scientist Gerassimos Moschonas has shown,<sup>5</sup> as the traditional working class declined in size and reduced its support levels for social democrats, these parties did manage to compensate—at least partially—by attracting white-collar votes, frequently at higher rates than they did in earlier decades. As a result, the weight of white-collar voters among the social democratic electorate has increased dramatically. Take Sweden, for example, where 67 percent of Social Democratic voters were blue collar in 1976 compared to just 27 percent who were white collar—by 2006, the blue-collar proportion had dropped to 40 percent while the white-collar share had risen in 49 percent.

Perhaps the most progressive element of the burgeoning white-collar population is professionals, who have the highest educational levels. Since the highly educated are increasing so rapidly, this would appear to be good news for social democrats. The problem, however, is that professionals and the highly educated, while progressive, do not necessarily choose the social democrats when they vote progressive and there are multiple parties to choose from.

Instead, they frequently turn to social democrats' competitors on the center-left, especially liberals and greens. Because of this, social democrats actually tend to underperform among these constituencies relative to their overall electoral support, while their center-left competitors overperform. In an analysis of 2006 data on 12 European countries—Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Netherlands, Norway, Sweden, Switzerland, and the United Kingdom—Social Democrats underperformed across countries by 2 points

among the college educated, and by 1 percentage point among professionals, while the rest of the center-left overperformed by 6 points among the college educated and by 8 points among professionals.<sup>6</sup>

A recent case in point: In Germany in the 2009 election, Social Democrats did 5 points worse among professionals than among nonprofessionals, and 7 points worse among the college educated than the noncollege educated, while the Greens did 8 points better among professionals and 9 points better among the college educated than among those without these characteristics.

So, while the rise of professionals and the highly educated may be a boon for progressives overall, it is not necessarily a boon for social democrats. Of course, this dynamic varies by country, and is influenced, among other things, by the nature of the party system. Generally speaking, the closer to a two-party system a country is, the more likely the main left party can capture these constituencies. Conversely, the more robust the multiparty system, the less likely the main left party will dominate these constituencies.

The United States provides a limiting case—essentially a pure two-party system—and the Democrats do indeed dominate the professional vote. The other side of the equation is shown by countries such as the Netherlands and Germany, where Liberal and Green Parties drain away progressive professionals to the clear detriment of the social democrats.

This contrast is neatly illustrated within one country, Australia. In the Australian system, the primary vote is a voter's first choice among all parties; the two-party preferred vote is, in essence, which of the two main parties—the Labor Party or National Coalition—the voter prefers. In 2007, professionals gave Labor 43 percent of their first preference vote (2 points under the overall electorate) but gave Labor 58 percent of their two-party preferred vote (4 points more than the overall electorate). The difference was an unusually high primary vote for the Greens among this group, which then translated into Labor support on the two-party preferred vote.

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## Immigrants and minorities

Over the last few decades, the immigrant and minority population has increased substantially across countries and in most of them is continuing to increase. In the United Kingdom, the nonwhite (black, Asian, and minority ethnic, or BAME)

population is projected to reach 20 percent of the population by 2031, compared to 13 percent in 2001. In the Netherlands, the migrant population share is projected to reach 26 percent by 2040. In Spain, the immigrant population has grown from 200,000 to just under 6 million since 1981. In France, around 150,000 newly naturalized citizens are being added to the election rolls every year, which could mean 750,000 newly naturalized citizens participating as first-time voters in the 2012 presidential elections.

Across countries, the general tendency is for immigrant and minority voters to vote left—and especially for social democrats. There are differences, however, by country of origin. In Germany, for example, migrants from Turkey are particularly likely to vote Social Democratic while migrants from the former Soviet Union are least likely to do so. In France, migrants (and their children) of African origin are most supportive of the left. In the United Kingdom, those of Caribbean origin are most supportive of Labour, though all BAME subgroups display much higher support rates for Labour than the rest of the population. But regardless of variation, the overall tendency is clear and unambiguous—the rising immigrant and minority population is a boost for progressives in general and social democrats in particular.

However, several nuances to this trend complicate this positive story. One is that the political effects of immigration, especially in terms of national elections, tend to be blunted by the noncitizen status of many immigrants. Second, the immigrant and minority population typically starts from a small base, so even a fairly rapid increase in their numbers will have limited political effects, at least compared to the United States. Finally, reactions to immigration are very, very complicated and can send traditional working-class voters away from social democrats toward the right. And among progressive, culturally tolerant constituencies, social democrats may also find themselves losing votes—here to parties like the greens and liberals that have a stronger focus on diversity and an open society.

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## Women

Historically, social democratic parties have done better among men than women. Across countries, this tendency is being reversed so that in recent elections social democrats tend to do better among women than men. Yet in most countries this difference is modest, especially when compared to the United States, and this difference has also arrived far later than in the United States, where women started

voting more left than men back in the 1970s. But the uniformity of this trend is nevertheless striking, suggesting that women voters are likely to become increasingly important to progressive electoral success in most if not all countries.

One reason for the progressive trend among women is that the composition of the female population has changed in important ways. Most obvious is the entry of women into the labor force and out of a traditional home-bound role that tended to foster conservatism. But it is also true that women have moved rapidly into the ranks of higher education and more skilled professions, with their rate of advance frequently eclipsing that of men. Women are also more likely to be single or to remain single than they were in the past, another social change that promotes a more progressive viewpoint.

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### Decline of traditional family and traditional religion

Across countries, the traditional family is declining and we are seeing a lot more single-person households. In the United Kingdom, the number of single-person households rose by 73 percent between 1981 and 2008. In the Netherlands, the proportion of unmarried voters in the 20 to 65 age group increased from 26 percent to 36 percent in just 12 years (1998-2010). In Australia, between 1991 and 2006, the proportion of never-married or divorced women among 25-to 29-year-old women rose by 14 points (25 to 39 percent).

By and large, single voters are more likely to support the left than married voters. And among single voters, divorced or separated voters are even more likely than never married voters to do so. Overall, then, it seems clear that the ongoing trend toward more single-person households should benefit progressives.

But as with professionals and the highly educated, these benefits may flow less to social democrats than to their center-left competitors in multiparty systems. In the same 12 European countries mentioned earlier, social democrats underperformed across countries by 2 points among singles while the rest of the center-left overperformed by 7 points among these voters.<sup>7</sup>

Along with the traditional family, traditional religion is declining and secularism is on the rise. In Australia, the proportion of those with no religion rose from 14 percent to 21 percent between 1991 and 2006. In the Netherlands, the proportion of those with no religion almost doubled from 23 percent to 44 percent between 1971 and 2009. Similarly, in France, those with no religion rose from 13 percent

to 30 percent between 1988 and 2007. Other changes to the traditional religious universe include increases in those with non-Christian religious faiths alongside a general decline in religious observance among those who retain a Christian faith.

On one level, these changes indirectly benefit the left since they undercut traditional linkages between religion and politics, which have typically benefited conservative parties. More directly, secular voters tend to lean left politically. In the Netherlands, those with no religion favored parties of the left over parties of the right by 22 points in 2006. In Australia, secular voters gave Labor 65 percent of their two-party preferred vote in 2007. In addition, voters with non-Christian faiths and unobservant voters also tend to lean left.

But in many countries, the benefits to social democrats in particular from these trends are diminished by competition from other parties on the center-left—greens, liberals, and even the populist left. In the United Kingdom, for example, Liberal Democrats do much better than Labour among those with no religion. And in Germany, in the 2009 election, Social Democrats did not receive disproportionate support from unobservant or secular voters, while the greens did 10 points better among unobservant Protestants than among observant voters and the Left Party did 15 points better among seculars than among observant voters. Even in Australia, where seculars gave such a high proportion of their two-party preferred vote to Labor, their primary vote for Labor was 15 points lower due to an unusually high primary vote for the Greens.

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## The rise of the Millennial generation

Into this brave new world steps the Millennial generation (defined here as those born between 1978 and 2000). They compose essentially all of the 18- to 34-year-old age group of voters and will continue to do so for another seven years, after which a new generation will start entering the electorate. In this generation, all the trends discussed thus far find their strongest expression. Compared to previous generations, Millennials are:

- Less likely to be working class
- More likely to be highly educated
- More likely to be professionals (or in training to be one)
- More likely to be of a minority or migrant background
- More likely to be single (compared to previous generations at the same age)
- More likely to be secular in religious orientation

They are, in short, the vessels of modernity with an outlook—particularly among women—that is notably cosmopolitan, tolerant, and open compared to previous generations. They are also, of course, a generation whose access to economic mobility bears a vexed relationship to the welfare state and to the older voters who are its chief beneficiaries.

The good news for progressives is that this generation appears to lean left in most countries. Of course, as a number of the country papers pointed out, it is difficult at this stage to disentangle the effects of age from cohort—that is, the extent to which young voters may be leaning left simply because they’re young as opposed to part of an unusually progressive cohort. But certainly in the United States there are indications that the Millennial generation is distinctively progressive as a generation, as well as in other countries, among them France, Sweden, Australia, and Germany.

The bad news is that, except in the United States, the Millennial generation is relatively small. As most country papers noted, declining fertility has led and will continue to lead to an older age structure in their societies, where the relative weight of the young declines and that of the elderly increases. To give just one example, in the Netherlands in 1950, just 8 percent of the population was above 65, but by 2040 that number is expected to reach 27 percent.

Yet it’s worth noting that by 2040 the Millennials will be ages 40 to 62 and on the cusp of dominating the ranks of seniors. This could over time mitigate any conservative effects of a senior voter bulge. In addition, by that year the generation following the Millennials (2001-2020) will be fully in the electorate, a generation that should be even more affected by the modernizing trends that have shaped the Millennials. Depending on their politics, this new generation could, in tandem with the Millennials, make the long-term conservative political effects of societal aging far less daunting than they now appear. Still, it is undeniable that, for now, the relatively low-population weight of the Millennials will limit their progressive political impact.

The further bad news is that in many countries progressive Millennial voters are looking past the main left parties to greens and liberals. This appears to be a universal problem except in the United States, where the system does not permit this kind of party competition. In Germany in 2009, Social Democrats did 8 points worse among Millennials than among the earliest generation of voters, while the Greens did 15 points better among Millennials than among the oldest voters. In the same 12 European countries mentioned earlier Social Democrats



underperformed across countries by 4 points among Millennials, while the rest of the center-left overperformed by 9 points among these voters. And most shockingly, in Hungary Social Democrats' current support among the Millennial generation is so low it is not significantly different from zero in a statistical sense.

As a number of the country papers noted, the relative unattractiveness of social democrats to younger voters in their countries is resulting in a rapid aging of the support base for these parties. In the Netherlands, for example, half of the Labour Party's supporters in the 2010 election were over 50 years old while just 17 percent were between the ages of 18 and 34. In Sweden, every successive generation has had a smaller proportion of Social Democratic supporters, inexorably driving the average age of party supporters upward. Betting on older voters to keep social democrats politically viable seems like a risky strategy but it is, in effect, where many social democratic parties are currently placing their bets.

# The opportunity state and the future of progressive politics

The need for a new progressive coalition is therefore clear and compelling. The old one is simply no longer viable and any attempt to resuscitate it would be a profound error. But there is no doubt that forging this new coalition is a daunting challenge.

Daunting as it may be, it also presents an opportunity for traditional social democratic and labor parties to regain their hegemonic role. In the future these traditional hegemonic parties may indeed need to build political coalitions with the greens, liberals, and others, but labor and social democratic parties must still aspire to be national parties of renewal and reform, not parties captured by specific interests within societies. If they are able to define a new political agenda, one that is capable of combining the socioeconomic concerns of the more traditional groups within the latent progressive coalition with the postmaterial values driven identity of aspirant, younger, and upper-middle-class professional voters, they will remain the driving force—or guiding light—of progressive politics for years to come.

The central tenets of such an agenda, we believe, should be built around the idea of an “opportunity state.”

The primary achievement of postwar social democracy (and to a lesser extent American liberalism) was the creation of the mixed economy and a strong welfare state to help harness the best aspects of capitalism and protect people from the worst aspects. This model varied across nations, of course, but all employed similar theoretical and practical models—Keynesian demand management, the provision of public goods, social security measures, and cooperative labor and management structures. The combination of sustained economic growth, full-employment policies, industrial planning, and social provisions generated unprecedented prosperity, peace, and rising living standards for millions of people.

Politically, the “people’s party” strategies of social democratic and labor parties created broad and sustained coalitions that enabled governments to pursue a balanced approach to the state and the economy. This legacy of expanded free-

dom, equality, and social solidarity remains vital, and is sorely needed to stem today's conservative and neoliberal tide. But the traditional welfare-state model of governance cannot be our only progressive vision for society (or for voters). Without repeating the exhaustive treatment this subject has received over the years, it is commonplace to acknowledge that too much has changed in terms of economic organization for us to rely on older visions of democracy and the political economy.

What does this mean?

First, it is clear to us—and perhaps to other authors in this series—that the notion of solidarity that supported the great 20th century social democratic triumphs is dying. In a time of rapid economic change, voters are becoming increasingly decentralized, individualistic, and more family and community focused in their worldviews. Choice reins in all aspects of life, and traditional social roots are deteriorating or being replaced by new models of social interaction, particularly among younger people. As much as we might fight against the trend, voters are not becoming more committed to shared national goals, common political platforms, or to building stronger European or global identities. Bonds of work, religion, and class matter far less to people these days, and as we are seeing with the fierce immigration battles across our nations, the humanitarian and multicultural impulse underlying our progressivism is not easily extended to outsiders.

These developments can be addressed but it will require a radically different notion of solidarity—one that helps people understand the collective economic need for breaking down barriers to individual achievement and the moral basis for helping others reach their highest potential academically, professionally, and culturally. This is a strong form of solidarity, but one that recognizes the importance of individual and localized lives. It is deeply progressive in its commitment to human dignity and equality, but it is less class bound and more open to people of different walks of life.

And despite short-term challenges on issues such as immigration, this new vision of solidarity must embrace rather than reject the progressive commitment to diversity and individual freedom that are mainstays of the worldview of younger generations. Solidarity, as reconceived for a new era, will focus more on mutual responsibility and the need to foster individual achievement and community stability in an era of scarce resources and a rapidly shifting global economy.

Second, it seems clear to us that our economic growth model and existing social protections are inadequate for addressing the barriers to social mobility that exist with increased global competition for jobs and rising economic power in other parts of the globe. As important as existing policies are for our working class base, it is not hard to see how university students might scratch their heads wondering what trade unions actually do and how they might use a manufacturing retraining program. These students are probably more worried about rising fees and cumbersome labor market protections that make it hard for them to get jobs. So they take a look at the liberals.

Or perhaps these young students are focused on sustainability and renewable energy production and like what the greens have to say. Maybe they see inefficient civil service procedures and bureaucratic waste and wonder why the state can't be more efficient as center-right parties argue. Meanwhile, hard-pressed workers are hearing daily from left-wing forces about the failures of neoliberal policies and social democratic mismanagement of the economy in the lead up to the financial crisis.

It's no wonder the social democratic and labor share of the vote is collapsing across our nations. Traditional working-class support is rapidly shrinking, and rising progressive constituencies do not see social democratic and labor parties as visionary or distinctive in their approach. They often see status quo leaders, outdated party structures, and muddled policy ideas. Therefore, the identity, institutional outreach, and agenda of our parties does not fit with how younger, more mobile, and more diverse voters see their world.

Progressive forces will always focus on the mixed economy, social protections, and full employment policies. But we must do more to show the voters of our new coalition how progressive state action can enhance their individual life opportunities and help them build a solid middle-class life through lifelong educational opportunities, high-wage, high-skilled economies, the transformation of infrastructure and cities, clean energy, a more modern tax and labor market system, new international leadership, and the creation of a global middle class and new export markets. In short, we need a vision of an opportunity state that combines traditional security measures with new efforts to support greater social mobility and reduce social inequality.

This does not mean discarding social democratic principles. Far from it. To help make this opportunity framework viable, core social democratic arguments will still be necessary to make the case for long-term industrial policy and to attack

emerging laissez-faire governance. A new era of opportunity will require a much stronger state role in making our economies more competitive with other nations through long-term investments in education, energy infrastructure and transportation, and the creation of high-wage jobs. Individuals alone cannot contend with the forces shaping the global economy; and social democrats, among the array of progressive parties, are particularly well placed to argue for the importance of serious public investment and strategic planning.

This will also require sustained intellectual and policy attacks on the underpinnings of conservative economics—the efficient-markets hypothesis, deregulation, privatization, and supply-side tax policy—that contribute so much to instability and inequality in the world economy today.

Although this synthesis paper is not designed to flesh out in full detail all of the policy and political contours of the opportunity-state idea, we did want to offer something to the larger Global Progress working groups for discussion and critique. Just to be clear, our suggested focus of the opportunity state is not designed to replace traditional social democratic policies or to push neoliberal theory, privatization, and deregulation. We are advocating a strong theory of the state with a new dimension.

It is our belief that we should show voters how the state can both protect people from the failures of markets (the welfare state) and provide a platform and set of tools for people to make the most of market opportunities and to help solve collective problems (the opportunity state). Given the current arrangement of demographic, economic, and political forces, we believe a strong focus on the opportunity state side of the social democratic equation might help to address some of the electoral and governing difficulties that continue to plague the broad center-left.

We look forward to discussing this and other ideas with you in Madrid.

# Endnotes

- 1 Matt Browne, John Halpin, and Ruy Teixeira, "The European Paradox" (Washington: Center for American Progress Action Fund, 2009).
- 2 Unless otherwise noted, data and trends cited in the New Progressive Coalition section are taken from the appropriate country paper in the Demographic Change and Progressive Political Strategy project.
- 3 Angus Maddison, *Contours of the World Economy, 1-2030 AD: Essays in Macroeconomic History* (Oxford: Oxford University Press, 2007), table 2.5.
- 4 Authors' analysis of data in Gerassimos Maschonas, "Lower Classes or Middle Classes?: Socialism and its Changing Constituencies in Great Britain, Sweden and Denmark", presentation to Council for European Studies, March 5, 2008; and Anthony Painter, "The New Progressive Imperative in Britain" (Washington: Center for American Progress, 2011, forthcoming).
- 5 Maschonas, "Lower Classes or Middle Classes?"
- 6 Authors' analysis of data from the 2006 European Social Survey. Data are population-weighted to take into account the varying sizes of the different countries. "College educated" indicated first or second level of tertiary education.
- 7 Never married and never in civil partnership.

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## About the authors

**Matt Browne** is a Senior Fellow at American Progress focusing on the future of progressive politics, political strategy, and strengthening policy links and political analysis among progressives in the Americas, Europe, and beyond. He is Director of the Global Progress Program at American Progress, and former Director of the Policy Network. Among his publications, Browne co-edited (with Patrick Diamond) *Rethinking Social Democracy* (Politico 2004).

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