

Social democracy today: situations, contradictions and perspectives



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Abstract

The global economic crisis, which has had extremely negative consequences for the real sector and has been accompanied by rising unemployment, deepening inequality, reduced social cohesion and greater social unrest, has brought into focus again the debate over the reinterpretation of basic social democratic values. The theorists of the Left are once again faced with the challenge of finding an answer to the question as to why social democracy has failed to impose its paradigm despite the negative trends arising from neo-liberalism. The following question remains open: How is it possible to live in a world in which poverty, inequality among people, discrimination, intolerance, and disregard for human rights are all increasing on a daily basis while the basic tenets of social democracy: equality, economic progress, social justice, the rule of law, transparency and solidarity do not ensure support for social democrats in political competition with the rightist and conservative parties? The principal reasons for this situation at global level will be analysed in the first part of the paper, while the second part will pay special attention to their impact on the crisis of social democracy in the Republic of Macedonia in the context of current political, economic and social practice in our society.

Key words: social democracy, crisis, equality, equitability, solidarity, economic progress, PES, SDSM

Introductory thoughts

We live in a world whose basic features include radical changes in the global social order and development, in which the progress of civilization—with all its inherent contradictions—is increasing at an ever-faster pace, with social interactions becoming more complex, with forms and institutions of society multiplying, and with an ever-greater frequency of communications. This is a highly dynamic and complex process that culminates in its own contradiction. On the one hand, there is globalization as a process of creating a worldwide society based on complementary interdependence, global integration, innovation, rapid technological development and fast-expanding electronic media. On the other hand, there are conflicts and divisions on all grounds, economic and political crises, wars, poverty, organized crime, cultural assimilation, moral entropy, alienation, etc.

We are contemporaries in an epoch whose essential feature is the fact that all the fundamental social, economic, political and cultural processes that define current world developments are compatible in absolute terms. Simply put, the principle of universal interdependence has become the dominant principle of modern life. In this context, the role of policy, and in particular the functioning of political parties in the new circumstances, is changing and assuming new contents and tasks. It is necessary for political parties to change both in terms of their programme orientation and in terms of their organization and practical actions if they are to keep pace with the challenges of modern life. Otherwise they will remain on the margins of what is happening around them. It seems that social democrats, having formed some of the more respectable parties on the European political scene over the last fifty years, could now face such a fate if they do not undertake radical steps to change their parties' functioning.

Only fifteen years ago, social democrats were in power in most of the states then belonging to the EU, i.e. in eleven of the fifteen member states. Today that number has decreased drastically, with social democrats in power in only five of the twenty-eight member states. These parties have suffered repeated electoral defeats. They are losing their membership and supporters. Their connection with the middle and the working class is weakening. And they do not have a clear vision of how to overcome the current crisis in the functioning of their parties. In addition, there are more frequent debates in scientific and political circles about the identity crisis of social democratic values, respect for and realization of basic social democratic principles, internal party democracy, party

organizational structure, programme objectives, communication with existing members and specific social strata and groups from which there is a need to recruit potential new members, supporters and voters, as well as about the manner of resolving the crucial social problems of inequality, poverty, unemployment, social exclusion, reduced social capital, etc.

The first part of this paper will explore the principal reasons for this situation, analysed in the context of the current economic and political crisis in relation to compliance with and implementation of fundamental social democratic principles such as equality, equitability, solidarity and social justice. The second part will discuss the crisis of social democracy at the global level and within European social democracy. The third part will pay special attention to the crisis of social democracy in the Republic of Macedonia in the current social and political environment.

The economic and democratic crisis as a factor for a new paradigm

The global economic crisis which began in the financial sphere has had very negative implications for the real economic sector, including a decrease in production and GDP, accompanied by a series of negative social effects such as higher unemployment, deepening inequality, reduced social cohesion and the emergence of social unrest. In this context, social thinkers have mainly focused on the effects of the economic crisis and to some extent have neglected, in their theoretical and public discourse, the consequences of the crisis for democracy and the negative democratic trends present in social life. We live in a time when citizens, affected by the poor economic and social conditions in which they live, are increasingly losing confidence in representative democracy, in the institutions of the political system and in democratic values and procedures, while their willingness to participate actively in democratic processes through standard direct mechanisms is continually decreasing. It is becoming increasingly clear that neoliberal capitalism cannot and must not continue in its present form. Practice shows that neoliberal values such as the free market and individualism are not sufficient to provide a stable and sustainable development that will guarantee the construction of decent societies and a higher standard of living. The free market, despite being an excellent mechanism for increasing competition and contributing to GDP growth, still has negative implications when it comes to raising the standard and quality

of life of the citizens. More and more authors, including the Nobel laureates Joseph Stiglitz and Amartya Sen, warn of the limits of using GDP growth as a crucial indicator in measuring the overall development of individual states, arguing the need to include other relevant indicators when measuring human development, such as quality of life, wellbeing and sustainability (Commission for Measuring Economic Performance and Social Progress).

Given that the economic crisis has once again opened the issue of the fragility of the neoliberal concept of capitalism, generating hypotheses for new alternative programmes and formulas as potential ways out of the existing situation, the following question arises: How is it possible, precisely in a period of extremely negative economic and social trends in the quality of life of the citizens—including high levels of poverty, inequality, lack of respect for human rights, discrimination and intolerance—that conservative and Christian democratic parties still enjoy significantly greater trust amongst the electorate in comparison to the leftist social-democratic parties, both at the level of the European Union and at national level? In the context of what was said previously, we should remind ourselves that the elections for the European Parliament of 2009 confirmed the deep crisis in social democracy, while at national level the rightist parties have dominated most of the countries in Europe for almost a decade.

Bearing all this in mind, theoreticians from the Left have faced the challenge, first of detecting the reasons for the internal multi-dimensional crisis of social democracy, and then—through a reinterpretation of the basic social democratic principles—of offering adequate solutions for overcoming the crisis. After five years of economic crisis, the debate of the Left focuses on rediscovering its own identity and reviving fundamental social-democratic values. Only by developing a renewed and modernized social-democratic ideology in touch with contemporary challenges will the Left be able to respond to the current global challenges of capitalism and globalization and the need for sustainable development and environmental protection. Social democracy has failed for a long period of time to offer alternative solutions to these global questions, eventually resulting in the alienation of the electorate.

When it comes to the reasons for the crisis of social democracy, political thinkers offer various explanations. A certain group of authors (Maas 2010; Byrnbaum 2009) argue that no-one today disputes the basic principles of social democracy, since most of these principles have already been achieved or have been adopted and adapted within the programmes of other political parties, and therefore the electorate is not able to recognize

them as values typical of social democracy (Ruzic 2012: 3). Another group of thinkers (Eppler and Bos 2009) argue that a crucial factor which has pushed social democracy into crisis is the strong influence of the neo-liberal wave of the 1990s, which has taken over all, including the leftist parties (the Third Path) and has brought about a deviation from basic social democratic values. In this regard, the Dutch social democrat Wouter Bos emphasizes that “The progressive forces of the Third Path fell asleep during the existence of the reasonably controlled free market, but they woke up next to an unchained monster.” (The Future of Social Democracy 2011: 27). According to Rene Cuperus, it is precisely because of compromises of its fundamental values that social democrats now face existential crisis. Cuperus (2011) emphasises that the Left has lost the trust of the electorate by giving up its fundamental values and by giving up on the idea of building a prosperous society characterized by equality, wellbeing, solidarity and mutual trust. The multi-dimensionality of the internal crisis of social democracy has been successfully treated by Florin Abraham, (2009) who offers a précis of the reasons for the crisis. As part of the “Next Left” debate in his work *A New Left for a New Capitalism*, he detects four crucial aspects of the crisis: identity crisis, crisis of cooperation and solidarity, communication crisis, and leadership crisis in social democracy. (Next Left: Renewing Social Democracy 2009: 24-25)

Renewal of the social democratic values: equality, equitability and solidarity

In the past thirty years, inequality¹ at global level has increased drastically, leading to a renewal of the question of equality among people. This is the result, above all, of the dominance of neo-liberal ideology, according to which freedom dominates over other values, i.e. equality, solidarity and social justice.

Conservatives and neo-liberals have contributed significantly to this ideology, promoting the idea of quick profits and relaxed rules. In contrast, thinkers on the Left believe it is necessary to find a balance between freedom and other crucial values in order to achieve sustainable socio-economic progress. Social democrats are in favour of building a society that offers equal opportunities while at the same time allowing citizens to enjoy absolute freedom in building their future. The renewed legitimacy of this topic is undoubtedly favourable for social democratic parties given that equality is one of the basic principles of the Left.

However, it is even more important that the consequences of the economic crisis have led to a renewal of competition among global political elites to raise levels of equality, which is surely favourable for all humanity. In order to succeed in gaining the electorate's support for their ideology, social democrats will have to promote a balanced relationship between equality and freedom, with equality based on the need for equal opportunities for all citizens, especially when it comes to satisfying basic existential and essential needs, which would lead to their liberation from all social determinates on the path towards their individual realization.

In this regard, the programme of the Party of European Socialists (PES) emphasizes the need to re-establish equilibrium between the value of labour and the value of capital. But why is equality so important? Equality is a crucial factor in every society, contributing to the overall stability of the political, economic and social system. At the same time, the level of equality is an indicator of social justice and fairness in a country. By contrast, inequality has a destructive power that undermines the social fabric from within and contributes to the appearance of social exclusion, political conflicts and social unrest. Such destructive social phenomena frequently have negative implications at an individual level, resulting in the increased occurrence of social deviations: alcoholism, prostitution and drug addiction. Ultimately, inequality results in decreased opportunities for individuals to achieve successful lives and active inclusion in social life. Comparative analyses carried out in developed countries show that countries with a higher degree of egalitarianism (Scandinavian countries, Japan) have a higher degree of social cohesion and less social and economic problems than countries like the USA and Great Britain (Wilkinson and Piquet 2009).

Equitability is another basic value of the Left, closely related to freedom and equality. Social democrats define equitability as the provision of equal rights for all citizens, regardless of their gender, age, and ethnic or religious affiliation (Spasov 2008). History confirms it is the Left, through its progressive policy, that has been the main driving factor of social changes that have resulted in increasing the degree of equitability. Namely, the social democrats have contributed significantly to the equal status of women, the young, and minority groups.

In accordance with the value of equitability, the Party of European Socialists clearly defends the position that all people are born equal and have equal human, economic, cultural and social rights. Their mission to establish a new social contract for Europe involves

emancipating every individual, regardless of his/her age, ethnic and religious background or sexual orientation (Fundamental Programme PES, 2013: 6).

In order to provide equality and equitability in developed democratic societies, there has to be solidarity. Solidarity, as a basic value, originates from the French bourgeois revolution of 1848 (freedom, equality, brotherhood). Throughout history, the Left has always advocated solidarity. Today the PES, led by socialists, social democrats and labour party members, strives for solidarity inside the Union but at the same time emphasizes the need for external solidarity with other global actors. In its Fundamental Programme, the PES strives for the transformation of the European Union into a union of solidarity, leading to the formation of a European society in which citizens, communities and states act responsibly towards each other. According to the PES, solidarity should be a mechanism through which social cohesion and social capital will increase, thereby increasing a feeling of belonging among the citizens of Europe. At the same time, internal solidarity will result in strengthening the external position of the European Union as a global player ready to respond to the challenges that globalization brings and the appearance of new actors on the world economic and political scene.

At a time when social differences are increasingly exacerbated—the living standards of citizens is falling, unemployment is increasing, poverty and inequality are growing—the question of social justice again comes into focus. The need to live in a just society imposes itself as a basic imperative of coexistence. Freedom becomes an abstract ideal if it is not founded on the principle of justice, both in the sphere of producing economic goods and services and in their distribution. Only a society that knows how to establish a balance between economic growth and its benefits for all citizens can be considered to have perspective. Without real progressive taxation, without a balance between minimal and maximal salaries, without increasing the participation of workers in economic life and, above all, in the decision-making sphere, it is not possible to build a society adequate for all its citizens—a society that offers prosperity, progress and quality of life.

The last but no less important basic value that will be reviewed is that of economic progress. The idea of an economically developed and successful society lies at the core of social democracy. Social democrats believe in a social-market economy, i.e., an economy based on the freedom of the market which at the same time recognizes that state intervention is also necessary as a mechanism for overcoming the negative effects of the liberal market.

Thinkers from the Left thus oppose the neo-liberal theory of “laissez-faire” according to which state restrictions refer only to the protection of private property while all other transactions are regulated by the market. The events that take place in social practice on a daily basis again confirm that the market can never be sufficient by itself to resolve all economic and social problems. It is abundantly clear by now that the holy rule of the neo-liberal concept whereby the market regulates and balances itself is not generally valid, especially given the current state of the labour market. Free market fundamentalism results in a greater concentration of capital, jeopardizing democratic and political processes. In order to overcome these drawbacks, the social democrats generally propose a series of measures by which the state will be provided with conditions for political representation and harmonization of interests, protection of the public sphere, providing means through tax policy for creating public good and the development of human capital. (Spasov 2008: 7).

The programme of the Party of European Specialists, with social democrats as an integral part, proposes thorough reforms that involve a new political economy based on redefining and connecting with basic values such as freedom and democracy. The PES promotes a political economy in which all sides concerned—citizens, states and organizations—will have democratic control over the financial market (Fundamental Programme PES 2013: 3).

On some aspects of the crisis of European social democracy

This part of the paper will analyse the situation in European social democracy, briefly outlining the significant factors that affect or explain why it is in crisis today.

According to Ralf Dahrendorf, we are currently witnessing the end of the social-democratic era in Europe. This is because its key tasks have been achieved with the realization of the welfare state (in Ruzic 2012). In today’s new circumstances, according to Norman Byrnbaum, social democracy does not have anything special to offer. This has certainly led to a crisis in its functioning, in its lack of a clear alternative with regard to the future of capitalism. Unable to build its own economic theory, at this moment it has no response to the challenges brought about by the global economic crisis—challenges such as the evident decline in standards of living. Without its own paradigm, without concrete political action and recognizable actors, it becomes increasingly clear that there is a crisis of

its identity. European social democracy today is unable to adopt a clear position towards the crucial problems and processes in society, including: the current economic logic whose focus is the domination of profit; globalization and its consequences; privatization in the public sphere; changes in the social structure and the shrinking of the middle class; ever-increasing levels of poverty, unemployment and inequality; and reduced social capital. Thus it has turned from a critic of capitalism into its defender.

The absence of a recognizable philosophy of criticism of the increasingly aggressive domination of greedy capitalism in which human beings and the humane principles of life are increasingly marginalized has led to the gradual adaptation and acceptance of neo-liberalism as the only orientation in social life. The programmes of social democrats are becoming more abstract, general and unspecified, failing to offer new alternatives for more radical changes. This has certainly resulted in a loss of trust amongst their membership and supporters, which has been clearly manifested through the electoral processes.

If European social democracy wants to overcome the aforementioned weaknesses, if it wants to remain a relevant factor in European political and economic life, it must make radical changes in its programme and its organizational and action plan. This means that the content of its action programmes—though still based on its main principles, which are relevant today even more than in the past—should be innovated and adapted to the new circumstances, providing clarity and precision for party members. Social democracy must also set out to become a massive social movement, which entails open communication with citizens about the crucial social problems they face. This means social democrats must invest special efforts in resuming their old relations with both the working and the middle classes and, more concretely, must show a much more explicit interest in their everyday problems.

Social democracy in the Republic of Macedonia

Together with the Left at global level, social democracy in the Republic of Macedonia faces an internal crisis that can be analysed from several aspects. For this purpose, a short review will be made in this paper of certain internal factors that sketch the horizons of the current situation of Macedonian social democracy. However, it should be emphasized that the crisis has in part been caused by certain external factors. These external factors include global

political and economic and social processes that have left a visible trace on the functioning of social democracy at global level—for example, in the countries of the European Union as mentioned above. Internal factors, meanwhile, include specific factors in the functioning of Macedonian social democrats, observed in the context of the social, economic and political changes happening in Macedonia.

We will focus our analysis on the fact that Macedonia has been characterized for a long period of time by a series of serious problems in the economic and the political sphere, such as high rates of unemployment and poverty, inequality and social exclusion, fragile interethnic relations, the absence of the rule of law and a politicized judiciary and limited freedom for the media. These are systemic problems that have extremely negative implications for Macedonian citizens and Macedonian society at large. Given these factors, it is baffling that not a single political party has managed in the past 23 years to offer its own authentic approach and adequate mechanisms for resolving these problems.

The Macedonian social democrats have failed because they have remained on the margins of events in the newly developed social context. Unable to offer alternative solutions to the existing situation, they have been more preoccupied with themselves than with the problems of citizens. This has resulted in social democracy in the Republic of Macedonia distancing itself from the electorate. Even in conditions of serious economic crisis with worrying social implications for citizens, when the crucial social democratic values have again become relevant, the Right in Macedonia has convincingly won several consecutive elections over the last seven years. In the parliamentary elections of 2006, the VMRO-DPMNE-led coalition “For a Better Macedonia” won 37.5% of the total number of votes, or 45 seats in Parliament, while the SDSM-led coalition “For Macedonia Together” won 26.7% of the votes, or 32 seats. At the elections in 2008, the crisis in SDSM was further deepened, with the party undergoing its most difficult period, winning only 27 seats in Parliament. As a result, SDSM made changes to its staff, subsequently promoting the party programme “Solutions for Macedonia”. This resulted in improved election results, though still not sufficient to become the governing coalition.

In our opinion, the main reasons for the internal crisis of social democracy in the Republic of Macedonia can be located in the following problems faced by SDSM:

- Firstly, there are problems related to intra-party democracy. These relate directly to the party structure and organizational design, the lack of transparency in its

work, and the accountability and responsibility of the leadership of the party to its members and supporters as well as to the citizens of the Republic of Macedonia.

- Secondly, there are problems that reflect the identity crisis of leftist parties in general. This mainly concerns a crisis of democratic values, manifestly expressed through the weak realization of basic social democratic principles in practice, such as equality, equitability, solidarity, social justice, economic progress, sustainable development, and quality of life.
- Thirdly, there are problems arising from the approach of SDSM towards the crucial social issues of inequality, poverty, unemployment, social exclusion and social capital.
- Fourthly, there are problems arising from SDSM failing to focus sufficiently on certain social strata and groups, including potential members, supporters and voters. This mainly refers to the relation of social democrats towards the poorer, neglected and marginalized social layers of society, as well as towards the working and middle class who are supposed to represent the basis of its voters.

Generally speaking, the political system in the Republic of Macedonia is characterized by a low level of intra-party democracy. The political parties, including SDSM, function on the basis of strict hierarchical principles, at the same time practicing a low level of democracy. This perception is supported by numerous analyses and statements of domestic experts, including Gordana Siljanovska-Davkova, who states: “Our leaders sound tragicomical when they advocate democracy and the development of democratic processes while at the same time leading sultan-parties.” (quoted in Deutsche Welle 2012) The fact that this statement is more than ten years old and yet still fully describes the present situation points to the fact that the political parties have not progressed towards the democratization of their structures. In their research study on intra-party democracy in Macedonia, Aleksandar Cekov and Zidas Daskalovski (Cekov and Daskalovski 2012) only confirm this situation, detecting a high degree of centralization of power, the strong influence of party elites on local organizations in the process of creating policies and making decisions, as well as the high degree of obedience of Members of Parliament to the parties to which they belong.

On the other hand, the last intra-party elections for a new leader of SDSM, held in June 2013, sent out a positive signal in that the largest opposition party showed the

democratic capacity to organize free elections. However, the statutory changes enabling the President of the Party to obtain prerogatives to appoint presidents of municipal organizations remain disputable. In conditions of such strong party influence in Macedonian society and the drastically limited space for manoeuvre for SDSM, the promotion of intra-party democracy should be the initial mechanism applied for regaining the trust of the electorate. In order to activate the citizens, it is necessary to increase the degree of decentralization, enabling voters in local communities to participate to a greater extent in policy creation and decision-making.

The second problem faced by SDSM, together with all leftist parties in Europe, is that of identity crisis, meaning a crisis of basic social democratic values. We live in a time of global economic and social paradox. More precisely, we live in conditions when the main social democratic principles of economic progress, equality, equitability, solidarity and social justice have legitimately returned to the focus of public discourse as a result of increasing poverty and unemployment, inequality and social exclusion. In the political struggle, however, the Left has not managed to present itself to the electorate as a winning option and as the main agent and promoter of the above-mentioned social democratic values. In this sense, the Republic of Macedonia is no exception from the global trend. SDSM can overcome this situation only if it offers a balanced approach whereby social democratic principles are adapted to the real economic and social problems faced by the citizens in Macedonia. SDSM should be an initiator of public theoretical discourse that will reinterpret social-democratic values. This will enable the inclusion of part of the academic community through public debates and round-table discussions, while citizens will thus become more familiar with these values. These values should be confirmed in practice by social democrats through concrete social actions that will increase trust among the citizens, leading to their realization that support for social justice, solidarity and quality of life, etc., are not just theoretical principles but also concrete contents realized on a daily basis in practical life.

The attitude of SDSM towards crucial social problems (inequality, poverty, unemployment, social exclusion, social capital, etc.) has contributed greatly to the poor election results typical for this party in recent election cycles. In the past twenty years of transition, the Republic of Macedonia has undergone a very worrying situation in the economic sphere, as shown by numerous macroeconomic indicators, including GDP growth, investment rates, trade deficit, debt, etc., with catastrophic consequences for the quality of life of the citizens. For a long period of time, unemployment in Macedonia has consistently

stood at over 30%. The level of participation in the workforce has been very low throughout the whole transitional period, with a large economically inactive population, especially amongst younger people, women and ethnic communities belonging to the Muslim religion.

Because the labour market in the Republic of Macedonia is characterized by ever-greater segmentation, certain categories of the workforce face a high probability of becoming unemployed or of remaining amongst the long-term unemployed. This applies especially to young people and to workers with lower qualifications. The level of unemployment among the youngest group of workers (aged between 15 and 24) is almost twice as high as the average level of unemployment in the population as a whole. Similarly, the unemployment rate among people who only have primary education is much higher than the average unemployment rate.

The high level of unemployment in the Republic of Macedonia contributes to an increase in the unemployment rate on a daily basis (today it is 33%) as well as to an increase in the depth and sharpness of poverty. When the problem of inequality is added to this, at a rate of 32%, it is no surprise that most of the citizens of the Republic can barely survive. This situation has resulted in an increase in social pathology, especially among young people. There is a continual increase in drug addiction, prostitution, robberies, murders, and crimes committed by minors.

Taking this alarming situation into account, it is surprising that SDSM does not focus its attention on these problems in its programme, failing to offer concrete strategies, policies and programmes for finding a way out of the existing situation. It is even more tragic that it does not undertake any practical actions to help its members, supporters and citizens.

The attitude of the social democrats towards the changes that have taken place in the social structure of Macedonian society has played a special role in the crisis of the Macedonian social democrats, resulting in the reduction and fragmentation of the two main pillars of their voters, the middle and the working class. Over the past few decades, a significant section of the working class worldwide has been integrating in the middle class, which is becoming more heterogeneous but at the same time still constitutes an important segment of social life. Macedonia has seen a reduction and marginalisation of the working class and a fragmentation of the middle class. Society is becoming more polarized, with small elite of powerful actors in the political and economic sphere wholly dominating over a population with a large proportion of unemployed, marginalized and impoverished. The elite

fights to obtain everything, while the latter struggle to barely survive. In this evident conflict between capital and labour, the social democrats are unsuccessfully trying to balance, without offering their own attitude, a clear vision for overcoming these antagonisms, which have very negative implications on the quality of life of most citizens as well as on the social cohesion and integration of Macedonian society. The Macedonian social democrats must dedicate much greater attention to the consequences of the on-going changes in social stratification, addressing the majority of impoverished, unfairly treated, disoriented and depressed citizens by offering programmes, strategies and actions that will help resolve their essential problems of existence and thereby gain popular support.

Conclusions

Despite the fact that concrete practice confirms that global social developments, with all their internal complexity and immanent contradictions, led by neo-liberal ideology, are in permanent crisis, which necessarily leads to a re-examination of the main principles and values on the basis of which the world functions, the Left, facing internal problems, has not yet managed to impose itself as a dominant agent of the changes that need to ensue. This statement becomes even more paradoxical in view of the fact that the main principles of the Left (economic progress, equality, solidarity, social justice, etc.) are becoming more pressing than ever before, while the social democrats, instead of being creators of a new economic and social paradigm, remain passive observers of what is happening around them.

In short, until European social democracy manages to adopt a clear position as to whether it wishes to sustain the existing model of capitalism, in which the principle of profit and inequality dominates, or to build a new society centred on human beings and their basic existential and essential needs, it will only be a secondary player on the global political scene. Without its own economic theory, without a precisely defined axiological matrix, without left-oriented political action and recognizable agents of action, the social democrats will continue to deal much more with themselves and their identity crisis than with the global problems that are having such negative effects on the quality of life of citizens and their future social and economic development.

Under the influence of the aforementioned global developments in European social democracy, but also as a result of its practical activities in the Macedonian social environment, and especially because of the series of internal problems in its organization and management, the Macedonian social democrats, it seems, are at a crossroads as to where to go from here. If they continue to operate as they have done so far, they face the prospect of total fragmentation and marginalization. If they wish to be a significant factor in political and social life, the following steps are necessary:

- To undertake radical reforms, starting with the party organization, structure and leadership, increasing its responsibility, transparency and openness towards its members and their needs, ensuring their active involvement in social life within the planned activities of SDSM in local self-government units and municipal boards, etc.
- To develop a recognizable ideological matrix with values and principles generally accepted by a great number of citizens. This entails a reinterpretation of the basic social democratic principles of economic progress, equality, equitability, solidarity and social justice, applying these principles in designing their strategic and programme goals as well as in the realization of concrete political actions.
- To undertake a fundamental change in the relation of SDSM towards the crucial social problems of inequality, poverty, unemployment, social exclusion, reduced social capital, etc. This is essential if the party wants to communicate more honestly with the citizens of the Republic of Macedonia. This means that the social democrats should offer more concrete strategies and policies for resolving these problems, which would lead towards increasing the degree of equality, as well as greater solidarity among the citizens.
- To state much more clearly whose side they are on in the conflict of interests between capital and labour. This entails paying much greater attention to the results of on-going changes in social stratification, which means the unemployed, impoverished and neglected citizens should be more present in their programmes and action plans in terms of building real and concrete strategies for improving the quality of their lives.

ⁱ According to the reports of the World Bank, the group of poor countries, which covers 85.2% of the world population, owns only 21.5% of the world capital, while the group in which 14.8% of the world population lives owns 78.5% of the world capital. In the past forty years, inequality in the distribution of capital among countries has increased dramatically. The difference in revenue between the five richest and five poorest countries was 30:1 in the 1960s, while today it is 74:1. In the last ten years, the two hundred richest people in the world have increased their wealth more than twofold. The capital of the three richest people surpasses the sum of the gross domestic product of the forty-eight most developed countries (Source: World Bank).

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