**Democratic Socialism**, the other main branch of socialist ideology, embraces collectivist ends but is committed to democratic means. Unlike orthodox Marxists, democratic socialists believe in **gradualism**, or reform, rather than revolution, but they hold to the view that social justice cannot be achieved without substantial economic equality. They also tend to favor a greatly expanded role for government and a tightly regulated economy. Socialist parties typically advocate nationalization of key parts of the economy—transportation, communications, public utilities, banking and finance, insurance, and such basic industries as automobile manufacturing, iron and steel processing, mining, and energy. The modern-day **welfare state**, wherein government assumes broad responsibility for the health, education, and welfare of its citizens, is the brainchild of European social democracy.

The goal of the welfare state is to alleviate poverty and inequality through large-scale income redistribution. Essentially a cradle-to-grave system, the welfare state model features free or subsidized university education and medical care, generous public assistance (family allowances), pension plans, and a variety of other social services. To finance these programs and services, socialists advocate high taxes on corporations and the wealthy, including steeply progressive income taxes and stiff inheritance taxes designed to close the gap between rich and poor.

Democratic Socialism has had a major impact in Western Europe. The United Kingdom and the Scandinavian countries provide the classic examples. The welfare state became the norm in Europe after World War II, but the aftermath of the 2008 global financial meltdown put its viability to a severe test. Many European Union (EU) governments, including Greece, Ireland, Portugal, and Spain, were running huge budget deficits in 2010. Greece, in particular, teetered on the brink of bankruptcy. Indeed, the EU was forced to bail out the governments of Greece, Ireland, and Portugal with massive infusions of euros to prevent them from defaulting and potentially causing the collapse of the euro zone itself.

The chronic deficits that led to the euro crisis were—and are—in no small measure a result of the generous welfare-state benefits, including health care and pensions, in place in these countries. Attempts to economize through austerity measures (spending cuts and tax increases) met with mass protests in Greece, Spain, Italy, and France, among others. Nor has the public mood in Europe greatly improved: in 2014, thousands of anti-austerity protesters took to the streets in Paris and Rome. In Italy, for example, youth unemployment had risen well above 40%—a figure that represents both a big drain on public spending and a big loss of labor productivity. Unlike France, Spain, and other European countries, the United States does not have a strong Socialist party nor has “socialism” ever lost the negative stigma most Americans attach to it. Even when Socialist Norman Thomas polled nearly 900,000 votes in the 1932 presidential election, that result amounted to only about 2% of the total votes cast.

Nonetheless, many entrenched social programs in the United States resemble measures associated with the welfare state. Examples include Social Security, Medicare, farm subsidies, family assistance, unemployment compensation, and federally subsidized housing. Compared with most Europeans, U.S. citizens pay less in taxes but also get far less in social benefits—except for high-level government employees, the professional military class, and, of course, members of Congress, who enjoy cradle-to-grave benefits that would make even the most ardent socialist blush.

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