

Dr. Ania Skrzypek
FEPS Senior Research Fellow

Next Left, New Social Deal

10 Strategic Proposals for the Progressives to become the Movement of the Future



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Foreword

Facing a challenge, providing timely progressive answers

At the end of 2016, many seem to have taken a deep breath and said with hope: *well, not much can be worse than last 12 months*. Indeed, the previous year brought many unexpected, undesirable developments. Among them, the result of the UK's referendum on the country's membership of the EU in June and the election of Donald Trump to become 45th President of the United States in November, went down in history as particularly crushing. Not only were they rather unexpected, and hence shocking when announced – but they also prompted history to take a course towards the unknown, unimaginable and uncertain.

Whilst it has become a context to anything and everything, the changes in the political and social context signalled by those two turning points are more profound and more spread across other countries than had been initially assumed. They echoed in the subsequent elections that took place in the Netherlands, in Bulgaria, in France and in three German regions. Their result has proven that it is simply impossible to continue thinking in traditional ways, to apply conventional solutions and to carry on hoping for the pendulum to simply shift by default, elevating the centre left to the powerful positions again.

There are, amongst others, three observations to be made on that. First, it is clear that the lines dividing the political scene have shifted. This means that the framework within which the citizens are making

their choices is not the one between left and right, but rather the one between the system and anti-system, between the mainstream and extreme, between the old and new. On those canvases, social democracy seems to fade away as an alternative – vacating the ground to be a battle rather between moderate neo-liberalism and populist reactionism instead.

Secondly, the European states are undergoing a transformation of their political cultures. That is especially evident when it comes to the question of civic engagement. While the old ways channeling activism into partisan form are insufficient, it would seem that at this point there are two trends that carry on alternative solutions. The first of them is encrypted in the political organisations that are formed around electoral purpose and then live beyond the polling date. The second essentially features more of an inner-party mobilisation that grasps opportunities, such as primaries, to show discontent with the institutional leadership and the rule of party elites.

Thirdly, the questions regarding what future there is to be expected seem to multiply. Even if the crisis already hit almost a decade ago, the aftermath period persists in limiting horizons for all the prospect-oriented conversations. To that end, what is in doubt are the corner stones of what shaped the reality of today: welfare state, pluralistic state, a promise carrying European project. Especially, when it comes to the latter – it is clear that the EU finds itself on a historical crossroads, where not only the shape, but also the scope and the ambition are being redefined.

These three observations point to the fact that the centre left may not live by the illusion that its great, honorable legacy will remain its ticket to be among those who will also shape the decades to come. On the contrary, they need to find courage to look beyond what is comforting, familiar and customary. They need to define for themselves what the progressive centre left is in the 21st century, what its mission

is and whom it wants to represent in the struggle for a better future for all. And *how to do that* has been the motivation guiding the FEPS Next Left Research Programme since 2009.

We embarked on that conversation with what seems to have been a very simple question: why did social democrats lose elections in 2009? But soon after the project started - in co-operation with Renner Institut and under chairing of Dr. Alfred Gusenbauer, former Chancellor of Austria - we realised that the issues to discuss were far more complex – leading us to debate the sense of the core values, the principles of the welfare state, and the guidelines for alternative socio-economic paradigm, to name just a few. Throughout these past 8 years, the FEPS Next Left Research Programme has been exceedingly successful and has become one of the flagship initiatives of FEPS. We have organised meetings in the EU, in the US and in Latin America; we have held debates at universities, in parties' headquarters and in public venues; we have brought academic, politicians and experts together, we have liaised between different generations, we have set up focus and working groups, alongside the transatlantic Dialogue of Dialogues and we have benefitted from enormous support of the FEPS member foundations across the EU. In that long period, we have produced studies, we have provoked with new ideas and we have proposed a handful of solutions. We have, to the best of our capacity, tried to contribute to these very existential deliberations that the Progressives, in the EU and in the respective Member States, have been preoccupied with.

In that sense, the pamphlet that I have a great pleasure to introduce here, written by Dr. Ania Skrzypek, FEPS Senior Research Fellow, echoes some of the main threads of the deliberations we have held. They have been captured in FEPS-y format of 10 points, of which the common message is encouraging and, with the richness of tangible, progressive modern proposals, contradicts hereafter the otherwise



gloomy analyses of contemporary times. Presenting these to you, we hope they will provoke further debates and offer hope in a potential that undoubtedly remains on the centre left, ready to be unleashed.

Dr. Ernst Stetter
FEPS Secretary General



Introduction

New Social Deal

Many labels are used by politicians and analysts to describe the era that we are living in. But as smart and punchy as they may be, they seem to fail in mirroring the scope of the calamity that we as contemporaries face. The current phase is most evidently the *Age of Neo-Liberal Disaster*, which calls for each and everyone to search, to the best of their abilities, for an alternative.

The characteristics of these times are quite obvious. The economists define them through diagrams showing sluggish (if any) growth, rising unemployment and decline of income. Social policy experts speak about the disastrous impact that these have. While they jeopardise opportunities for all, they seem to be particularly harmful towards the younger generation. They deprive young people from having a right to a fair start: from being able to enter the labour market; from having a chance to deploy skills and knowledge and from cherishing an ambition to work their way to a decent, fulfilling life. While it may differ across various countries and regions, these trends are most worrying when it comes to the Mediterranean, southern rim of Europe. There are as many as half of those who should build our future who find themselves cast aside from society, from work, from hope.

These circumstances influence the general mood, on the wave of which people grow more and more anxious, disappointed and

disfranchised with ideas that used to hold them together. That is especially when from the political organisations responsible for the state and regulations, they continue to hear the Neo-Liberal TINA (There is No Alternative) narrative – which assumes that a government chooses to believe that there is only one way forward and demands people to therefore give up their right to choose from different scenarios. In that sense, Neo-Liberalism continues corroding the fundamentals of the political systems, whereby citizens are able to seek and opt for other solutions. Even if they are xenophobic, subversive and irresponsible – they seem bold and attract many, making what used to be the political fringe enter the spotlight of a political stage. In some of the countries, extremist and populist forces have got close to the point where the danger of them taking over the steering wheel was quite tangible. That was the case in the Austrian Presidential elections and has also seemed to have been a realistic threat in the battle for the French presidency.

While these developments translate to a pressure on all the so-called traditional political parties, it would seem that it is an especially game-changing factor for the centre-left. In some of the EU Member States, social democratic parties found themselves out of what is considered the scope of the main electoral choice. In some they have started being directly challenged or even surpassed by the groupings manifesting a more radical standpoint and portraying themselves as the ‘true left’.

The obvious conclusion is that although it could be comforting to resort to a belief that the trends will change, it is impossible to assume that they either do so by default or that they will make all parties? swing back to the functional political models of the end of the previous century. To that end, social democrats have to realise that their traditional conceptual approach, which had been dividing political reality into ‘left’ and ‘right’, is no longer a sufficient or adequate way to capture the complexity of the dynamics of the evolving situation at

hand. The new policy agents are the *new type of parties*. The battle with them is therefore about to unfold alongside different trajectories than the ones previously marked by intra-partisan competition.

But although many would see this as a gloomy picture, where the brutal truth is one of very little hope for social democracy, I would be far from agreeing on a determinist, defeatist standpoint. The tables have changed, the cards have been shuffled, but it should be seen as a challenge to stand up to. In that spirit, what is needed is for Progressives to embark on a more profound, sophisticated shuffle that would cross diverse dimensions – political (economic and social) and organisational.

To begin with, Progressives have to liberate themselves from “TINA” and argue that a different economic model is not only possible, but also desperately necessary. They would not be the only ones making that claim, as already even the organisations such as International Monetary Fund or OECD have been using their reports to point out the unsustainability of the situation. In fact, they emphasise that the existing levels of inequality remain as the main obstacles to restart economies and revive economic growth. So even if there has been progress since 1989, even if there is a greater balance among regions and countries, even if some parts of the world – such as countries of Latin America or China – have succeeded in eradicating absolute poverty – even so, the overall situation indicates inequity and imbalance. In such circumstances, it is prudent to expect that another crash is about to hit. Should that be the case, it is likely that Europe is found to be more vulnerable than it was in 2008, especially after it had been drained by austerity policies and has weakened all its safety nets.

Indeed, inequality seems to be the main obstacle between the situation at hand and the potential that could be reached in terms of prosperity, welfare and social progress. This understanding should be a drive for social democrats to refocus their way of thinking. In the past

two decades, many from the movement believed in the theory of the tide – if there is one, all the boats, big and small, will find themselves lifted. To that end, the agenda of ours assumed growth would continue and we should remain committed to providing equal opportunities. But, as the times have painfully proven, this is and will never be enough. Understanding that prompts us, therefore, to think differently and start from the other end, which would be how to provide higher levels of equality and consequently which policies would need to be put in place in order to facilitate it. To that end, this will require a new understanding of what growth is (and what collateral damages there may be in seeking it), and perhaps conquering new ground – by exploring such concepts as productivity.

The mission to fight inequalities should therefore become a core of the new agenda, around which progressives should try to regroup. It should also become the reference point in considering potential, strategic alliances. As much as it is impossible to look at the partisan landscape using 20th century lenses, it would also be unrealistic to assume that the historical partners remain the same organisations as before and would be committed to the new agenda by default. To give an example, Progressives and the left wing trade unions have indeed been united in the name of the cause of improving working conditions. But today, it would seem that their agendas frequently turn out not to be identical – which is especially because of socio-economic development, which trends cast many outside of it and put numerous workers away from the scope of organised labour. Hence their missions converge, but are no longer synonymous. It should be noted that there should be a precaution to also search further to line up other potential allies who could be part of a broader socio-political coalition. That will require a humble approach, reaching towards new initiatives, cooperatives, NGOs – and also to those parties which benefited from the electoral losses of social democrats. Social democracy cannot and should not

continue claiming the monopoly of the democratic left and instead consider learning their electoral lessons. This includes approaching Greens and those positioning themselves on the far-left.

The realisation of the fragmentation of the left and generating one's own readiness to open up to others present on that political field should be embedded in yet another, profoundly important reflection that the Progressives should dare to express. This is the end to the claims that one can build a catch-all party or that one can win elections in the middle. These are dangerous, deceitful illusions which share no logic with the way the political stage fluctuates today. But it is still possible to think about making the progressive movement one that can rise to the challenge, can play an important role in this transformation of political and economic system and be the one to make a difference, if only social democrats themselves will be bolder and clearer in redefining their mission and state on whose behalf they wish to serve. This clarity is needed, as well as the readiness to take risks by making clear political choices. Only such an approach can prove the spirit of leadership, which is, looking at the examples such as Germany, what can connect with broader circles and regain the attention of potential voters.

This is, in overall terms, the background on which we set ourselves onto an intellectual journey in 2009, with what became known as FEPS Next Left Research Programme. Realised with the support of Renner Institut and also hosted by many FEPS partners in the EU and overseas, it has become a crossroads for academics, politicians and experts from different generations and regions – whose efforts translated to a collection of ten books, numerous pamphlets, plentiful seminars and round tables. Providing both analyses of the situation and proposals on how to proceed, we have been hoping to be at the service of delivering ideas worth considering as potential springboards for the progressive parties to recover from defeats, revive as a vibrant movement and reconquer ground to shape the course of the 21st century. Celebrating



almost a decade of our work, it is only appropriate that we provide an insightful sample – which was the motivation behind the effort that led to the drafting of this particular pamphlet on a “Next Social Deal” by Dr. Ania Skrzypek, FEPS Senior Research Fellow, which it is my great pleasure to introduce here as a must-read for all those who have the future of the centre left close to their heart.

Dr. Alfred Gusenbauer
Chair of the FEPS Next Left Research Programme
Former Chancellor of Austria





These are transformational times. Not only because of the dawn and beginning of the new century. The last three decades have marked a profound evolution, crosscutting social, economic and political fields. Its pace has been fast and its trajectory dissimilar to anything that has gone before. The world has become more interconnected and yet paradoxically more divided than ever. Financial capitalism grew in power globally and ironically resurfaced harsher from the crash of 2008. Finally, new breathtaking achievements of the technological revolution offered new opportunities. They could translate into progress for all, but puzzlingly have befitting only few. All these factors were in the background of the emergence of a new kind of society, where individuals would come first and they would respectively manifest a distinctive set of expectations.

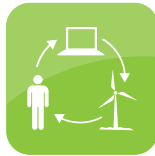
One could try to make parenthesis and argue that history tends to repeat itself. But if the past is to be instructive, it is in understanding the insightful message that Willy Brandt coined in the 1970s. It was that *every time needs its own answers*. It proves most accurate nowadays, when **the European social democratic parties are being challenged politically, organisationally and electorally in an unprecedented manner. In this context there is no use in embarking on the somewhat *ritual renewal process***, which parties traditionally have been resorting themselves to in the times of electoral misfortunes. This

could be bringing social democracy to an even more self-centered, confining activity – when what it needs instead is a new opening.

The way to start is to find courage to (re-)consider the ideas that have been developed in these recent years. There are a handful of them. What they require is a comprehensive fusion that would cohere them into an ideologically intelligible, politically sound and electorally appealing vision. **The new agenda would need to embody hope, as much as an explanation** that each and everyone belonging to the movement could offer to their family, friends and fellow citizens as to why it is still important to belong to and vote for a progressive party. To that end, **the new agenda would have to be a proof that social democracy is able to transform itself – not because it is weakened or has lost one or another election. But because it understands the modernity, because it can contribute by voicing the opinions of new majorities and because its newly defined mission makes it relevant in a historical strive against the neo-liberal forces that so far have been shaping the twenty first century.**

Consequently, this paper aims at providing an input. It derives from a synthesis of eight years of both academic and political deliberations that have been led within the FEPS Next Left Research Programme. As such, it expects to provoke. However, its core intention is mostly to encourage that while the future of progressivism is at stake, the centre left has it within itself to offer a *New Social Deal* and with this could frame the decades to come. What follows here are *10 Strategic Proposals* on how make that happen.

Executive Summary



Understand modernity and shape the future, voicing the opinions of the new majorities

These are transformational times. What makes them particularly challenging is the overwhelming insecurity that is sensed across the globe. It makes people feel as if *modernity* was synonymous with something to fear. But politics, and especially Progressive politics, should not allow such determinism and defeatism to take over. It should retrieve the idea that **engaging in politics has been and should always be about *imagining the future, conceptualising alternatives and acting to make the world a better place for all.***

Indeed, it is up to the centre left to become a movement providing hope and encouragement that modernity can become a ‘new prosperous age’. And that it can unfold alongside a trajectory which is consciously shaped by democratically legitimate collective decisions. To accomplish that, Progressives need to begin by adopting a different mindset. It can no longer be limited by the prejudices against old inner-movement fights; or by *TINA*; or by memories of 20th century

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partisan systems; or to that end by remaining focused merely on *not losing* subsequent elections. The drive has to come from a new understanding that this permanently evolving world can be the one of new opportunities, which Progressives as a global political movement can make equally available to each and everyone.

Therefore it is argued that Progressives should:

- *regain **courage** to embrace a new direction and **redefine the centre left**;*
- *set a **vision** of a better society and **establish political criteria to evaluate change**;*
- *find a **balance between visionary approach and pragmatism of electoral promises**.*



Formulate a New Social Deal and become a political force acting in the name of social justice

During the crash of 2008 and in its aftermath the old, post war *compromise between labour and capital* has been definitively broken. That completed the erosive process that had been already been draining it. The modern times, therefore, are calling for a New Social Deal, which should define a new set of rules for the modern societies to follow, develop and prosper in.

Progressives should make sure that a New Social Deal embodies the application of the value of equality and the principle of social

justice, which should be translated into a new design of rebalanced rights and responsibilities. These have to be upheld by each and everyone in both contributing to *building of*, and therefore *benefiting from*, the newly created social collectives. This is the way to tackle existing divisions, polarisations and exclusions, and is also a path on which the Progressives can try to reconnect with diverse groups, liaising in parallel the most impoverished and the so-called squeezed middle. This is key to constructing a majoritarian social consensus around the New Social Deal, which would be a necessary force needed to back up the idea and offer legitimacy for putting in place. To that end, **the New Social Deal should spell out the new balance of power, forging a new framework to entangle global financial capitalism.** It has to be prevented from causing fragmentations and excessive inequalities and it should be made to contribute its gains to the creation of better, fairer society.

Therefore it is argued that Progressives should:

- *answer the dilemma of the **squeezed middle** and show that the **New Social Deal** brings **social progress** for all;*
- *formulate the operational rules for financial capitalism and define what constitutes **its fair contribution**;*
- *coin a **socially ambitious vision** and define the principles of **state-economy relationship**.*



Update the understanding of their core values and reclaim the debate on equality

There are two notions that have shown an ability to mobilise European societies in the aftermath of 2008: the demand for more equality and the cry for a different quality of democracy. While both have traditionally been the constituting cores of the social democratic ideology, in recent decades it has not been the Progressives, who would re-emerge to be seen as the main political agent fighting in an institutional context for the implementation of those demands. Consequently, the **Progressives should draw conclusions, re-examining the approach and finding ways to become the political protagonist of the fight for more equality and more democracy.** With or without them, this is quickly becoming *the* epic battle that is taking place in all social and economic dimensions, and as such will determine the course of the development of history in the 21st century.

First of all, Progressives need to re-politicise the debate. That means imposing a shift from the *mainstream* neo-liberal discourse of freedoms towards the narrative of socio-economic empowerment for all. Thus, for Progressives, the fight for equality has to be the one that merges in a coherent political agenda the principles of *equality of opportunities* with *equality of outcomes* and *equality of autonomy*. Only in this way can a balance be struck between necessary minimums

and indispensable ambition; only then the fight will be safeguarded from being perceived as potentially levelling down; and only then all the dimensions of excessive inequalities – in access to power, wealth, opportunities and knowledge (information) – can be successfully tackled. Secondly, Progressives should underline that the fight they are to lead has both moral and economic meanings. This is because the situation where so much power and means are in the hands of so few is not only not understandable and incompatible with any ethical stance, but it is also economically harmful as inequitable and wasteful. This is why **the Progressives' New Social Deal (as mentioned above) should go hand in hand with a proposal for a new value-underpinned socio-economic paradigm. Next to equality, it should be strongly relying on a new translation of the term *solidarity*, which should help uniting in diversity, looking at both possibilities and challenges, and finally bringing diverse conversations – such as the now fragmented digital, care and green economies – together.**

Therefore it is argued that Progressives should:

- ***re-politicise the debate on values*** and ensure moral dimension to their policy choices;
- *restore themselves as the movement striving for **equality** and translate it into socio-economic policy proposals;*
- *clarify the relation between equality and **social justice**, and speak on **rights and responsibilities**;*
- *elucidate that **solidarity doesn't mean charity** and showcase how much of a **powerfully transformative** notion it can be.*



Introduce the concept of Welfare Societies and design new paths for collective and individual empowerment

The post-war welfare state has undoubtedly been a historical achievement that through its policies and provision of public goods and services has offered hope and security to the societies living in the second half of the twentieth century. The criticism around its sustainability, viability and longevity had already been raised in the past, but never as much as it is these days – where welfare states are a subject of both political attacks from the right, and a reason for disenchantment of the people, who no longer find it serving their needs and aspirations. In order to break out from the defensive corner, where this debate places the centre left, **the Progressives should reinvigorate the notion proposing its new framework under the telling label of “Welfare Societies”**. It should strictly relate to the New Social Deal, and has to be therefore a framework able to strike a new equilibrium between transforming world of labour and the new evolutionary stage reached by global financial capitalism. In essence, it has to come down to defining ways for coexistence of two concepts: a different model of contributing capitalism and a vision for a better, fairer society.

Therefore the *Welfare Societies* concept should be about designing new paths for collective and individual empowerments, while

exhibiting why there is no trade off among social rights, standards and economic equity. Consequently, *Welfare Societies* should spell out a new distributional logic to command equal access (allocation) of power, income welfare and knowledge. Its reasoning should discredit the claim that social policies are about over-spending and insists on idea that they are indispensable social investments; the same way that the (austerity driven) cuts are in fact not saving, but frequently turn out to be rather irreversible damages. To that end, in cases where the safety nets and social security provisions prove to be insufficient – they should not be eliminated, but accelerated, taking into account the new, emerging social risks. That should prompt a new kind of a debate, which will no longer be determined by the neoliberal terms that put emphasis on narrowly defined competitiveness. More concretely, *Welfare Societies* should introduce the term *social quality and services with socially valuable purpose*, insisting on more investment in education and training (also building it into the European dimensions), alongside policies that could be instrumental in catering to the needs of ageing societies and resolving growing inter-generational distributional conflicts.

Therefore it is argued that Progressives should:

- **reinvigorate welfare states** and prove that in their new design they can provide a balance between transforming labour and evolving financial capitalism;
- regain **public trust for their Welfare Societies** vision and introduce the term **socially valuable contribution** into public discourse;
- pave a way towards a new kind of **social security** and respond to the challenge of **people’s growing anxieties**;
- champion **education** and determine its social mission for now and in the future;
- revise the **pension systems** and solve the **intergenerational distributional conflicts**.



Put the notion of “labour” into a framework of a value and demarcate a new concept of egalitarian quality employment

The world of labour has been rapidly evolving. There are a number of factors that influence this process, and among them are so called “mega trends”. These include, amongst others, *globalisation* and *digitalisation*. While they affect the *what*, *how* and *where* of production –they also fuel the process that erodes understanding of what is *work* and put existing, frequently already anachronistic, regulatory framework under pressure. **For the Progressives, whose political parties derive from workers’ movement, there is a need to come up with a coherent explanation of the current developments, alongside a vision for the labour markets of the future. This should constitute an integral part of the New Social Deal, in an aspect of defining a path to *Egalitarian Quality Employment* for all.**

First of all, **Progressives need to restore understanding of work as a value. Professional engagement should be seen as a way to learn and develop; to emancipate oneself and to move upwards; to provide for one’s life choices, including a decent life for oneself and his or her family. It should enable a sense of belonging and a feeling of contributing.** This understanding should become a blueprint for any reform in the future, which should always look at the correlation between quality employment and the improvement of the living

conditions across diverse professional groups. Secondly, a **Quality Egalitarian Employment** agenda should be one that is designed looking at the composition, needs and aspirations of the current working population. Within it, the traditional family models and traditional life style patterns are no longer overwhelmingly majoritarian. This implies, among other things, an advance on egalitarian measures in order to reassure women of their rightful place in the labour market. It also calls for developing, instead of retrenching, a provision of adequate public goods and services. These as *socially valuable* aspects of the care economy is the field, where there is much of potential to simultaneously create jobs, respond to the changing demographics and bring scientific, technological advancements to the use of ordinarily people. Thirdly, while there is a need for a strong presence of trade unions, clear competences for labour inspection and accessibility of the justice system. But defining their roles prompts a debate on the role of state. **Progressives should argue that the Quality Egalitarian Employment agenda calls for a Strong, Dynamic State.** Its role should not be limited to the post-intervention, but on the contrary, be determinant in defining conditions and creating positive dynamics leading to efficiency and innovation. Here **Progressives should aim at reorienting the debates and championing the notion of productivity.** Fourthly, **Quality Egalitarian Employment** agenda would have to be about balancing standards and aspirations, in order to define what constitutes work, working contracts and workers' rights. This should be transcending national borders and be common across the EU single market. To that end, while there is a need to continue the struggle for the working time reduction, there is also a need to set the floor to deal with the abusive practices, such as the infamous zero hours contract. And consequently, there is a need to recover from and reshape the debate on flexicurity, forging standards that will allow individuals to reach a better private and professional life balance.

Therefore it is argued that Progressives should:

- forge **an understanding of work** that enables **emancipation** and provides means to lead **decent lives**;
- reassure women of their place within the labour market and guarantee the **right for all to equal treatment** including equal pay, equal access to career opportunities and equal power to co-determine;
- define the **tasks for the labour market institutions** and show how a state can assume a pro-active role;
- reaffirm their commitment to ensure **quality employment** for all paving the way to inclusive labour markets for now and in the future;
- restore the logic of **work contracts** and set a blueprint for them;
- argue for a **reduction of working time** and set limits to prevent zero-hours contracts;
- reshape the **debate on flexicurity, putting security first** and focusing the concept on catering to people's contemporary aspirations.;
- commit to continue politically voicing the need for stronger **trade unions** and demand their involvement in all socio-economic decision making processes.



Embrace new thinking about economy and regain confidence proposing a new socio-economic paradigm

The malfunctioning neo-liberal development model of global financial capitalism prompted the crash of 2008. While that claim seems to be a truism now, nevertheless in the crisis aftermath there has been no change of direction or rules. *Neo-liberalism* as a doctrine has consolidated its position as the mainstream political thinking, becoming immune to potentially undermining alternatives. TINA made the latter appear unreasonable or irresponsible. But while the system carried on, the citizens have grown to resent it. So while almost a decade ago there was no pendulum effect and Progressives did not see the swing to their side, they should draw a lesson and create a new political momentum. **Progressives should start by breaking out of that current mainstream and instating themselves by re-politicising the debate on the future of economy.**

To begin with, the **Progressives need to bring back the ethical dimension to the debate on production, consumption and development models.** That will require liberating the conversation from the crisis-framed terms, in which the focus remains on the scarcity of resources and specific, narrowly defined parameters. Following that, the Progressives should reflect on what constitutes *growth* today, considering how to see GDP only as one of the tools

in measuring progress in achieving socially defined goods. In that sense, they have to find ways to measure economic performance in a broader sense and resort to using other qualitative criteria that would help seeing how that *growth* impacts the fulfillment of human needs, serve social purpose and complies with a sustainability imperative. Consequently, **Progressives should reclaim the term *productivity*, which would allow them to introduce measures to look at both quantitative and qualitative sides of economic performance.** That is especially if simultaneously they would insist on a correlation between productivity and working standards. In that context, it would be possible to showcase that providing social insurance is a question of offering security to the people, which is in fact a matter of both moral imperative as well as a pragmatic and realistic approach. Secondly, **Progressives should battle some of the old, harmful fixations. Exemplary to them is *competitiveness*, which as logic should be rejected as counterproductive. It should be replaced by a notion of *solidarity economy*, in which it is being invested in each and everyone's *comparative advantages*.** Thirdly, the Progressives need to regain confidence that a different model to guide modern economy is possible. While the institutional politics remain dominated by other thinking, the so called "street" is not. The demands raised by the recent social mobilisations are the boldest evidence of this. Therefore it would only be appropriate to embed thinking about the new proposals not in in the context of what can be discredited in the current system, but what the citizens would desire and request from politicians to do instead. This comes down to showcasing the modern understanding of an idea of *economic democracy that benefits all ensuring rights for everyone to lead decent lives*. Spelling it out, **Progressives should speak up against logic driven by the fixation on accumulation of goods (capital).** This is also where the discussion on how to settle the appropriate tax system to de-burden labour and ensure

adequate, proportional contributions from capital comes in. Finally, the Progressives have to draw conclusions from what went wrong in their past approach towards knowledge based economy agenda. As such, the notion should be revived and reformed, so that free from the mistakes of the past, it can return as the inspirational European socio-economic agenda. It should be focused on enabling its Member States and populations to keep up with the pace of change, invest in innovation and translate technological advancements into a broader socio-economic progress.

Therefore it is argued that Progressives should:

- *put forward a vision for a democratic economy and showcase how to change it to make it benefit the citizens;*
- *build a solidarity economy that delivers for a **quality egalitarian employment** agenda and clearly **rejects austerity**;*
- *embrace the **criticism of growth** and propose a new definition that embeds it in the framework of **democratic solidarity economy**;*
- *coin a new approach to productivity and link it with their proposal on how **to raise wages**;*
- ***expose the dogma of competitiveness** and propose a narrative shift towards the language of “comparative advantage”.*



Regain ground in the debate about the role of state and make the case for a strong, active and dynamic debate that prevents inequalities

When the globalisation debate reached its first peak in the 1990s, it was assumed that in the even connected world the role and prerogatives of state were to weaken. Subsequently, when the crisis of 2008 hit, wounding and exposing some of states particularly harshly, it looked as if the old prophecy was most unfortunately coming true. But in the midst of those developments and growing insecurity, citizens themselves, perhaps even paradoxically, turned back to their states – seeing in those a point of reference and refuge. This sentiment became quickly abused by the persuasive messages of the nationalists. But **the debate on the role of state that it triggered remains undecided and Progressives, being traditionally an *étatist* movement, have all the chances to champion it.**

First of all, learning from the recent past, **Progressives should coin a new concept of a *Strong, Active and Dynamic State*.** It should be operating on all the level of governance, including international and European ones. And as such, it should stand in an opposition to the vision proclaimed by introvert, protectionist and nationalist forces. Secondly, because state remains the tangible operational framework, Progressives should see it as a background on which it is possible to re-convince people that politics, policy choices and policy seeking

matters. Consequently, **Progressives should denounce structural reforms as state-weakening ones and replace these by progressive structural reforms.** Thirdly, while reaffirming that it is the state that should be in charge of redistributive and social security policies, Progressives should argue that its role is equally relevant when it comes to the *predistributive* end. Indeed, there has never been and may never be any trade off between *predistributive* and redistributive policies. Both are the inseparable, complimentary aspects of one and the same agenda, focused on creating equal society in the times of permanent transformation and unregulated markets. In that sense, **Progressives should argue for *Predistribution* as a concept translating into a state defined and poised framework, in which markets are regulated and equal opportunities for all are guaranteed.** As such, *predistribution*, especially if embedding additionally such concepts as social investment, could become key to preventing inequalities from occurring at the first place.

Therefore it is argued that Progressives should:

- *prove that the **state can be a strong actor in the global economy** and enter in the fight against introvert, protectionist and nationalist forces;*
- *reinvigorate the idea of dynamic state and restore citizens' confidence in it;*
- ***correct the current design of structural reforms** and make a case for **pre-distribution.***



Resolve the dilemma of Europe and present a strategy for a Union of the new times

The European Union as a project has been facing numerous challenges for a long period of time. It would even seem that the EU remains in a state where crises have become reoccurring crunch moments during which new impulses for further integration have been conceived. But this sinusoidal developmental theory has been put into question by the course of the events. Among them the Constitutional Referendum in 2005 and the recent vote in the EU referendum in the UK showed that what used to be a public permissive consensus to pursue a certain ideal has now faded away. Now – paradoxically upon the 60th anniversary of the Rome Treaties – the EU has entered into a phase marked by existential crisis. The **Progressives should use the momentum and put forward a new vision for Europe ready to answer the dreams and needs of contemporary times and the future.** First of all, the **Progressives should argue for a *Strong and Dynamic Progressive Europe***, which should be complementary to their concept of a strong, dynamic and active state. This will require them to launch a new narrative, which *instead of saying that one state may not be able to cope with different issues on its own*, they should advocate that *a state can be more effective in delivering upon different tasks if it acts united in a community with the others*. This will constitute a powerful message, which may help them win against the nationalists

by challenging their messages on both the EU and the respective national level simultaneously. Secondly, Progressives should use their vision of a *Strong and Dynamic Progressive Europe* to escape from the current gridlock - in which the debate is mostly about “Europe: yes or no” – and not about what kind of Europe should EU create. It will allow them to refocus the debate, which is essential to move forward. Thirdly, **the Progressive should revive the concept of a Social Europe – transferring it into the *Next Social Europe*.** The shift of terminology should be marked by ideas on how to resolve the existing geographical divisions and distributional conflicts – especially when the issues of labour, welfare and prosperity standards are concerned. To that end, the *Next Social Europe* should echo the principle building blocks of the *Next Social Deal*, balancing well between the aspirations and minimums – for which reasons it should give a decisive response to the debates such as on European Social Rights or on establishing a European Minimum Wage. It should broaden the current horizon, paving the way beyond EU2020 and setting new criteria for delivery. It is therefore also imperative that the *Next Social Europe* agenda is a gender proof one, recuperating from the backlash of 2008 and advancing with women empowerment strategies. Fourthly, **Progressives need to find a source of confidence in the fact that being as large of a force as they still are in Europe puts them in a position where not much can be effectively carried without their consent.** Taking into account the current set up, and the still existing vacuum between the European and national political systems, they should use these in a constructive way, calling for political responsibility to be considered equally relevant to the current institutional one. In that sense, Progressives should explain the recent developments and lay the prospects towards a potential coalition post-2019, so that the then created new majority can indeed act to safeguard Europe and fight against what remains to be socially unjust within it. Such a mindset should guide them while also talking

about the preparations towards the next elections, the approach towards campaigns and top candidates, as well as about the future and role for the europarties. Fifthly, looking at all the deliberations on the future scenarios, **the Progressives should be protagonists of an idea of a new European convention, which in an operational model would become a mix between the past Convention on the Future of Europe and the European Social Forum.** Its agenda should be potentially broad, allowing analysis of diverse creative ideas – including concepts such as “experimental federalism” and “smart subsidiarity, smart sovereignty”.

Therefore it is argued that Progressives should:

- *consolidate on the issue of Europe and face the **battle against a new type of Eurorejectionism;***
- ***politicise the EU** integration and reiterate their commitment to hold a new European Convention;*
- *explain the vision of the **Next Social Europe** and connect the renewed concept with their promise of a New Social Deal;*
- *rethink the framework of the European Single Market and argue for implementing principles of **smart subsidiarity** in the new industrial strategy;*
- *work to resolve the crisis of the Eurozone and propose **establishing the Euro as international reserve currency;***
- *use the mechanisms of their partisan pan-European cooperation and **invest their efforts in the PES;***
- *use the opportunity of Euroelections, remaining **protagonists of bringing more transparency and legitimacy to the EU institutions.***



Present a new global agenda and forge a new social commitment for international solidarity

Globalisation brought intensification of existing relations of interconnectedness and interdependence. People feel as if the world has shrunk, which in many cases they see as a process that is overpowering and is exposing them to diverse risks they seem not to have any shield against. That is especially that there remains a doubt in how far the existing post-war global governance set up is strong enough and equipped to act on their behalf. To that end, while the era of everyone coming closer together could be a time to celebrate – instead it has become the period of fear and retreat. The **Progressives should respond to that, reviving their internationalist traditions and framing a new global agenda for the movement.**

First of all, **Progressives should strive to mobilise in a spirit of *globalism*. They should build on a sense shared by many people that they belong to a global society.** Similarly to the national level, internationalisation of contemporaries (individuals, communities and societies) should become a drive to think about new horizons, new ambitions and about new issues. An example of those is a question on how to ensure globally recognised social rights in access to is mutually dependent from revival of the idea of international solidarity (understood as transformative value). Secondly, **Progressives should argue that there is an alternative to the current trajectory of globalisation, to**

which a condition *sine qua non* lies in balancing power of global financial capitalism. In order to do so, it is indispensable to look at how to adjust the concept of global governance, reforming and further empowering the global institutions. They should stand ready to pursue the visionary mandates coming from international consensus. That is especially when it comes to implementation of such grand agendas as that of the Sustainable Development Goals, which can contribute to making modernity the age of security, prosperity and well-being for all across the globe.

Therefore it is argued that Progressives should:

- *build on internationalisation of contemporary societies and argue about the **positive complementarity of global and national governing levels**;*
- *argue a shift from internationalism to **globalism** and forge a strategy to deal with the new divides;*
- *rearticulate a **need for the EU to act united on the global level** and translate this principle onto further dimensions such as monetary policy.*



Reach beyond the divides of traditional partisan polarisation and claim new ground, re-entering a broad political competition

There is a certain comfort in what is known and this is perhaps also why it is quite natural to stick onto to the traditional images. Especially, when they have been a reason for pride and have noted so many transformative achievements, as it has been the case for the social democratic parties. The problem with that, however, is that the most recent developments echoed in the society in a way of shifting the demarcation lines of the existing divisions and conflicts. To that end, the existing partisan system is no longer one that would mirror those. That implies that **the Progressives should reimagine their movement in political, organisational and electoral terms.**

First of all, it is key to understand that the traditional partisan parameters no longer apply to the reality at hand. That means it is neither true for the electorate that has become more volatile than ever (pretty much eliminating the institution of the core electorate), nor does it work as far as the conventional understanding of what the political middle is. Even if it was the case two decades ago that elections could be won in the centre, today it is no longer so valid, especially when the mainstream shrank and what used to be the fringes grew disproportionately. The way forward is to change the approach. **Progressives have to transform from a party focused on conquering and occupying a space into**

the movement able to open up and offer new connecting spaces. Secondly, the Progressives will need to open up to a different culture of political participation, enabling more debates and disagreements. That will strengthen their standing through a more pluralistic process leading to approval of the final political positions. And in such a way they can hope to overcome the clash that in so many parties on the centre left show disagreement between party members and party elites. Thirdly, it would seem that **the Progressives have to acquire a skill to better use the political context in which they operate.** This is especially when it concerns the periodically reoccurring social mobilisations. Perhaps it would be helpful if Progressives think about these and how to interact not in the categories of facing contestation, but rather as openings enabling a broader kind of social dialogue. Fourthly, Progressives should go out of the premises in which they try to define themselves *as opposition to some and competition to some others*. While the old divisions on what is left and what is right seem to have shifted, Progressives should resign from hanging onto old labels making them compete for the primacy of the left and risking being exposed as 'not a real left'. Instead, **Progressives should take the prerogative to describe what centre left means nowadays, what kind of movement they wish to be and on whose behalf they want to act. The rivalry is and should no longer be about the categorisation, but about political competence and the prevailing argument.** This way Progressives could also potentially break out from the current division that is between 'us' (people) and 'them' (system), parties (past) and movements (future).

Therefore it is argued that Progressives should:

- *restore the idea of **politics as a service** and shape a new political identity capable of bringing different segments of electorates together;*

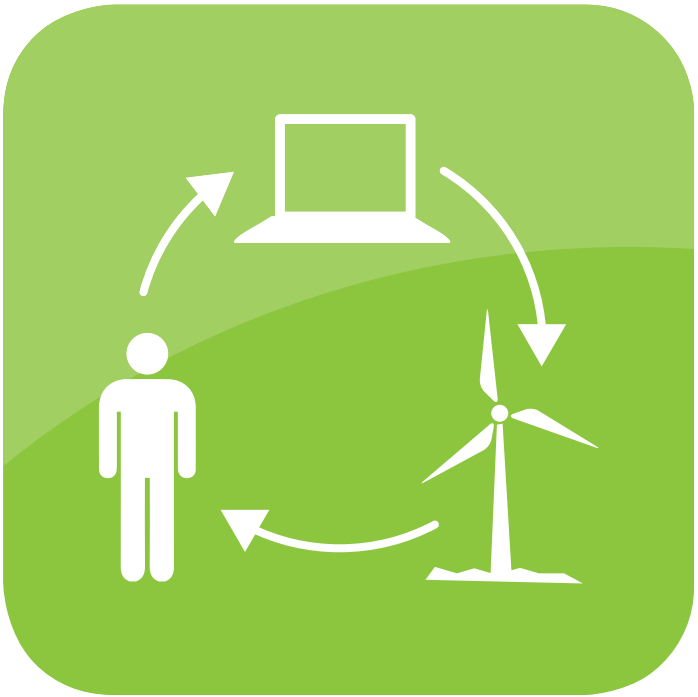
- *drop the strategies focused on competing within the framework of pre-crisis political systems and **connect with emerging electorates**;*
- ***re-examine the challenge from the left** and draw lessons to solidify their own position in the future;*
- *learn to use the context and approach alliances in a way that shows they understand the **new patterns of political participation**;*
- *grasp the nature of anti-systemic revolt and **create new politicised participatory spaces** to enhance **culture of democracy**;*
- *think in categories of continuous dynamic change, where new conflicts need to be assumed, and make their **New Social Deal forge new coalitions in the name of a better, fairer future for all.***

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Next Left, New Social Deal
10 Strategic Proposals
for the Progressives
to become
the Movement of the Future





1.

**Understand modernity
and shape the future,
voicing the opinions
of the new majorities**



1. Understand modernity and shape the future, voicing the opinions of the new majorities

Historically speaking, the success of social democracy was defined by the fact that it positioned itself as a force of modernity. It consolidated in its ranks an emerging workers' collective, who were determined in their battle against the injustices of the existing order. Socialists offered this struggle a framing that came with a vision of a better society, fairer division of power and rules that would ensure minimum living and working standards. At that point, socialists and then social democrats were convinced that the industrial revolution can translate into a social progress and were determined to become facilitators of it.

Similarly, in the post-war period, they felt confident that rebuilding Europe must feed into rebuilding of its societies, for which reason the idea of modern welfare state was in fact a key guideline. Herewith prosperity was to be shared and the opportunities granted equally for each and for all. Then the centre left also showcased the confidence that the agenda they proposed would be politically sound, economically tangible and socially welcome.

To that end, when the 1990s approached, and much has been said about the 'unstoppable globalisation', social democrats still found it in themselves to believe that they could think about it differently. They had confidence that they could frame an alternative course of the events. Naturally, twenty years after the historical victory of New Labour

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in the UK, the dispute continues about how far the then proposed new direction was a justifiable one. But regardless of the arguments of the disagreeing sides, the objective subject is the conflict around the *Third Way*, which was in fact the last *profound* ideological wrangle within the movement. Hence it was the last, until now, groundbreaking attempt to renew the centre left.

The lesson from analyses of these three historical momentums (beginning of the movement, post-war period and the 1990s) is the following. Socialists, and then social democrats, were at those times not focused on *why they were losing* – but to the contrary – on *how they could win, govern and make a difference*. Their commitment to an idea gave them strength *to believe in the hopes that have been entrusted in them*¹ and this confidence was in fact reassuring, convincing first the workers, and then citizens and voters that they were determined to accomplish what they promised they would do.

1.1 Regain courage to embrace a new direction and redefine the centre left

This courage is currently missing². And there are three core reasons to explain why that occurred. First of all, it is the hesitation in embracing a profoundly new direction. While the *Third Way* was as welcomed by some as it was contested by other social democrats across Europe, it bared a burden of a debate that social democrats frequently embark on. That is the abstract conflict on *what is the left*. That dispute is especially eminent in the aftermath of the electoral defeats, where often it is being

1 Paraphrasing the words of Willy Brandt from the speech closing the CSPEC campaign in Paris in 1979.

2 See: Speech by P. Mandelson at the Policy Network General Assembly in September 2015.

said we lost because we have not been true to our values and because we should have been more left(ist). This is confining and misleading, as both centre (moderate) as any other views are not fixed positions, but are to be redefined time after time. The reason is that the society evolves and the lines of dividing societal conflicts change their trajectories.



This is why **it is important for progressives not to focus on the disputes of if they are the centre left – involving here also in a quarrel with the competitors on their left that in the meantime grew to be strong in several EU Member States – but rather start from defining what centre left is by setting an agenda.** This will require boldness in overcoming old entrapments and sentiments, following the conclusion that (...)

the central issue for social democracy is that while the world has been transformed, the political agenda of the European centre left has remained trapped in the doctrines and narratives of the post-war golden age³.

Secondly, regaining courage is a matter of believing that the goal is to shape the future and winning elections is only a means to that end (and not a goal in itself). This is different to the way the conversations on the renewal of the centre left are led currently, since at this point one could rather detect that finding the way to prevent further electoral losses is at the core of the motivation. It may sound like a semantic issue, but in fact this is not the case. **The studies prove that social democrats are broadly perceived as the part of the system, the system that the citizens grow to resent and reject more and more. When voters hear ‘renewal of social democracy’, they think about social democrats trying to keep their position. Instead, proposing a new agenda as a proof of renewal and understanding of**

³ P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Predistribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

modernity would be a proof that the renewal and revitalisation of progressivism is first and foremost for the benefit of others. The quote that shows a guideline here is:

European social democracy needs a new agenda. Its electoral results and prospects in the major European countries show that its political project has to be revised. In this new agenda, equity and new European ambition will play an important role⁴.

Thirdly, the uncertainty is connected with a question of *in the name of whom*. At the beginning, the socialist movement has had a clear mission and a clear idea on whose behalf and with whose support it would fight for. But now the demographic has changed, and alongside diverse societal processes the attitudes too have changed.

(...) the overall pattern is clear: traditional base of social democratic parties is shrinking and providing less and less support for these parties. This trend cannot be reversed, only best mitigated. Mainstream left parties have no choice but to accept this reality and change their strategy accordingly.⁵

The later issue is further developed in Point 9 of this Paper, but it is important to articulate here that the growing volatility of the electorate is one of the reasons of uncertainty for social democrats. While the research confirms that this trend is unlikely to change and speaking of the *core electorates* is a thing of the past, once again **the new agenda could be the path into formulation of the new kind of a collective, which should not be seen as constant, but rather continuously recreated around the building blocks of the continuously updated whilst ideologically coherent programme.** A possible way to see it is the following one:

4 I. Urquizu, *European Union and Inequality.*, [in:] E. Stetter, K. Duffek, A. Skrzypek (eds.), *For a Connecting Progressive Agenda.*, FEPS Next Left vol. 9, Brussels 2015, pp. 102 - 120.

5 J. Halpin and R. Teixeira, *Creating Minority Coalitions in the United States and Europe: is there a Blueprint for progressives?*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), vol. 9, pp 64 – 99.

(...) what we propose as this "new collectivism" is the conjunction of five conceptual elements that should shape our political and policy perspective. (a) Cooperation in human interaction as a major objective of constitutional design. (b) Complexity in economic structure as an objective for development policy; (c) collectively oriented public education with a rebalancing towards humanism and inclusiveness; (d) job quality as a complimentary objective to job creation; (e) Human experience as an overarching preoccupation for political and economic development policies⁶.



This understanding could be most empowering. Especially when currently so much attention is devoted to the more abstract and historical debate on *why social democrats lost the workers' votes*. **Taking a new approach and readdressing diverse groups through the agenda may prove more strategic.** It may help regaining support of some, while also forge a new alliance that would reflect potential new connections. In that way the old alliance between earlier used categories of middle and lower classes could be re-configured. It is a very timely thing, since at this very point there is a synergy of interests: unless a simultaneous action is taken to address inequalities and provide opportunities, neither of the two groups can hope to benefit from social progress. Reflecting that is the recommendation:

One of the main challenges for progressives is to combine a traditional goal of the Left, protecting and defending the interests of the working class – with the promotion of an efficient economy able to create wealth and employment⁷.

These three issues (getting a courage to consider a new direction; dealing with the accusation of having grown to be part of the contested system; and changing the way of addressing diverse groups) reconfirm

6 O. Landeretche, *New Collectivism, the Fourth Way*. [in:] *Building New Communities*., E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 68 - 79.

7 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong Labour Market Institutions*., [in:] *For a Connecting Progressive Agenda*., E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

the thesis that a successful renewal cannot be an inner-oriented, defeats-analyses centered process – but to the contrary, must aim at an agenda with a focus on modernity.

And that prompts three further reflections as to how to start articulating one.

1.2 Set a vision of a better society and establish political criteria to evaluate change

First of all, and it has already been mentioned before, the new agenda has to be associated with progressives' ambition to change the course of the affairs. Even if every political party is an office-seeking organisation, taking into account the current association of the centre-left with the contested or even detested system – **the progressives must prove that for them, governing is a means and not an end goal.** In that sense, progressives have to articulate their agenda vis-à-vis society first, and not vis-à-vis whom they consider to be their political opponents and competition.

The progressives must restore their own belief that the “TINA” rule can be broken. Herewith the courage to seek a different quality of politics must be a drive. (...) social democracy must ensure that the objective of modernisation is not about simply fitting to become “trendy” within the brackets of the current political systems, but rather to recreate the movement as an answer to the social question of contemporary times⁸.

This remark is most vital, especially in times in which the partisan political stage have stretched so much, witnessing emergence of radical and extreme movements on one hand

⁸ A. Skrzypek, *Standing Tall: Re-connecting with the Social Question of Contemporary Times...*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 48 – 70.

and shrinking of the centre and mainstream on the other. In that sense, one can no longer think of partisan competition placing social democrats simply as first or second most powerful force that is either in government or is about to return to it. Hence assuming a position in which the agenda was to address all the multiplied competition would mean opening a battle on perhaps far too many fronts, which strategically may not be a feasible campaign that one could win.



Established parties (...) are facing a triple challenge. For Social Democrats this triple challenge first consists of the fact that the traditional core voters from lower and middle classes are increasingly mobilised by (populist) right wing parties. (...) The second challenge is the gradual de-legitimisation of the Social Democratic ideology of solidarity and state intervention by a dominant neo-liberal discourse that also undermines the possibilities of centrist coalition formation. (...) The final challenge is the ideological polarisation between the progressive Left and conservative Right, which complicates coalition formation with Christian Democrats, Conservative and liberal parties⁹.

Secondly, while the new vision must focus on *who the progressives are and what they want to achieve*, and not on the potential political opponents – there is a need to remember that **winning trust and support is dependent on setting the criteria of change**. In the past, the notion with which the social democrats could describe themselves would be that they were the movement standing against all that is *socially unjust*. This would remain valid today, and the recent leadership races within the centre left can provide much evidence that it resonates still. Where, however, the narrative would need to become more precise is the point that *socially unjust* remains tightened to the current, neo-liberal order. And that is the logic of things and the framework that the progressives should aim at changing.

⁹ A. Krouwel, J. R. Santos and M. Wall, *The electoral vulnerability of Social Democratic Parties in Europe.*, [in:] *In the Name of Political Union – Europarties on the Rise.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 7, Brussels 2013, pp. 154 - 174.

While doing so, however, the centre left needs to be cautious. **Because of its mainstream characteristics, neo-liberalism has become a term that is being used currently in the way one uses hash-tags.** In political discourse of the centre left (and not only of the centre left) it became a term to describe all that is contested, detested or even incomprehensible. That is neither strategic, nor sustainable – as it is misleading in defining the battlefield for the progressives. **The neo-liberalism has to be attacked instead when it comes to ideological underpinning of promoting individualism, weakening regulations and encouraging mentality of seeking profit at any cost.** This is key for the centre left, while aiming at building the above-mentioned new collectivism.

The first requirement to build a plausible left narrative is a radical break with the liberal ideology of individualism and a return to a social democratic vision of substantive individual freedom: emancipation, creating the opportunity to realise ambitions and dreams, opening society, and provide people with control over conditions and influences that shape their life¹⁰.

This battle, however, should not evolve into denouncing liberalism in its historical dimension, when in the past it presented itself as an opposition to conservatism and stood for all the civic freedoms that social democracy has grown to advocate for. **Restoring and reinforcing the link between the political and socio-economic freedoms and the principle of social justice is therefore of a key importance.**

A social democratic push of the Next Left, to be successful, needs to connect with existing ideas at all levels, to build on them, reconsider them, or reject them based on renewed ideas with cognitive arguments that demonstrate the necessity and applicability of the ideas and normative arguments that demonstrate their appropriateness while resonating with

10 M. Elchardus & M. Sie Dhian Ho, *Towards a post-liberal narrative.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 96 - 119.

citizens' values. (...) Take liberalism as a philosophical idea. It has become something of a dirty word in Continental Europe on the left, because linked to the excesses of economic neoliberalism. (...) The Next Left needs to sort this out, and recapture the term. Revive political liberalism and its linkage to social justice and critique excesses of economic liberalism, where market freedom has come to overwhelm political freedom and social justice¹¹.



Thirdly, the new agenda has to focus on creating new connections. It was addressed previously in the electoral context, but even more profoundly important is re-establishing links between democracy, prosperous economy and egalitarian societies.

(...) Social democracy is facing a new stage. After going through three phases – reformism, re-medialism and resignation – 2008 crisis is the point of departure of a new stage. Hence socialist parties need to rethink their projects. It implies resolving the main challenges that we face: quality of democracy, modernization of economy and a new welfare state¹².

In that sense, some of the Next Left authors have been calling for a new leading notion.

The Fourth Way: Instead of making believe that we should engage in the States vs. Market fight, because we like them both, support the idea that we are conscious of the limitations of the way that both work and that we need policies to foster aggressive investment in social capital, institutional design and community building to get them to generate prosperity and equality by enhancing the chances of producing social, economic and political cooperation¹³.

11 V. Schmidt, *From Social Movements and Citizens; to Policies, Process and Politics in European Governance: the Need for New Next Left Ideas and Discourse.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 120 - 131.

12 I. Urquizu, *The Main Challenges of European Social Democracy.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 82 - 98.

13 O. Landeretche, *New Collectivism, the Fourth Way.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 68 - 79.

1.3 Find a balance between visionary approach and pragmatism of electoral promises

Recalling recent history, in the 1990s the way to emphasise the completion of the centre left renewal process was to add “New” to the name of the party (New Labour) or to the agenda (Neue Mitte). A decade later, the *trending* fashion – if one can be that colloquial – was the term of *Change* (used by B. Obama in “Change – yes, we can” and F. Hollande’s “Changement maintenant”). The former indicated a profoundly different approach (also in the face of globalisation). The latter indicated a readiness to be the agents of an alternative (to the neo-liberalism embedded global order and the post-crisis austerity). The evaluation of the success of both is positive in terms of communication, however it brought in a question in terms of evaluation criteria. In other words, if *not too much has been promised*.

This preoccupation creates confusion, ending usually in a dispute between those demanding visionary approach and those calling for pragmatism in electoral promises. It would seem that the conflict is artificial, as there is no eminent trade off between describing a vision of a better society and explaining what political steps will bring it closer within a foreseeable period of a legislative mandate. This understanding should underpin a new agenda, which must prove that progressives understand modernity and all its challenges, but while dealing with them – they first and foremost are focused on creating a better future for each and everyone. This is also why a proposal that a new vision is framed in a phrase: *New Social Deal – Building Welfare Societies*.



2.

**Formulate a New Social Deal
and become a political force
acting in the name of social justice**

2. Formulate a New Social Deal and become a political force acting in the name of social justice



Philosophy of social contract provides a conceptual framework underpinning the functional order of the modern democratic states. It is based on an idea that individuals join in the communities and subsequently the societies which, guided by the set of agreed rules, can achieve a higher level of social progress and that all benefit from it. These advantages stretch from the questions of basic security and protection, to the issue of rights, to living in dignity and taking advantage of opportunities. The later ones have been more specifically defined by the model of the welfare state that the country in question has constructed in the post-war period.

The important aspect of the social contracts has been the principle of social justice, which in the 1970s was defined by John Rawls as a rule that *social contracts have to ensure the translation of common efforts into progress for all, while at the same time preventing the situation in which being part of a society would worsen anyone's initial situation*. That is especially relevant for those on the bottom of the social strata, whose elevation and empowerment is, in fact, a critical criterion to assess the success of the social contract as such.

But the problem that has been described in the literature¹⁴ is that while time has been passing by, the welfare state has lost its feature that would guarantee the functioning of the social contract in

14 See: Tony Judt, Anton Hemerijck, Antony Atkinson and others.

the way described above. To begin with it has not adapted quickly enough to serve the needs of an evolving society. Herewith it has lost the characteristic of being a warrantor of a balance between the power of capital and the power of labour, whilst of course these have simultaneously been transforming as well. Furthermore, diverse retrenchments that were applied in the 1990s, and then in post-2008 period, only worsened the situation. This in a nutshell is why nowadays hardly anyone, in the middle or in the bottom of the strata, is content or for that matter feels certain about the prospects for the future.

This very brief and general description of the situation at hand prompts two reflections. First of all, **there is a need for a New (Social) Deal**. Secondly, once formulated, it could become the way out of the situation in which there is a clear impasse in terms of reaching a new agreement across different segments of the society.

(...) social democracy needs to formulate a profoundly new (post-post-crisis) narrative that would bring back together into logical constellation: politics, society and economy. This 'New Deal' shall define a reassuring vision of a better, fairer society in which all may prosper (unleashing their potential for the sake of individual and common progress). (...)¹⁵.

2.1 Resolve the dilemma of the squeezed middle and show that New Social Deal brings social progress for all

At this point, the most vocal about how dysfunctional the settlement at hand is seems to be the so-called 'middle class'. In some countries this is called a "squeezed middle" phenomenon. Those belonging to that strata feel currently overburdened in terms of disproportional

¹⁵ A. Skrzypek, *The New Social Contract: A New Vision for European Society.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 24 - 58.

contributions that they are required to make (and here not only in terms of taxes), while they are worried that the system works exclusively for those on the top, running off with their disproportional gains, and those on the bottom, whom they accuse of being 'free riders' benefitting from diverse subventions (unemployment benefits etc.) The way to solve it is to **formulate the New Social Deal not as a bottom-up approach, but as a vision that would restore a tangible promise of social progress for all.** This can have a uniting power and on the top can become a new characteristic of what the progressive left is about.



What we urgently need is a New Social Deal, a new pact between the privileged and the less privileged, forging a new idea of progress. A pact of socio-economic security (based on welfare state stability) and cultural openness (a tolerant, international outlook, while retaining national democracy). (...) (We need to) restore the divide between left and right in politics, in order to fight dangerous populist cleavages between the establishment and (a false entity) of the people¹⁶.

Consequently, **the New Social Deal would have to embody the modern understanding of social justice.** There are two precautions while formulating it however. The first of them is that the objective of it is to pave a way towards a fairer, more prosperous future – and hence it cannot be focused on the past. Indeed, the welfare state is a proud legacy of the socialist movement – but its preservation is not a matter of adjustments, but a matter of building on its fundamentals and moving onto a new chapter. Secondly, because of its future-oriented feature it should help progressives to balance between the need to provide a competitive offer and the commitment to be visionary. In coherence of what was already argued in Point 1 of this Paper, it is to bridge between long-term objectives and the electorally needed, one-legislative focused proposals.

16 R. Cuperus, *A pact against social polarization?.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 50 - 55.

(New Social Contract) shall not be reduced to a scope of an electoral offer or temporary remedy for social democracy in finding its way out of its own crisis. Significance of such proposal is to break out of the gloomy resignation, to expose and politicise the lines of divisions within contemporary, fragmented societies. Its sense is about providing citizens with sound alternative of a new social settlement¹⁷.

2.2 Formulate the operational rules for financial capitalism and define what constitutes its fair contribution

Where, however, the New Social Deal has to be outspoken, as far as the recent events are concerned, is the issue on how to deal with the results of the financial crash, subsequent crisis and those who essentially were responsible for it. Although it differentiates among the European Member States, (depending on if social democrats were in the government, if they led the governments etc.), generally social democratic parties are seen as co-responsible for the difficult socio-economic situation at hand.

To begin with, the progressives did not become the core opponents to austerity (having consented to it in many countries in different ways) and furthermore they are also seen as those who in the end did not bring the 'guilty' ones to answer for the crash in the spirit of justice. The New Social Deal must therefore be a long awaited answer to it, by breaking out from the trajectory described above. That means that the definition on **new settlement would have to define the rules for financial capitalism and for all its operators in terms of both regulations of the activities and the**

17 A. Skrzypek, *The New Social Contract: A New Vision for European Society.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 24 - 58.

contributions that they would need to make for the overall goal of building a better, fairer society.

When the entire world looks at the (5th) anniversary of the collapse of the Lehman Brothers, the debate that the progressives engage themselves in is still framed by two axes. The first of these is determined by the terms impressed by neoliberalism on the world of politics. The second is the mire and more apparent transposition of the political conflict from within the existing partisan system into the edge of it – ushering the raise of other 'alternatives'. (...) so the challenge for social democracy would seem to be to finally go beyond its own insecurities and engage in this epic battle. In order to win it, the counter-attack cannot come from a defensive flank, but has to take a form of an inspiring new vision. The objective should be to reach a "New Social Deal", which would embody a new understanding of welfare society, which would bring about answers to contemporary challenges and pave the way beyond the confinement of the contemporary debate¹⁸.



2.3 Coin a socially ambitious vision and define the principles of state-economy relationship

In that sense, the New Social Deal has to be a future-focused vision that defines the joint social ambition, the role of state and the rules for economy. It must be underpinned by a modern understanding of social justice, which however keeps in mind the contemporary demand for recognition of individual concerns and herewith offer a hope of a life in dignity for each and everyone. It must refer to rights and responsibilities of individuals and societies, state and its institutions, economy and its actors. It must respond herewith to the current insecurities by defining

18 A. Skrzypek, *Way Forward for European Welfare Society.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.

the standards (here also minimum standards) alongside outlining opportunities that all should have an access to and capacity to benefit from. And in that spirit it must strike a new balance between the evolved world of labour and financial capitalism between the public and private, between collective and individual.

Social democracy must break out of the myth that “publically provided” means free. The fact that there are policies put in place that aim at creating jobs, the fact that there is a universally accessible educational system – these are not goods that are “free of charge”. These are highly costly ones, which everyone should contribute to up to best of their abilities. This makes them sustainable. This is where the difference lies between “political neoliberal” and “ethical progressive” economies¹⁹.

19 A. Skrzypek, *Way Forward for European Welfare Society., For a Connecting Progressive Agenda.*, [in:] E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.



3.

Update the understanding of the core values and reclaim the debate on equality

3. Update the understanding of the core values and reclaim the debate on equality



Although the times have not been easy for social democrats, in their analyses about the reasons for weakening and subsequent electoral defeats they have remained convinced that this is not a matter of their values. These, many claim, are still valid – as they were almost two centuries ago when the movement was established.

While this thesis is supported by numerous sound arguments, the question is the following: If the progressive values are indeed still acute and applicable for the contemporary times, why do they exhibit such a modest appeal towards the groups and individuals outside of the social democratic ranks? And to that end, why have they not become the connection between the progressives and the recent social mobilisations, which quite clearly geared up around the notions – such as equality – which are most obviously dear to social democrats?

There are a handful of conclusions one should draw from this situation. They are instructive while formulating the New Social Deal.

3.1 Re-politicise the debate on values and ensure moral dimension to the policy choices

Although the values constitute a need to be the movement's ideological DNA, their eternal sense should not be confused with the

need for their incessant re-interpretations so that they can provide more comprehensive, ethical explanations of the political choices one makes. It is how one defines values, their mutual interconnectivity and the deriving principles that make the set of notions politically distinctive. This is why **revision of what the values stand for in the contemporary times and what they guide to in terms of a vision for the future should be at the heart of the conceptual work leading to framing of the New Social Deal.**

Progressives across the globe are in a position to frame a new social contract, building on modernised interpretations of their core values. (...) The combination between responsible freedom, respect and social responsibility creates a solid base on which progressives can explain its vision for the future of more and more diverse society. (...) Striking an adequate balance between individual freedoms and social responsibilities on one hand, and between political and socio-economic interpretations of freedoms on the other can be the key to providing answers to what modern vision of both democracy and welfare state of a new kind should encompass²⁰.

Unless there is an effort made to both update the understanding of the core values and to translate them into concrete policy solutions, one loses a claim over these notions. The result of it is de-politicisation on one hand, and the weakening of one's own argument by losing the ethical dimension on the other. That has already been the case in the context of the debate on, for example, freedoms and liberties, as described in Point 1. In their case, a possible way to recuperate it would be to change the terms on which the debate is led now, which is narrowing the issue of freedoms to either civic or economic ones. What that means in concrete terms for the centre left is to **shift from**

20 A. Skrzypek, *A New Social Contract for a Better Society* [in:] *Building New Communities*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 54 - 67.

the liberal framework of the debate on liberties, towards a more familiar to progressive concept of emancipation.

Progressive must come with a new idea on freedom. Or perhaps even shift to the term emancipation. The last one assumes at its core equal status for all, and should be broadened with the notion that in order for all to be economically, socially and politically equal, one has to be equal members of a community²¹.



3.2 Make Progressives as the movement striving for equality and ensure a socially just focus of the ongoing debate

Despite the fact that social democracy has been committed to the value of equality, it is not the core actor in the debate on inequalities taking place nowadays. This is of a concern, especially in that the level of disparities reached so high that it became a preoccupation of all across the political spectrum. And not only this, since the financial sector operatives also joined the conversation pointing out that the situation is unsustainable and in colloquial words, is simply bad for business.

Progressives cannot stand by and watch the debate moving to an a-political or non-political dimension, as the consequence of it would be losing ground in the dispute of which outcomes are to shape the further trajectory of the twenty first century. This is why it is of a great importance to reclaim the argument and politicise the debate to ensure a new entry into it for the progressives.

The challenge in front of the progressives is therefore to make equality a value that is associated with the future. It is necessary to make this notion

21 A. Skrzypek, *The core values for the Next Social Deal.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 50 - 67.

*bridge between equal opportunities and equality of outcomes, and to provide new answers to four key questions: what kind of education, what kind of labour market, what kind of care system and what kind of inter-relation among them?*²²

To begin with, **it is essential to define equality**. But here one is not free of constraints. The new formulation needs to overcome the fear that is publically sensed, especially by the already mentioned “squeezed middle”. They tend to fear that “equality” is a notion indicating a plan to reduce the standards rather than the principle of indicating how to lift them.

Furthermore, it is relevant to specify the focus, while making the definition coherent. The debate on inequalities is at this point relatively fragmented, which means that diverse actors tend to emphasise one or another aspect of persisting inequalities. What is missing is a comprehensive take which would focus the debate. It does not mean that progressives should argue that one sort of inequality is better than other, but at the same time calling for a fight against inequalities in general, principle terms are far too vague and henceforth carry little of mobilisation power.

Consequently, this requires revisiting some of the earlier disputes. In the 1990s it was presumed that the effort to work primarily on the equality of opportunities would contribute to eliminating inequalities in general. The problem with the approach that equality of opportunities and even equal access to equal opportunities is not a guarantee that each and every individual will be able to take an advantage of them in the exactly same beneficial manner. Two and a half decades later, it is safe to say that **there is and there can be no trade off between policies focused on equality of opportunities and equality of**

22 A. Skrzypek, *The core values for the Next Social Deal*, [in:] *Progressive Values for the 21st century*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 50 - 67.

outcomes. The fight for both needs to become a commitment of the New Social Deal.

For progressives, there is a need to give a closer look at the distribution of income within the countries. There is also a need to find a balanced trade off between equality and responsibility. Concept of equality of opportunity has influenced a growing number of policy makers within progressive family. Our view is that this concept is insufficient to tackle all the challenges the progressives should answer. Equalitarian must also mean having a look at the outcome, and not only initial conditions and circumstances. The role of State is to give every individual, at any stage of his or her life, the capacity to emancipate and preserve his or her dignity²³.



To that end, it may prove worthwhile to embrace some of the concepts that emerged recently and could provide progressives with a new opening. That is especially that they may potentially offer a new way to liaise between the above-mentioned concept of emancipation and the debate on inequalities. One of them is “equality of autonomy”.

(...) The concept of equality of autonomy may bring positive insights for progressives. By combining individual objectives such as individual emancipation, by taking into account the heterogeneous nature of individuals and their different aspirations and efforts, this concept takes into account main sociological evolutions observed in modern societies. But at the same time, this frame maintains collective protections and proposes to have a look at the global distribution of incomes, and not only the situation of those who are worse-off²⁴.

It needs to encapsulate the understanding that inequalities are a multidimensional phenomenon, which can be tackled only when all the policies (social, economic, monetary and others) are coordinated in fighting the existing and preventing new inequalities to arise.

23 R. Bazillier, *The economic meaning of progressive values.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 68 - 96.

24 R. Bazillier, *Equality must be the Core of Economic Policies. 17 propositions for Equality and Efficiency.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 102 - 133.

Inequalities indeed are multidimensional phenomena, including monetary and non-monetary factors. (...) Progressive equalitarian policy should include more public spending in education and poorest pupils and in the poorest areas. It should also include an urban and housing policy tackling the unequal geographical distribution of social housing (through quotas for instance) in order to minimize social stratification²⁵.

Last but not least, progressives must remember that they are acting in the context of a debate in which egalitarian policies (as included in provisions of the welfare states, to give an example) were contested by advocates of neo-liberalism as *unaffordable and unsustainable*. This is one of the reasons, why **a progressive new definition of equality must make a bold connection with both the ethical and the economic dimension**. It must clarify that progressives stand for equality, not only because *it is a value and it is a decent thing to do*, but because putting equality as a main guideline is the only equitable solution for the troubled economies of the contemporary times.

The argument that social democracy should be making is that "equality" has an economic underpinning. As studies show, equal societies simply 'do better' and there is no trade off between equality and efficiency. In its understanding, it should balance between redistributive, distributive and pre-distributive policies. Taking on the agenda of the last one, it should however not do it out of the logic of 'scarcity of resources', but out of conviction that equal opportunities for all from the first moment onwards are the key to creation of more productive, more equitable and more integrated societies²⁶.

25 R. Bazillier, *Equality must be the Core of Economic Policies. 17 propositions for Equality and Efficiency.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 102 - 133.

26 A. Skrzypek, *Way Forward for European Welfare Society.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.

3.3 Clarify the relation between equality and social justice and speak on rights and responsibilities

In that sense, it is also important to show how the value of *equality* links with an understanding of *social justice*. In the 1990s, much attention was devoted to linking *equality* with *fairness*, which philosophy was expressed in the narrative of *rights and duties*. At this point in time, this attitude was undoubtedly an acute answer to the quandary on how to go beyond the debate on the unsustainability of the welfare state. But while the times passed by, globalisation and other processes saw new polarisations emerging, which have resulted in pushing diverse groups onto the margins and in creating yet more kinds of “losers”, “outsiders” and “outcasts” of the system. With the above described phenomenon of “squeezed middle” (mentioned in Point 2.1), it became hard to count on solidarity across the strata – or even to contrary, many believed that the amount of “free riders” is simply too big to carry.

At the same time, of course, the differentiation between the “middle” and the top became even greater. The disparity in access to power, wealth, opportunities and information (knowledge) has become incomprehensible – especially that distancing of the *top* (colloquially now known as ‘the 1%’) was not socially explainable. If to run for a moment with the 1990s notion of the “knowledge based economy”, it wasn’t the case that the *top* would, for example, acquire a special set of new skills – of which usage would need to be gratified with the level of income that the 1% has reached.

The way out may be related to finding a new, convincing translation on the value of equality into the principle of *social justice*. And this would be a path to settle an argument on what is both morally and economically unacceptable.



In most advanced economies, capitalism markets have produced levels of inequality, which the population finds morally and economically unacceptable. Moreover, there are evident limits to the capacity if states to undertake redistribution given the likelihood of stagnant growth and severe fiscal constraints on governments in the decade ahead. We have to find new routes to social justice and a more equal society of our own times²⁷.

Furthermore, **social justice could emphasise the social dimension of equality as a value.** The need for that is eminent, especially that the contemporary societies are characterised clearly by the features of already mentioned polarisation and fragmentation. These processes also led to further confusion regarding individualism on one hand and individualisation within a collective on the other.

Our society is in fact characterised by a high level of individualism (the belief in the possibility and desirability of individual freedom and autonomy, based on respect for individual person and his or her identity), and low level of individualisation (understood as a process and a condition, to the extent the ideal of individualism is realized). (...) The thesis on individualisation should be rejected as empirically untenable²⁸.

The successful application of the principle of social justice is defined by yet another aspect. That is in how far it can restore the idea that equality and social justice are about belief in one's rights to decent living and working conditions, and hence belief in everyone's right to dignity. That brings the conversation back to the issue of how to move beyond the previous notions of *rights and duties*, and rather shift towards a discourse of *rights and responsibilities*.

27 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Pre-distribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

28 M. Elchardus & M. Sie Dhian Ho, *Towards a post-liberal narrative.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 96 - 119.

The matter of *responsibilities* should be especially strongly articulated in regard to the *contributions* that each and everyone, proportionally to their capabilities, should provide to the society. And here it is essential to go beyond the traditional debate on **taxation**. It is true, there is a need to rethink the fiscal system, looking at what is taxed and how – in order to relieve labour from disproportional burden that so far is not carried adequately in parallel by the financial capitalism. But even more so, this should prompt a debate on recognition of other inputs one can have into living together – which links with a challenge to make, for example, efforts within community work, volunteering or care economically recognisable. It could be the key in opening different avenues and consequently forge new connections, going beyond the animosities between the “squeezed middle” and the assumed “free riders”, between the worry of the sustainability of the welfare system and the dialectics of the social investments.



Making clear and strengthening links between ‘contribution’ and ‘entitlement’ should help to overcome particular problems of public legitimacy which welfare systems face, reinstating the value of reciprocity at the heart of welfare state, ‘making reciprocity manifest’. The idea of ‘fair contributions’ balancing ‘rights with responsibilities’ appears to strongly connect with what many citizens feel the welfare state is for²⁹.

29 P. Diamond, *Welfare States after the Crisis: Changing Public Attitudes.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 60 - 81.

3.4 Solidarity doesn't mean charity – showcase how much of a powerfully transformative notion it can be

As argued previously (Points 3.1 and 3.2), politicisation and, consequently, reclaiming the political primacy over the fight against inequalities is determinant to the realisation of the New Social Deal project. But it cannot succeed without restoring the triangle of values of emancipation, equality and solidarity altogether.

Solidarity has been heavily challenged in the recent years, especially in the context of individualisation on one hand, and on the other, confusion that arose equating *solidarity* to a great degree with *charity*. And this is most frequently the reasoning behind the main objections expressed against *solidarity*. This prompts two reflections which should be key to altering the traditional approach.

The challenge for the progressives is to redefine solidarity as a notion of progress, which needs to become an ideological category. It is to break out of the entrapment of "for certain groups, certain regions", but has to be a holistic one showing interdependence between individual, societal and global policies. It must embrace the principles of justice, reciprocity and responsibility, and finally sustainable development. Understood in this way, it will be of a great significance for social democrats to frame a vision for all the global, European, national, regional and local levels³⁰.

First of all, there is a need to **define solidarity as an organising value, which contributes to the underpinning of the New Social Deal with the answers on how progressives see the relationships among the individuals, communities, regions, countries and within the world.**

30 A. Skrzypek, *The core values for the Next Social Deal.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 50 - 67.

The next narrative needs to be built around solidarity. But that begs the question: with whom, around what and where? (...) Solidarity is about both principle and passion³¹.

Secondly, **solidarity must become the raison d'être for building new communities across the currently persistent divides.** There are preconditions to accomplish that. To begin with, it needs to serve as a liaising notion to connect individuals and groups, showcasing that only solidarity with one another guarantees respect for diversity and for a right to individual freedoms. In other words, it is the mutual support and cultivated responsibility for one another that facilitate functioning of the communities and enable all to equally benefit from the collective achievements.



New vision of solidarity must embrace rather than reject the progressive commitment to diversity and individual freedom which mainstays of the worldview of younger generations. Solidarity, as reconceived for new era, will focus more on mutual responsibility and the need to foster individual achievements and community stability in an era of scarce resources and a rapidly shifting global economy³².

Moreover, although *solidarity* has to be restored as an ethical guideline, it also requires work in order to be phrased in socio-economic sense. Putting that bluntly, it is because working together in the name of a common goal is not only right thing to do, but above all is the most efficient way to accomplish progress.

Solidarity is a matter of defining relations among one another (both individuals, also between individuals and society). It proves why a community is needed for all to be able to progress³³.

31 M. Kennedy, *From Affirmative to Critical Solidarity in Politics.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 30 - 47.

32 J. Halpin & R. Teixeira, *Creating Majority Coalitions in the United States and Europe: is there a Blueprint for Progressives?.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 64 - 99.

33 A. Skrzypek, *A New Social Contract for a Better Society* [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 54 - 67.

This brings about a challenge to redefine *solidarity* as *transformative* value, which in fact can offer a hope for a better life now and will continue, as a fundament of a New Social Deal, to also do so in the future.

*To realise a transformational solidarity, a consequential solidarity, one must look toward the future and focus on injustice more than draw the disaffected into institutional world from which they are alienated. (...) the politics of transformative solidarity may very well rest on developing a new model of politics, not only appealing to the centre but appealing to the alienated, who, as crises deepen become the numerical centre if not political centre*³⁴.

Therefore a **new interpretation of solidarity is the point from which the debate on the future of economies should depart from.** It should offer a framework within the New Social Deal to tackle the challenges of the new emerging model of production and consumption, which is to be framed by different possibilities (slow recovery, low growth etc.) on one hand, and on the other should cater a different set of expectations (of ageing societies and disenchanting youth etc.) and ambitions (demand for sustainability, ecological awareness). Reaffirming solidarity in its socio-economic sense would be key to merging so far fragmented debates on care economy, green economy and digital economy. This last one, especially, brings both gains and losses (especially in terms of jobs that are being made redundant), to which extent orientating oneself around *solidarity* could prompt a debate on a *socially just* share of the benefits of digital progress.

*Progressives should start from the modern interpretation of the value of solidarity. The care practices are essentially values and norms related, hence there is a need to anchor the new care agenda in ideological embedding*³⁵.

34 M. Kennedy, *From Affirmative to Critical Solidarity in Politics.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 30 - 47.

35 A. Skrzypek, *Way Forward for European Welfare Society.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.



4.

**Introduce the concept of
Welfare Societies
and design new paths
for collective and individual
empowerment**

4. Introduce the concept of Welfare Societies and design new paths for collective and individual empowerment

Particularly in recent years, social democrats have been preoccupied with claiming the legacy of the post-war welfare state on one hand, and consequently defending its provisions in the crisis-aftermath climate on the other. The reason behind that was the belief that the welfare state (in its diverse national forms) represents a certain “compromise”, safeguarding an adequate balance of power between the capital and labour.

The problem with this approach is two-fold. First of all, the *modern* welfare states may have indeed served as a way to set the rules and frame the relationships in the post-war reality, but then its conceptualisation was adequate to the state in which capitalism and the world of labour found themselves in. Both have evolved since then (see Point 1 of this Paper). And it is only self-evident that while their developments have been speeding up, the pace with which welfare states have been adjusting has made their transformation lag behind. Consequently, they initially ensured equilibrium was no longer the case.

Secondly, the 2008 crash, and the political choices made in its aftermath, meant further weakening of the existing safety nets and crippling of the opportunities that especially the welfare states renewed



in 1990s were supposed to guarantee. This was further exposed in the critiques articulated by the neo-liberal and conservative right, who argued that the welfare state has become a sort of utopian idea that did not stand the test of passing time and that no modern state in Europe can actually afford. Rhetorically it was not bounced back, either by showcasing what social costs the lack of welfare would bring or by what human capital deficits the austerity already caused. Having a way to assess them would have been and would be helpful indeed.

The social costs of the recent crisis remain unpaired with analyses that would help assessing the extent of them³⁶.

With the shrinking provisions and unpaired political attacks, it is not surprising that the popular support for and confidence in need for welfare state has declined as well.

It is clear that the effort to maintain and reinvigorate Europe's welfare states will have to start with some of the classical issues of political economy: ensuring stable growth, job creation, just income distribution and fair revenue contributions. These are issues that Social Democrats have long championed but appear to need to find new visions and policies around in the post-crisis (or permanent crisis) era. (...) The biggest threat to Europe's welfare societies and Social Democratic parties is probably the potential feeling among citizens and voters that the welfare state no longer provides the right quality of public services nor adequate levels of social and economic security³⁷.

For the progressives there is an obvious lesson to be drawn from this assessment. First of all, the welfare state did not stand a test of keeping up its renewal with the speed of the ongoing changes, proving

36 A. Skrzypek, *Way Forward for European Welfare Society., For a Connecting Progressive Agenda.*, [in:] E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.

37 K. Weise, *Empowering the People: Social Democracy and the Future of the Welfare Society.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 408 - 421.

not to be sufficient to empower people in the times of globalisation and to cushion the effects of the recent crisis. Secondly, while the welfare state's recipients painfully experience these three shortcomings, the social democracy puts itself in an incredibly difficult position defending the 'legacy' of welfare state. It makes it look old fashioned, detached from reality and as many argue, economically irresponsible.

(...) while the welfare state has been the "signature concept" of social democracy, in its contemporary version it has proven not to have been able to pass the consecutive three historical tests. The first one was the welfare state's own incapacity to continuously renew. The second was the challenge of globalisation. And finally the third one was the momentum of the recent crisis. These three failures make by extension social democracy appear respectively: old fashioned, detached from social reality and incapable to govern economically. (...) in order to re-establish its credibility, social democracy would need to make it a priority to re-conceptualise welfare state. It would have to become embodiment of a vision on how it plans to deal with the current state of financial capitalism and frame it in a way, through which it will contribute to creation of a better and fairer society. (...) Social democracy must address in insistent and not defensive manner the two major criticism regarding on one hand sustainability, on the other plausibility of the promise of the welfare state³⁸.



Consequently, instead of a shielding approach, progressives need to rather think of a different, more confrontational strategy. This requires, however, going beyond the limitations of political sentimentalism, while accepting that it will be possible to safeguard the principles of the welfare state only if they find a translation into a new framework that coherently fits into the conceptual and ideological embedding of the New Social Deal.

38 A. Skrzypek, *Way Forward for European Welfare Society., For a Connecting Progressive Agenda.*, [in:] E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.

4.1 Reinvigorate welfare states and prove that in their new design they can provide a balance between transforming labour and evolving financial capitalism

To begin with, there is a need to clarify the reasoning for which the framework such as welfare state used to be essential. This is likely to hit at the heart of the current political debates, whereby focus lies on the question of how to fight inequalities. This may be a good point to start, as it is feasible to imagine here a broader consensus that *much more needs to be done* in order to move away from a situation of inequity. **What Progressives should aim for, however, is to contradict the approach of financial capitalism operators for whom the preoccupation remains to be inefficiency and unsustainability. They need to seek to imprint a higher moral standard, alongside which social rights are in fact seen as human rights, which is why living and working in conditions of social security should be a standard of the modern, 21st century states.**

The social democratic welfare societies evolve around a moral obligation. It is not just a means to an end. It cannot be justified alone by its economic results or what it achieves in economic terms. Its task and goal is the realization of freedom, community and solidarity – in whatever cloak there values come at present time. (...) The social democratic task today evolves around twin challenges of creating jobs and employment on one side, while ensuring security, social cohesion and the provision of central services on the other. In the post-war era these challenges seemed compatible. In recent decades, however, they have most often been seen in contrast to each other and as something there are trade-offs between³⁹.

39 K. Weise, *Empowering the People: Social Democracy and the Future of the Welfare Society.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 408 - 421.

Furthermore, while having clarified the ideological and ethical dimension, the Progressives will need to outline what role the welfare states should now play. The previous definition that they were the framework for equilibrium between the world of labour and the world of capitalism can still be valid, once it reads that **the aim of welfare state is the equilibrium between the transforming world of labour and the new evolutionary stage reached by global financial capitalism.**

The new definition is bound to have clear implications. Firstly, this means that the expectation is not only to adjust the old concept but effectively to reinvigorate it by imprinting in it a new understanding of permanent, fast-track changes. Secondly, it would need to embrace the different expectations on one side, and the accelerated force of capitalism on the other. In this context, **the new definition must spell out a new distributional logic to command access (and allocation) to power, income, welfare and knowledge.** Since these became global goods, it is perhaps not enough to speak about their framing in singular state terms. That is also why the **Progressives should consider the proposal to speak rather about an ambition to build welfare societies through their New Social Deal.** This would mark not a simple re-branding, but rather a profound change of approach – indicating greater aspirations fit to inspire in the contemporary times.

Regardless of dissimilarity of opinions on how far the welfare states are still able to self-adjust, the clear conclusion emerging from majority of studies is that way forward will need to lead through redefining fundamentals and deciding on a sound strategy to solve the existing and emerging distributional conflicts. (...) If indeed there was a 'new deal' to be stricken it needs to begin with an understating that society has changed and hence it would serve an alliance built on different base than the old one – forging new understanding of the dynamics at hand and proposing a coherent, holistic new narrative that will set the lines for a new, fair distribution of power, income, welfare and knowledge. Taking into consideration its more 'global' dimension, it would perhaps need to spell out already in the same



somewhat an accelerated ambition – shifting from ‘welfare state’ to ‘welfare society’⁴⁰.

To sum up, the *Welfare Societies* would have to emerge as an inspirational proposal, which would address the existing challenges (such as inequalities in their multidimensional aspects), alongside with spelling out the policies-paved path to realising the societal and individual aspirations. To that end, the concept must be first of all characterised with two words: *enabling* and *empowering*.

Our welfare societies should also be enabling and empowering⁴¹. (...)

4.2 Win public trust for Welfare Societies and introduce the term socially valuable contributions

Moreover, Progressives should expect that the major issue for their *Welfare Societies* idea would be to regain trust that this is a future-oriented project, worth supporting and engaging in. In the earlier sections of this Paper (see Points 2.1 and 3.3), it was already analysed that currently neither those on the bottom nor those in the “squeezed” middle are benefitting from the welfare arrangements – as they neither ensure social progress to the benefit of all nor enable individuals to benefit from social mobility across the strata in any substantial way. In order to break out, **Progressives will need to showcase that their *Welfare Societies* stand for a major shift and not just for a few**

40 A. Skrzypek, *To Change or Be Changed... The Evolution of the Welfare Agendas of the Progressive Parties in Europe and the Perspectives for an Ideological Shift in the Future.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 424 - 447.

41 K. Weise, *Empowering the People: Social Democracy and the Future of the Welfare Society.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 408 - 421.

reforms. Their mission cannot be about adjustments, but about paving the way to build a better, fairer society – which realisation can only be possible once the *Welfare Societies* concept is about transitioning to a different model of capitalism at the same time. It is key, especially if the idea is once again to serve bringing back primacy of politics while rejecting the defeatist, determinist approach that accompanies the conversation on change (IT evolution, environmental degradation etc.).

The modern welfare state arguably represents the pinnacle of post-war social democratic achievement in Western Europe. The fate of the welfare state and the likely development of welfare systems in the wake of the financial crisis is an issue of critical importance for the future of the European Left. (...) politicians will need to demonstrate leadership if they are to mobilise sufficient support behind the transition to a different model of welfare capitalism⁴².



Whilst a *better, fairer society* is to be reiterated as the objective of the new welfare policies, Progressives should drop their defensive position regarding the legacy of the welfare states. The **centre left needs to respond to the criticism in a new way, changing terms of the debate and forging an understanding that social policies mean investment and not just spending**. Although at the first glance the difference may seem semantic, in fact it is quite relevant. *Investment* assumes certain revenues, which in this case would be quantifiable in terms of providing societies and individuals with opportunities, security and fair share of the benefits of the overall social progress (for similar: see Point 1.1).

To that end, **it is important to underline over and over again that public does not mean ‘for free’ – but to the contrary, it means**

42 P. Diamond, *Welfare States after the Crisis: Changing Public Attitudes.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 60 - 81.

that the financial means ensuring the access to certain goods of services is because of the contributions made by all. And in that context it would be essential for the Progressives to articulate that in the contemporary reality there are diverse ways to provide a socially (and economically) relevant input, which go beyond the pure form of formal work contracts. The examples of that are countless – stretching from community work, through volunteering to learning. Although that may sound controversial at first, at its core it hardly is. The reasoning derives from two aspirations – recognition of actions that are socially valuable and acknowledgement of what remains in the scope of informal work. Should that path be chosen, an entirely new avenue may open in terms of debate on rights and responsibilities, and also then the proposal of so called “participatory benefits”.

Successful welfare state must be reframed not simply as a response to need but as recognition of social contribution once again. The trick is doing it in a way that remain inclusive. We propose a new system of “participatory benefits”, where entitlement would be earned explicitly through participation in socially useful activities, whether work, caring, job-search, training or voluntary community work. Some on the left may find this controversial. But the idea of enshrining responsibilities within the welfare system is not only right in principle; it is also vital in practice⁴³.

What would follow - and what would perhaps be supportive in changing the terms of the debate on sustainability of the welfare states - is the consequential shift from financially coined “transactional” to “relational” understanding of the concept.

In order to reinvigorate our welfare societies and in the search for new principles to guide them it seems clear that one important move will have

43 T. Horton and S. Katwala, *A Strategy for solidarity.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 116 - 123.

to be from and understanding of welfare as something transactional to something more relational⁴⁴.

4.3 Pave the way towards a new kind of social security and respond to the challenge of people's growing anxieties

As it was stated at the beginning, *these are transformational times*. And any and every change is bound to create *benefits* and *loses*, as much as *winners* and *losers*. Whilst progressives should spare no efforts to change the trajectory of the developments and steer them towards creation of *better, fairer society*; they should remain strong in their commitment to strengthening safety nets. These would serve both in terms of equipping people of use the opportunities that arise and to support them in their lives' turning points.



The latter has become somewhat contested. The most obvious is the neo-liberal criticism that claims that social policies are a burden for economies, when those strive to restore, reconfigure and would need all the available resources instead. These arguments must be both politically and also economically discredited, as they omit the fact that because of numerous reasons (see Point 6) the contemporary European economies do not stand a chance to flourish unless they can count on creative, engaged and self-fulfilled workers and employees. For that reason safety nets are crucial. This is also why the Progressives have to argue in favour of strong social protection systems – not only from the reasoning underpinned by a moral imperative, but also because this is the only economically sound approach.

⁴⁴ K. Weise, *Empowering the People: Social Democracy and the Future of the Welfare Society.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 408 - 421.

But as every transition, the path towards a more productive economy creates winners and losers. The role of social protection is therefore crucial. Contrary to what is argued by neoliberal politicians, a more productive economy needs a strong welfare state and social protection system and not a weak one⁴⁵.

Furthermore, in their reinforced commitment, **the Progressives should stop being afraid of the disparagement that the existing safety nets are insufficient. That is true**, as they were put in place with a different ambition and for a different society, and have not been adequately modernised due to numerous reasons – with the crisis of 2008 among them. What **Progressives should aim at instead, is to turn the debate to their advantage. They can liberate themselves from the defensive positions by admitting the shortcomings and arguing that this is why a new, stronger and broader approach is needed.** In that sense they should revisit their own ideological dispute in the 1990s, admitting that there can be no stratification between so called “old” and “new” (social) risks⁴⁶. To that end, both categories need to be equally attended to and responded to with adequate policies.

(...) There is and there can be no trade-off between attending either to “old” or to “new” risks. And it would be a mistake to classify the entire policy fields as ‘right’ or ‘wrong’. The issue lies not if welfare state should deal with either of the two, but rather that there should be new, efficient ways found out so that it deals with both simultaneously⁴⁷.

45 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

46 Literature defines “old” social risks as the risks existing within industrial society (illness, disability, age) – while the “new” risks are the ones connected with economic and demographic developments. See i.e. http://ec.europa.eu/regional_policy/sources/docgener/studies/pdf/challenges2020/regional_challenges_new_social_risk.pdf

47 A. Skrzypek, *Way Forward for European Welfare Society.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 178 - 211.

In that context, the Progressives should look at the specificity of the new risks in relation to the narrative that currently guides contemporary economies and consequently defines the conditions of their restoration after the crash. Here especially important is to settle the guidelines that would help safeguarding the safety nets and the social security systems from the neo-liberally defined logic of *competitiveness* (on which theme please see further Point 6).

The most serious risk from the obsession with competitiveness however is its consequence on the future of social security systems in Europe. (...) The high mobility of capital (and also of certain categories of highly skilled workers) triggered mechanisms of tax competition, for which each country has an incentive to reduce taxation in order to attract resources. It is clear that these factors reduce the ability of nation states to collect funds through taxes and it is thus creating problems of the inter-temporal sustainability of welfare system. Moreover there is a clear tendency of governments to concentrate the tax burden on less mobile sectors, such as low skilled workers with very negative redistribution effects⁴⁸.



4.4 Champion the question of education and determine its social mission for now and in the future

Historically speaking, education has always been at the core of the socialists and then social democrats' agenda. To begin with, the task was to ensure universal access to public schooling systems. Then the preoccupation became the quality and the diversity of the programmes – which would enable both accomplishing an academic curriculum, as well as professional or trade skills training. In the 1990s, ensuring

48 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

educational opportunities for all was named priority number one⁴⁹ - as it was the fundament of the strategy to *make Europe the most competitive, knowledge based economy in the world.*

There are few issues with that legacy. While the priority setting remains acute, the realisation of the promises made in the 1990s have met number of difficulties. To begin with, in the first decade of the new century it became clear that completing education in itself (and the diplomas and especially university degrees) are no longer a sole guarantee for a better life for young people. There would seem to be evidence to the contrary, especially if one takes into consideration the number of unemployed young people at the moment – originating from the generation to whom the promise in the 1990s was made. To make things worse and what has already been mentioned (see Point 2.2), looking simply at the strata of income and hereafter at the unprecedented rich (Top 1%), it would seem that qualities other than completed formal education are most valued, elevating individuals on the pay-scale.

Furthermore, in the course of the developments, the focus shifted towards two dimensions – accessibility of early education (see for example the so called “Barcelona Targets”) on one hand, and broadening the access to university on the other. On that wave, within many social democratic parties in Europe, the debate on learning, vocational training, skills recognition and other issues slightly faded away. This is of significant meaning, as the experience shows that in the countries where educational systems have been based on at least dual training (for example through inclusion of quality internships in the curricula), young people found it easier to adapt to the post-crisis reality and (re)enter the labour market.

49 See for instance the speech by Tony Blair, UK’s Prime Minister at the University of Southampton, where he said the famous words “education, education, education” on 23rd May 2001 <https://www.theguardian.com/politics/2001/may/23/labour.tonyblair>

In their new approach, Progressives have to put education on the top of their New Social Deal – Welfare Societies agenda. This is what will define in how far they are indeed aspirational as a movement, and will also showcase concrete ways in which they would hope to deal with the existing divides, exclusions and deprivation of so many from available opportunities. To that end, the existing educational systems would have to be first and foremost evaluated by the progressives along the criteria of what role they play in creating *better, fairer* and more emancipated societies.

Many authors conclude that educational differences become a more important source of inequalities and of differences in ways of thinking, feeling and life style than occupational status and the socioeconomic position of the family of origin. The social distance between the educational classes is becoming very wide, mobility between them is low, and it is in fact technically more correct to speak of estates than of classes. (...) A social democratic narrative should not address the fluidity or liquidity of social structures, but their hardening, the closing of society and the thwarting of the ambitions of young people born into families with little resources to support them during their school careers. Opening society, motivating ambition and creating the opportunity to realize ambition and dreams should be a priority⁵⁰.



What is therefore relevant is to look at education not only from the perspective of utilitarian skills and knowledge that it should equip people with. The social context does matter equally as much and this is why the revision of the programmes should not only be focused on adaptation to include new discoveries or use the new technologies. Progressives should make sure that the revised educational programmes forge a modern understanding of society, how to be a part of it and to this end become a vehicle to forge humanism.

50 M. Elchardus & M. Sie Dhian Ho, *Towards a post-liberal narrative.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 96 - 119.

Collectivism – Humanism – Inclusion approach is contemporaneous progressive way of looking at the education that is missing⁵¹.

This is a particularly relevant plea **since education and its provision has to be a matter of supplying quality public goods that serve a public, socially valuable purpose.** It has to be orientated on providing individuals with opportunities to integrate with community, society, working environment etc. – while at the same time forging in his or her social competences that lay fundament to build bridges among diverse groups. For that reason investments in culture and intercultural dialogues within the framework of the educational systems are essential.

A just society is possible only if public goods are made available in sufficient quantity and variety. A democratic society needs cultural and social cohesion that these collective goods provide and the structure of cooperation that goes with a flourishing civil society. Finally, all of this is needed to preserve cultural pluralism and thus the fruitful soil for successful social integration. For this reason, education is a crucial public good. It is key to the successful integration of the individual, whether in society or working life. It is a task of the state because not only does it make possible a self-determined life, but it is also a condition of proper cultural, social and economic development of society as a whole⁵².

Naturally much more could be added in terms of guidelines how to shape an educational system. Indeed, it should empower the citizens. It should equip them with knowledge and skills, as also social competences. But realising these ambitions may not be possible, while education is safeguarded as a strictly one-state national competence. **Therefore a new approach has to be elaborated to link the existing educational and training systems with the European dimension (both institutionally and also content-wise). It must be done in**

51 O. Landeretche, *New Collectivism, the Fourth Way*. [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 68 - 79.

52 J. Nida-Rümelin, G. Horn, Ch. Färber and G. Schwan, *The tasks of state and its responsibility for the future.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 24 - 49.

a manner that is reassuring, while showing an obvious causal dependence between the ambitions and capacities on both sides (EU and the Member States ones). This should become one of the links between New Social Deal – Welfare Societies and Next Social Europe (See Point 8).

A social investment strategy is not cheap, especially in the short run. Simultaneously responding to rising needs in healthcare (and pensions) and implementing successful transition to fully-fledged social investment strategies will require additional resources. European integration can ultimately only be maintained if citizens support the political project at stake and trust governments to handle the social consequences of the crisis fairly. (...) Both the survival of the Eurozone and the imperative to recalibrate welfare provision in the knowledge-based economy conjure up a democratic predicament of national and European dimensions. The EU can no longer advance as a mere project of market integration and fiscal austerity⁶³.



4.5 Revise the pension systems and solve the intra-generational distributional conflicts

While a reference to broadening and improving the quality of educational and training opportunities is likely to resonate positively, there remains at least one more issue by which the Progressives remain to be challenged. That is the question of pension provisions and the intra-generational distributional conflict that has been spoken about, especially in the recent years.

Historically speaking, pension was to secure an income for those who reached a certain age and as a consequence would retire from the labour market. The age threshold was set based on the average age

⁵³ A. Hemerijck, *21st Century European Social Investment Imperatives.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 184 - 200.

that people would live to and, as such, would see limited scope. The pensions would be then replacing the income, whilst the beneficiaries would at the same time retain their right to public goods and services alongside with numerous reductions – in recognition for both the completed years of work and the respectable age they would reach.

Nowadays, there are eminent problems with this logic. To begin with, people tend to live longer than they used to and keep up in a better shape than in the past (thanks to a number of factors – progress in medicine included). This is to be applauded, while instead it is being painted as a problem since it is argued that providing for a larger group for more years is unsustainable. Furthermore, the age threshold to retire is being questioned, alongside with the need for universal provision of diverse services' prices reduction. The counter argument that is used is that this age group in particular has accumulated goods, allowing them to lead good lives. This thesis does not resonate in the statistics however, which show growing impoverishment of the elderly in Europe.

Progressives should take the challenge to set a vision for a pension system alongside with defining their views on both the Welfare Societies and labour. It compliments the idea on how the mutual relationship should work between the individuals and the societies they live and they have been contributing to. And that is at the core of the idea of the New Social Deal.

Taking into account a merging European labour market, it is worth (as it is in case of education) to consider that in the future there would be a need to establish a common European pension project.

If we want to establish a European welfare state, we will have to start with a pension system that covers most of the European pensioners. This has a positive consequence: we may establish common retirement criteria across the whole EU. (...) We will solve demographic problem. (And) There is another reason that justifies making the pension system the first step toward a European welfare state. If we compare the different social

policies and measure their capacity for redistribution, we will observe that the pension system is the most redistributive one. Thus the primary aim to fight inequality, the best option is to introduce policies that are effective⁵⁴.



54 I. Urquizu, *European Union and Inequality*, [in:] *For a Connecting Progressive Agenda*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 102 - 120.

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5.

**Put the notion of “labour”
into a framework of a value
and demarcate a new concept
of egalitarian quality employment**

5. Put the notion of “labour” into a framework of a value and demarcate a new concept of egalitarian quality employment

The world of labour has been undergoing a profound conversion. This is to a certain extent a natural consequence of the evolution of the economic models, changing structures of demand and supply and new patterns of production and consumption. But while economic factors have played an important role, equally – if not more – important have been the developments within the societies. These include demographic issues, alongside with fading away of traditional family models (and hence after households) and a different set of aspirations manifested by emerging generations. Unlike in the past, work and workplaces stopped being the centres around which respective individual and communitarian lives would evolve.



This presents itself as a particular challenge especially for the Progressives, who traditionally have perceived themselves as a political movement representing firstly ‘workers’, and then (while the narrative needed to alter to encompass also other categories, such as ‘employees’) standing for the ‘hard working families’.

This challenge is tri-fold. First of all, the erosion of the world of labour (caused by fragmentation, polarisation and finally also a more permanent split between insiders and outsiders) means that there is no longer a sense of a grand collective that the Progressives could try to appeal to. Secondly, the shift of individuals’ priorities (where work is no longer at the centre and is just a means to reach other than

professional goals) may mean different attitudes to work and work-related issues. This means potential aptitude towards debates that in the past may have been more nonfigurative (such as the one work time reduction). And thirdly, the new set up requires a new intellectual and therefore ideological approach. With the transformations taking place in the background, some of the new debates seem to be overcrossing the initial conceptual model of the centre left, based on categorising the issues in the scope of relation between labour and capital. A recent example of that is the dispute around the Basic Income Guarantee.

These three observations prompt a reflection that a New Social Deal must embody a new approach to labour. It must be coined in a way that it becomes a reference point for diverse groups, responds to various concerns and ambitions, and to that end helps constructing comprehensive framework to enable Progressives to take political choices on new matters brought within the 21st century.

5.1 Forge an understanding of work that enables emancipation and provides means to lead decent lives

The mission for the Progressives is to imprint an understanding that work is and should be key for individuals, for communities and for societies. It should be seen therefore first in the ethical dimension – within which it should become a self-fulfilling emancipating activity for individuals, through which they contribute to the overall social progress. This should be in fact at the core of the New Social Deal, exemplifying the debate on rights and responsibilities (see Point 3.3), showcasing that on their side the Progressives re-commit themselves herewith to the plea of creating quality employment and enabling people to find good jobs.

(...) understanding human labour in terms of different practices could be seen as a missing normative element in the Marxist conception of labour. That means that viewing labour as a productive activity, which requires self-transformation and which contributes to the good of the whole society. Labour should not be seen only as abstract labour but as a teleological activity pursuing genuine human goods⁵⁵.

In that sense, working and contributing must become a desirable occupation again, whereby people should share the moral imperative to contribute in the best way they can and through engaging find ways to self-fulfillment.

Work and labour must be values in themselves, as they enable emancipation, self-fulfillment and life in dignity for individuals and progress for society⁵⁶.

This of course means that any form of employment (or any activities that provide socially valuable and recognised inputs – see Point 3.3) would have to abide by standards that make it possible to work and live in dignity. **Progressives should argue that the correlation between quality employment and improvements of living conditions is the core criteria that should be used to evaluate any labour market change or reform.**



Evaluation of labour market reforms should always include an evaluation of the impact on quality of life⁵⁷.

Finally, redefining the concept of work should also be at the constituting element of the Progressives' strategy to reclaim and re-

55 A. Bielskis, *The Challenges for the Left in the 21st century: Lessons from Marxism.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 134 - 159.

56 A. Skrzypek, *A New Social Contract for a Better Society* [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 54 - 67.

57 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 - 51.

politicise the debate on equality (see Point 3, and especially 3.1 and 3.3). Even if a job one has may not be the central reference point for many these days, still it is where the relations among individuals and among individuals and communities (societies) are being shaped. This is why **it is important that Progressives speak not only about quality employment, but now especially make an emphasis on quality egalitarian employment.**

Employment has a big impact on the daily life of men and women. For this reason, in order to assure the equal treatment of men and women, egalitarian employment provisions must be a priority in the reform agenda⁵⁸.

5.2 Reassure women about their place within the labour market and guarantee the right for all to equal treatment including equal pay, equal access to career opportunities and equal power to co-determine

Changing circumstances (economic, social and those regarding the family models) have prompted a greater entry of women into the labour market. As a development it bared a hope for further equalisation of opportunities and empowerment of women, which as a process, however, remains incomplete. On one side there are the somewhat more well known problems regarding persistent unequal treatment (unequal pay, career opportunities, possibility to advance and become part of governing bodies within companies). On the other, the repercussions of the crisis of 2008 in terms of austerity policies hindered the safety nets – which even if imperfect – would allow a better reconciliation of private and professional lives. Although cases may vary and there

58 N. Carboni, *Gender Equality: Judicial Framework and Protection at the EU level.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 92 - 108.

may be individual examples to contradict it, women are in fact a group that, especially in the context of recent developments, becomes vulnerable.

The fight for egalitarian quality employment is therefore one that Progressives should pay close attention to - measures that can change the trend and improve the situation of women. It has a profoundly political character, especially in that the right wing that assumed a governing position in several Member States tries to use it as a window of opportunity and bring back an archaic understanding that the place for women is first of all within the household.

To begin with, Progressives should insist that evolution of the labour market and any attempts to create jobs are evaluated in terms in how far they ensure an improvement of living and working conditions for women. From that angle they need to look at the challenges connected with structural economic changes and seek to turn threats into opportunities, especially when it concerns the flexibilisation of the working conditions, reduction of working time and other trends.



The gender balance of sexes in the labour market is affected by structural economic change, in particular the growing role of services, the new technologies and the new flexibilities of work contracts that public and private enterprises are seeking. This is especially relevant to homeworking and teleworking, which offer significant opportunities for women, but under certain conditions. Positive and sustained action is still needed to maximize opportunities and reduce the dangers⁵⁹.

Furthermore, even though austerity negatively affected the extension of provision of public services across EU Member States, the debate on what the social costs of these decisions are is still missing. In that sense **Progressives seem to have a unique opportunity to**

59 N. Carboni, *Gender Equality: Judicial Framework and Protection at the EU level...*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 92 - 108.

re-launch the debate on public goods and services, and on the canvas of this try to re-approach the question of care economy and its quantification. It is key, as it has already been mentioned in terms of recognising other than contractually defined socially valuable inputs (see Point 2.3), as also in redefining the debate on what constitutes growth in modern economies and how to measure it (see also Points 5.3 and 7). In relation to the situation of women, it could help in striking a better balance – as it would also prompt acknowledging the care work that they frequently assume primarily within the families (looking after children, elderly etc.) – which in case it had to be organised otherwise (for example, cover as a social security provision) would definitely be categorised as a budgetary spending.

To that end, **Progressives should introduce a debate on the “ethics of care” and show the potential that there would in terms of jobs creation, should social security be seen as an investment and therefore a sector that provides quality employment and vocational training to meet ever growing demographic demands of Welfare Societies.**

Taking care of the other is not recognized in the dominant model both because it has no price (when we are talking about informal solidarity, community services, exchanges between neighbours etc.) and because it is too costly (all services for dependent or disabled people...) However, it has a positive impact on well-being for communities. (...) The development of such sector is intrinsically linked with the challenge of aging societies. Most European countries are facing huge demographic challenges. The demand for health services, and all services related to the rise of dependency is likely to increase. (...) By developing public services or firms aiming at building an “ethic of care”, we contribute to the improvement of living standards for the whole society and also to providing jobs for workers with all skills levels⁶⁰.

60 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong Labour Market Institutions.*, [in:] *For a Connecting Progressive Agenda*. E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

Last but not least, the provisions to ensure quality egalitarian employment should be accompanied by the set of tools that would allow monitoring their implementation. This is why **Progressives should continue raising their demands for strengthening of the prerogatives of trade unions, alongside with solidification of the competences of the labour inspection.** The later ones should have become regulated on the EU level, taking into account the European dimension of the common labour market.

In parallel, **Progressives should reiterate the guarantee for each and everyone to freely access the justice system in case his or her social or employment right were violated.** This translates into a need to review the European law, which currently legislates on gender equality within the labour market only. Although social dimension remains not to be the direct competence of the EU, certain areas are – such as the question of services provision. New progressive regulation would require connecting those diverse aspects, using gender mainstreaming as an evaluation criteria.



The European law on gender equality cannot be restricted to the labour market only. The legislator must make the most out of the potential of directives and regulations, and broaden the scope of gender equality law to other policy fields. The most recent tool – gender mainstreaming – has considerably improved the situation, but it needs to take a step further⁶¹.

61 N. Carboni, *Gender Equality: Judicial Framework and Protection at the EU level...*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 92 - 108.

5.3 Define the tasks for the labour market institutions and hereafter show how a state can assume a pro-active role

While re-launching the debate on labour, Progressives should use its format to readdress the question of what role a state should play in the context of regulating economy and promoting initiatives leading to jobs creation. It is essential to recuperate from years of the neo-liberal political discourse, which brought in claims that the *state can do very little* or that the *state does not create jobs*. Both respectively do not give justice to the actual power an active state (still) has, making it appear stagnant, weak and vulnerable to external forces (globalisation).

There are three proposals on how to change the terms on the ongoing conversation (beyond the ones that have already been flagged in Points 2.3 and 7). First of all, it is important to insist on the potential that an active and pro-active approach of a state in terms of economy is detrimental to setting the rules. **Progressives should advocate the view of Dynamic State – alongside which the role of state cannot be limited to the ex-post intervention, but is key in shaping rules and institutional set up.** (See also Point 7.2) It comes down to political choices and this is also why it matters which political party remains in a governing position and defines the state's policies⁶².

(...) Public intervention in the economic sphere is necessary and its role cannot be limited to ex-post intervention. One fundamental task of the State (as well as social partners) is to shape various institutions. These institutions have a strong impact on how wealth is created by the market. Labour market institutions are one set of them⁶³.

62 This assesment was coined by J. Stiglitz, *Re-writing the Rules of the American Economy. Agenda for growth and shared prosperity.*, W.W. Norton, New York 2015.

63 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong Labour Market Institutions.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

Secondly, Progressives should become protagonists in arguing that state and its labour market institutions are not limiting, but to the contrary, create conditions for more positive dynamics leading to more productivity and increased efficiency.

We have to change the paradigm about the vision of the labour market institutions. Too large wage dispersions create negative incentives for firms and are sub-optimal in lots of cases. On contrary, wage-setting mechanisms favoring wage equality, and strong labour market institutions increasing low wages, are a condition for positive dynamics leading to more productivity and more efficiency⁶⁴.

Thirdly and finally, strong labour market institutions are key to achieving the goal of quality egalitarian employment. Progressives should focus their efforts on showcasing that in their design, the labour market institutions would be instrumental to realising the plea of innovation in productive sectors, while in parallel minimalising the negative impact of the evolutionary changes of the economy.



The role of institutions should be to push innovations in the productive sectors, while minimalising the adverse consequences of the Schumpeterian process of destructive creation. (...) The goal is to keep economy as dynamic as possible while taking care of workers' wealth, satisfaction and living standards. A strong focus on job quality should therefore be the core of a progressive labour market policy⁶⁵.

64 R. Bazillier, *Equality must be the Core of Economic Policies. 17 propositions for Equality and Efficiency.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 102 - 133.

65 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong Labour Market Institutions.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

5.4 Reaffirm the commitment to ensure Quality Employment for all, paving the way to inclusive labour markets for now and in the future

Societal development on one hand, and diversification within societies on the other, they prompted an emergence of a greater than ever disparity in between the expectations of workers and employees. This influences both the ambitions and the convictions about what should be guaranteed by the state and/or by the employer.

As a consequence, Progressives found it difficult to embrace both greater aspirations and basics in their narrative. While the programmes in the 1990s were leaning more towards the former, the last decade witnessed emphasis on the minimums. They are most relevant to define as the guarantees, but unless they are matched with the ambitions to go beyond and aim higher – they may be seen as either too modest or too obscure to address broader groups of voters.

This is why **it would be essential for the Progressives to redefine what it is that they mean while speaking about quality employment, while encapsulating in the definition both decent work standards as also empowerment aspirations.**

More and Better Jobs slogan is more accurate than ever. Progressives will gain thinking how redefining their vision on the so-called structural reforms and rethinking the content of such policies. It is possible to push for a more productive economy while preserving or improving job satisfaction and more generally quality of life⁶⁶.

For Progressives, the ambition to ensure *quality* employment has to be understood as inseparable from the plea to create more

66 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

jobs. Only in that way can one hope to make the first step in the direction of closing the gaps caused by polarisation within the labour market – which currently features both so called lousy and lovely jobs⁶⁷.

*The challenge for policy makers is therefore to combine the quantitative and qualitative dimensions of employment*⁶⁸.

To that end, Progressives have to find ways to showcase that, in their understanding, quality employment is not only an ethical guideline for regulating working conditions, but in essence is a condition *sine qua non* of a prosperous economy. In order to accomplish that, **Progressives should champion the debate on productivity** (for more on that subject see Point 6.4 of this Paper).

This understanding has two important implications. First of all, this would mean that the conceptual framing would bind *increasing productivity* with employment not only in quantitative dimension, but also through introducing qualitative measures.



*The challenge for policy makers is therefore to combine the quantitative and qualitative dimensions of employment*⁶⁹.

Linking policies for increasing productivity and for quality employment would allow Progressives to address the pressing issue of disparity of incomes.

An active labour market policy is particularly important in the face of new data showing growing job polarisation. The consequence of income inequality

67 For the term *lovely and lousy jobs* see: M. Goos and A. Manning, *Lovely and Lousy Jobs: Raising Polarisation of Work in Britain*. http://eprints.lse.ac.uk/20002/1/Lousy_and_Lovely_Jobs_the_Rising_Polarization_of_Work_in_Britain.pdf

68 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

69 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

will be dire unless steps are taken early to prevent such discrepancies from rising⁷⁰.

Consequently, Progressives should point out that the wages can be improved not only due to establishing necessary minimums (in whichever form they are agreed upon – through legislation or following the collective agreements). The wages policy could be reviewed and the levels could easily be improved, if in these transformational times innovation and productivity were to translate also into employees' benefits.

In a long run (...) a more ambitious wage or labour policy should be financed through more innovation and more productivity. (...) It is very important to define what a policy promoting productivity means from a progressive perspective and to always keep in mind the possible consequences on the working conditions⁷¹.

That last proposal may of course sound risky at first, but not if the new perspective also connects this with the vision of Welfare Societies anticipating on eventual insecurities and provides adequate answers in terms of safety nets around the so called New Risks. But in that context **it is essential that the Progressives advocate for a greater say, a greater autonomy and a greater involvement of workers in decisions on how to use the productivity gains for the benefit of both the enterprise as a collective and them as individuals.**

Giving more autonomy to the workers seems (also) a good tool to increase their involvement, their effort at work and therefore their productivity⁷².

70 D. Tsarouhas, *Rethinking the European Social Model.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 126 - 146.

71 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong Labour Market Institutions.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

72 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

What is more, the personal direct involvement of the employees may be key to cushion yet another transformative proposal that is being articulated on the European level in the recent years. This is the agenda for renewal of manufacturing and the re-industrialisation strategies, if successful, are likely to bring a shift in the set up dominated at this point by financial part of the economies. Even if there is an agreement in general terms, left and right are not united in terms of particularities binding the ambition respectively with diverse views of how to materialise that project. Regardless of the political aspect, the consensus would suggest that realisation is feasible. Then it is likely to see certain localisation and would require the expertise of those in place, who could then benefit from creation of new, ‘real’ jobs.

The left and right both see the renewal of European manufacturing as symbol of the necessary shift away from reliance on the finance industry, and to more localized, if still national economies. To both sides, this shift will hopefully bring with it sustained growth and “real jobs”. Also unsurprisingly, the concerns of the left and right are different; the left typically hopes that these new jobs will be ecologically sound and will involve shifting energy consumption away from carbon-based materials to more sustainable sources. The right typically aims for the new EU industries to be globally competitive and that unreliable oil and gas supplies will be replaced by more autarchic energy sources such as coal, fracking and nuclear⁷³.



Having the latter in mind, it would be high time for the Progressives to become more outspoken also nationally regarding the European dimension of both industry, services provision and hence after consolidating labour market. **Progressives should in fact become champions in creating new common EU labour laws, which would regulate existing situations (frequently leading to distributional**

73 M.Weatherburn, *The Politics of Productivity: Big Data Management and the Meaning of Work in the Post-Crisis EU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 72 - 90.

conflicts, as it was observed most apparently in the context on the UK referendum on 23rd June 2016) and would anticipate on further frictions that are likely to appear in the future. (for more on European dimension see Points: 4.4, 4.5 and 8).

(...) to homogenise labour markets ought to be a priority for European socialist parties. This implies the creation of common labour laws, the reduction of differences among national minimum wages and the aspiration to a 'single contract' for all European workers⁷⁴.

5.5 Restore the logic of work contracts and set a blueprint for them

Coining the understanding of quality egalitarian employment will require from Progressives not only opening new avenues, but perhaps an even more fundamental revision of the building elements of the current labour order. Though some of the aspects may seem too trivial to be addressed on the macro level, it would seem that without touching upon them the strategy would run a risk of being either incomplete or failing in delivery. An example of such a core issue to be addressed is the question of work contracts.

Traditionally, work contracts have constituted an agreement between employer and employee, specifying the job description and working conditions – especially regarding particularities that are not regulated by labour codes otherwise. While that has been the case, the ongoing evolution heavily affected the terms on which basis many work contracts in Europe are being signed today. Among these is that which enabled the emergence of the infamous so-called “zero hours” contracts.

74 I. Urquizu, *European Union and Inequality.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 102 - 120.

It is important, therefore, to find ways to regain ground and revisit the legal provisions in order to set the blueprint in terms of minimum conditions that each work contract simply has to abide by. **Progressives should therefore regain ground by voicing the debate on the political level with a plea that every work agreement should be a *solid work contract*.** This has to be a fundament of their egalitarian quality employment strategy.

Progressives forces, both left wing parties and trade unions, should be much more confident that their traditional preferences with respect to stable contract, decent pay and low involuntary unemployment (but not maximization of work effort!) still offer a solid basis for an attractive progressive agenda for the future as opposed to the predominant neoliberal economic agenda⁷⁵.

This will require addressing the already mentioned “zero hours” contract, as well as the situation in which work contracts are replaced by the services provisions, releasing the contractual sides from their obligations vis-à-vis social security systems. Consequently the efforts are bound to relate to a need to tackle the growing practice of closing short-term contracts. It is true that in some cases they are unavoidable and that sometimes it is the employees who prefer these – being uncertain about their own long term planning. Nevertheless, beyond those in general they should not become dominant as the easy solution and so here reinforcement of the incentives to rather close long-term contracts (and disincentives towards short-term ones) should be considered.

Employment protection reduced the probability to be fired and therefore increases the capacity of workers to bargain. (...) A global approach towards employment protection taking into account short-term and long-

75 P. de Beer, *Stable work as the bedrock for more socio-economic security.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 176 - 179.



term contracts is needed. The challenge for policy make is to find the appropriate balance between these two types of protection. The use of short-term contracts is unavoidable in some very specific situations. Firms should have this flexibility to use them. But what should be avoided is the situation where short-term and long-term contracts become substitute. Here, the institutions should clearly give incentives for firms to use long-term contracts by reinforcing the cost associated with the use of short-term contracts⁷⁶.

5.6 Argue for a reduction of working time and set limits to prevent zero-hours contracts

The proposal to legislatively reduce the number of hours for the full time contract is not a new idea. In fact, it has been a part of a conversation within the progressive family for a while⁷⁷, whereby it meets a broader consensus that shorter working days (week) may contribute to an improvement of health and wellbeing of employees. And consequently, as studies show, while better-off employees work more efficiently – it may boost their creativity, strengthen their proficiency and result in overall accelerated productivity.

While the debate may be familiar, its arguments would require better embedding in the quality egalitarian employment agenda. To begin with, **Progressives should showcase that a reduction of working hours benefits all – individuals, society and economy.** This would require showcasing that as a movement ready to shape modernity, Progressives are prepared to liberate themselves from the old understandings and coin a new way of thinking about managing economies.

76 R. Bazillier, *Labour Market Institutions as a pillar of Predistribution.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 170 - 183.

77 <https://www.theguardian.com/world/2017/jan/04/sweden-sees-benefits-six-hour-working-day-trial-care-workers>

We remain trapped in old ways of managing economy. Contrary to the dogma of conservative economics, the Keynesian approach does work – deficit spending will create employment and revive macro-economic growth. However, the increasing globalization of the economy means that national policy is less effective than in the past. More spending is necessary to create given level of jobs. But more importantly, the Keynesian macro-agenda itself exacerbates other pressing problems, most notably carbon emission and ecological degradation. (...) One obvious pathway forward is to address unemployment not through growth. (...) the hours reductions in line with productivity increases are necessary for achieving full employment.⁷⁸

Furthermore, there is a need to readapt the debate and bring about new arguments to further embed the idea of work time reduction in the current political conversation. **Looking at the already mentioned the challenge of “zero hours contracts” (see Point 5.5), it would be important for Progressives to set the floor for minimums and bring back the equilibrium.**



At the same time, however, it would be harmful to be predominantly defensive here, especially while **Progressives can also use the studies on the matter, which show that the impact of working time reduction may have a positive influence in less obvious, other dimensions. Examples here include greening of the economies.**

The importance of sharing work equitably in periods when labour demand is low, is well known in European discussions. However, there is another reason why work time reduction should be a key demand for social democratic and progressive forces, which is the link between hours and climate destabilization. (...) on the bases of new research I (Juliet Schor) have conducted with sociologists Kyle Knight and Eugene Rosa, that shorter hours are a powerful level for reducing emissions carbon footprints and even ecological footprints.⁷⁹

78 J. Schor, *Hours Reductions: An Ideal Issue for a Red-Green Coalition.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 164 - 177.

79 J. Schor, *Hours Reductions: An Ideal Issue for a Red-Green Coalition.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 164 - 177.

5.7 Reshape the debate on flexicurity, putting security first and focusing the concept on catering to people's contemporary aspirations

Flexicurity has become an infamous concept. Indeed, when introduced into the pan-European progressive debate it carried a hope based on successful realisation in specific circumstances of certain individual Member States. But as such it failed to become a blueprint, evolving to be associated with liberalisation of the labour laws and contributing to vulnerability, disposability and anxiety of the employees.

But even if referring to the concept may already be seen as controversial, the fact remains that in its initial theoretical assumptions, flexicurity was an emancipatory concept, showcasing belief in employees' capability to exercise the right to self-determination. This aspirational approach should be retrieved and therefore authors contributing to the FEPS Next Left Research Programme have pondered recommending flexicurity to redefining, rehabilitation and re-introduction.

The first step would be to acknowledge that flexicurity, as defined until now, is bound to hit certain limits. If labour laws and employment protection measures are weak, flexicurity is indeed destined to fail. The way to overcome it is on one hand to strengthen the labour codes and labour market institutions (see Point 5.3), and on the other to forge a different, internal kind of flexibility.

(this) concept of flexicurity has shown its intrinsic limit. One basic reason is that it is maybe impossible (or very difficult) to find a system where low employment protection is associated with more security for workers. That is why it is necessary to find other types of flexibility. We argue that internal flexibility, rather than external flexibility, can be a better substitute and be more compatible with the goal of job security⁸⁰.

80 R. Bazillier, *Towards an Egalitarian and Efficient Economic Model Based on Strong La-*

This already shows that should Progressives wish to revisit the debate on flexicurity, they would need to provide a different, progressive definition of the term. It would have to abide by the principles of the egalitarian quality employment (see Points 5.1 and 5.2), focusing especially on the initial promise to promote ways to enable a better work-private life balance. The desire for the latter is now as strong (if not stronger) among the employees as it was in the times flexicurity was discussed for the first time.

It may therefore be time to be imaginative in seeking to move beyond the narrow confines that the current flexicurity debate has acquired. Perhaps a more explicit focus on those aspects of the labour market flexibility that promote work-life balance by taking nothing away from productivity would be a way to re-launch this extremely timely debate on a healthier footing. This would then be a call for a progressive definition of flexibility going beyond the current defense stance adopted (for fully good reasons) by different actors⁸¹.



In that context it is important for the Progressives to underline that understanding of the *work-private life* balance should not be limited to thinking about the family-related issues. On the contrary, taking into account both the changing individuals' aspirations, as well as the quickly transforming time, there is a need for the Progressives to think about flexicurity also in ways in which it can support employees in seeking development opportunities (in terms of education, broadening experience etc.). In that sense it would contribute to increased adaptability of the employees. Yet again this would be an argument that could be used to show that self-fulfillment and well-being are essential for employees to use their

bour Market Institutions., [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 214 - 235.

81 D. Tsarouhas, *Whither Flexicurity? Discursive Exercises and Empirical Reality in European Labour Market Reform.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 236 - 262.

full potential and hence help boosting productivity. (See Points 4.3, 5.1, 5.4 and 6.4).

There is nothing with the concept of flexicurity defined as an attempt to make labour markets work more efficiently by enhancing productivity whilst making sure that employees can adapt by changing labour markets and feel secure while doing so. (...) Fundamentally what should be at stake in the debate over flexicurity is to strike the right balance between flexibility for employers and security for employees, taking into account the changing labour market and addressing the needs of both sides⁸².

Finally, should Progressives resume the debate on flexicurity again, it may help them in battling their own ghosts from the past. Because of the infamous legacy, currently flexibility is focused on demanding continuous adaptability from the workers, who need to follow incessant flexibilisation of the labour market. Instead, the focus should be first on protection of work, then safety nets and activation of employees.

A combination of adjustable labour markets with active, state-driven efforts to increase employment and provide more security to the more vulnerable in the labour market is a goal worth fighting for, especially considering the centrality of employment in providing people with stability that is often denied to them in the contemporary society. What progressives can therefore opt for is an attempt to redraw the current balance in the flexicurity debate, tilted as it is in favour of constant calls for more flexibility and more adaptable workforce. What should be pointed out as a starting point instead is the fact that labour markets have de facto become very flexible in recent years; what is still missing is protection for employees in all kind of different contractual terms, and that is where the focus ought to be. A consistent, well-coordinated attempt to recapture the terms of the debate can contribute to the formation of a progressive paradigm in the labour market⁸³.

82 D. Tsarouhas, *Whither Flexicurity? Discursive Exercises and Empirical Reality in European Labour Market Reform.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 236 - 262.

83 D. Tsarouhas, *In search of a new employment paradigm: is "flexicurity" the answer?.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 180 - 185.

5.8 Commit to continue politically voicing the need for stronger trade unions and demand their involvement in all socio-economic decision making processes

In broad terms, the historical alliance between social democrats and trade unions has been challenged. Although situations may vary from country to country, in general both movements have been striving to renew, within which process they have remained nostalgic about the past and frequently conflicted about the current state of affairs. Literature and political writings provide a number of explanations, most frequently related to the issues of representativeness, diversification of the membership bases and diverging political priorities.

Therefore, it is impossible to continue thinking in terms of old alliance models. Instead, a new one is needed – especially that successful realisation of the above described egalitarian quality employment agenda depends on the existence of the strong partnership between progressives and trade unions – on local, regional, national and EU levels. Therefore Progressives should seek a new, issues-based opening for it.

To start with, social democratic parties can commit to supporting the principle of genuine social partnership and social dialogue at national (and more importantly) the EU level. This can go beyond rhetorical declarations; it could take the form of financial, administrative and technical support to trade unions and federations who seek to establish such dialogue structures with employers. (...) social democracy cannot restrict itself to working through established institutional channels hoping that mainstream unions deliver the goods. Social democrats should dare go beyond the social democratic type of trade unionism, itself in crisis over last two decades. They should be ready to echo the demands of grassroots organisations and local level trade unions active in their local communities



*and operating in a non-hierarchical, egalitarian fashion yet calling for progressive solutions*⁸⁴.

In that context, Progressives have to see beyond the limits of their traditional understanding of trade unionism. That would allow them to comprehend the evolution of the movement. It would also enable them to take a notice of other forms of unionisation, here for example so called *community unionism*, and consider its actual relevance in the modern times.

*(...) community unionism is particularly significant. This is the type of trade union activism that goes beyond the workplace and is potentially more effective because it aims at mobilising groups (such as environmental groups, religious associations and ethnic minorities) outside the workplace and to give voice to broader than-the-workplace agenda that addresses issue of environmental standards, regional economic development and local services. Such an activism has great potential, not least because it binds trade unions to their locality with bonds of solidarity with other groups who share similar concerns. Added to that is the fact that it allows trade unions to shed at least part of their negative image by introducing them as dynamic and relevant groups to the new generation of workers who have little or no ties with the labour movement. Finally, community unionism strengthens trade unions in the long run as it allows them to build a support base among the community and exert stronger pressure on employers to respect employee rights. It is therefore a method of union renewal that uses non-traditional vehicles to reach its objectives. (...) Community unionism can help arrest the decline of organized labour's ability to connect to the citizens and the community as well as its members.*⁸⁵

84 D. Tsarouhas, *Social Democracy and the Trade Unions: Facing the Challenge.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 152 - 169.

85 D. Tsarouhas, *Organised labour and the Progressive Movement.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 190 - 199.



6.

**Embrace new thinking about economy
and regain confidence proposing
a new socio-economic paradigm**

6. Embrace new thinking about economy and regain confidence proposing a new socio-economic paradigm

A New Social Deal, and what follows – an agenda of Welfare Societies and Egalitarian Quality Employment – would essentially require bringing in place a different economic model. Formulating its principles and setting out the essential reforms will demand from the Progressives an unprecedented boldness. On one hand, that is essential to revisit the past, also sometimes-unfortunate policy choices. On the other hand, a new project will allow them to go beyond the current narrative which they found themselves compelled to assume after the crash 2008. Even though they argued that the predicament was evidence against the mainstreaming neo-liberal logic in governance, in its aftermath there was hardly a space for a profound detour. On the contrary, everyone needed to embark on the crisis management strategy instead, which, among others, made it impossible to plan long term and reform.



To begin with, **it is important to re-politicise the debate on economy. This will require bringing back the ethical dimension to the ongoing conversation.** For the Progressives, it is the commitment to solidarity that guides them in framing the rules of the care, green or digital economy. It is also their belief in the principle of democracy that remains a reason for which they want economy – in its 'real' and 'financial' dimensions - to be subordinated to the will and scrutiny of the citizens. (For more on the issue and interpretation of values, please see Point 2 of this Pamphlet).

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Furthermore, Progressives need to bring coherence to the conversation. It is impossible to speak separately about taming financial capitalism and about re-industrialisation strategy. It is irresponsible to detach issues of care, green and hi-tech economies from one another – especially that they all affect and remain affected by the same production and consumption model, and therefore influence the same labour market. Finally, it is unrealistic to try to tackle the domestic issues without grasping the inter-connectedness between regional, national, European and global levels.

Therefore **Progressives should liberate themselves from the crisis-framed, fragmented conversation.** In fact, it has been almost a decade since the crash happened and for many people, what politicians call its aftermath has become the (only) reality they know or can remember. Instead, with much courage, **the Progressives should regain their confidence to propose a different way of thinking – prompting a conversation on values and goals that should be instructive in framing the rules for the modern economies.** They should argue for coherence in approach and above all, they should be the ones to emphasise that it is the economy that should serve the people.

6.1 Put forward a vision for a democratic economy and showcase how to change it to make it benefit the citizens

The first issue that the Progressives should tackle is the question of economy and power. This has at least two interlinked dimensions. The first is about ensuring that it is economy that serves people and not people who are subordinated to economy. Secondly, that there is both a democratic supervision and a democratic, participatory approach towards decision-making processes within the economy.

As far as the first is concerned, it is important that the Progressives call for *democratisation of economy*, showing that underpinning this call is future-oriented thinking and not a nostalgic illusionary idea. This is why it is essential to understand *economic democracy* as overarching framework, within which one decides on allocation of resources to the tangible benefits of societies and for the sake of ensuring a *good life* for each and everyone.

If the project of democratization of the economy and society is to succeed, it must provide new answers to the question of 'good life' and embed these answers in a positive story. (...) A progressive Left should understand economic democracy as an overarching framework of orientation that needs to be translated into specific and politically attractive propositions. It is not about a theoretical tinkering with utopia, but about an understanding of the common-good-oriented democratization of economy and society as a response to our global challenges and therefore to advance in both in civil society and institutional politics. (...)⁸⁶

Furthermore, the call for *democratisation of economy* has to be in essence about imprinting moral dimension into the ongoing conversation. That would break out of the mainstreaming neo-liberal terms in which it is held captive just now. While democracy has to remain a principle guideline, as a new framework *democratic economy* can help Progressives in responding to anxieties which people have regarding having lost control over their lives. It can prove that Progressives understand that people are in fact both empowered citizens and economic actors at the same time. In this way, **democratic economy can become a reference point and facilitate reaching out in sake for mobilising diverse, disfranchised groups. Even if it may prove not to be sufficient for Progressives to build new alliances, it can definitely help them in using the context that the**



⁸⁶ P. Zwicky, *Economic Democracy as a Key Element of a Social Europe*. [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 358 - 394.

diverse mobilisations created – *occupying* the streets and raising voices on behalf of the 1%.

Social Democrats must once again put power in the hand of people. They must give them more control over their lives. That takes a stronger organisation of the economy, a more thorough social safety net as well as a public sector that enables and empowers without reducing citizens to economic actors only⁸⁷.

Last but not least, the plea of *economic democracy* can become, in the current context, a springboard for the Progressives to relate to the groups that traditionally have been somewhat less 'obvious target groups' for them. Here a definite potential is related to connecting with progressively thinking entrepreneurs. Their creativity and readiness to be actors in innovating economies is what makes them desirable allies in advocating for a new model. The conversation has to go, however, beyond the limits of the current appeal to SMEs (Small and Medium Enterprises), which is present in electoral programmes of all the traditional parties. Instead, the approach needs to become more nuanced and focused on access to knowledge, resources and entrepreneurial opportunities. In this context it would also be worth exploring specific issues, such as, for example, empowerment of women and young people in terms of ensuring an equal chance to become entrepreneurs (in terms of accessibility of credits, support, safety nets).

Social democracy needs to push forward economic democracy as a part of a movement that extends beyond the traditional core of the party and includes other political parties, movements, organisations and progressive enterprises⁸⁸.

87 K. Weise, *Empowering the People: Social Democracy and the Future of the Welfare Society.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 408 - 421.

88 P. Zwicky, *Economic Democracy as a Key Element of a Social Europe.* [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 358 - 394.

6.2 Build a solidarity economy that delivers for quality egalitarian employment agenda and clearly reject austerity

While promoting *democratic economy* is focused on transforming the terms of the conversation and reaching out to different disfranchised groups (see Point 6.1), the pitch would remain incomplete unless it explains in a clearer way what sort of a new model would be the objective. For that reason **Progressives should compliment their proposal by speaking about *democratic economy* as indistinctly related to a prospect of *solidarity economy*.**

To begin with, **Progressives should define solidarity economy as a model of production, consumption and investment that is concentrated on ensuring prosperity and progress for all. That stands in opposition to the current fixation on *accumulation* (of *capital*) and *competitiveness*.**

Left wing parties need to think about an alternative way to talk about work and production. (...) the solidarity economy offers the left the possibility of addressing exclusions created by labour saving technologies and the global division of labour and at the same time, it offers the possibility of remaking the economy on a different, more humane basis. (...) The solidarity economy includes economic organisations such as cooperatives, associations of small producers, local or regional economies characterized by degrees of cooperation between business, local money, initiatives, community initiatives for the delivery of services, and the like. In general, solidarity economy is characterized by economic units owned by their workers (or small business), where the goal is the reproduction of life rather than the accumulation of capital. Solidarity economies often emerge as defensive reactions of people excluded from the labour market, but they can also become engines of growth for localities or regions. The promotion of solidarity economies can help the left achieve important goals. First, solidarity economic activities create employment, offering options to people who are not incorporated into formal work or who have been displaced by "creative destruction" of



the market to work the jobs in which they have a say in their work. (...) (2) Solidarity economic activities can consolidate the social life of localities and regions. (...) (3) Solidarity economic activities can operate as stabilisers. (...) (4) Solidarity economic activities, if guided properly, can help promote green economy. (...) Solidarity economy operates within the market economy and its economic units have to be competitive in the markets they operate. But the criteria of competitiveness of solidary economic organisations are different from those of corporations.⁸⁹

Furthermore, *solidarity economy* should be the conceptual framework to second *democratic economy* in terms of re-focusing economic reforms on broadening access to opportunities. This means insisting that while growth remains objective (however differently defined, in which Point 6.3 elaborates further) – it has to be an equitable one.

Successful approach will require a relentless focus on social opportunity for all people and an economic agenda that puts interest of working- and middle-class families first. In particular, the burgeoning research and policy agenda around “equity and growth” provides a good model for policies that can successfully unite a multi-racial, multi-ethnic, cross class coalition.⁹⁰

Last but not least, *solidarity economy* has to translate into a concrete, tangible set of policy proposals. These should start with rejecting austerity agenda. Although the Progressives have been outspoken critics of it at the beginning, they found it particularly difficult not to apply it at least partially when in government. One may try to explain these hard policy choices either through the prism of the 2008 crisis or through the framework of the debate on sustainability of the welfare state (see Point 4). But the fact remains that austerity and cuts not only do not work but also as destructive policies they meet much

89 J. Itzigsohn, *The Left and the world of work.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 156 - 163.

90 J. Halpin and R. Teixeira, *Creating Minority Coalitions in the United States and Europe: is there a Blueprint for progressives?*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), vol. 9, pp 64 – 99.

opposition. People consider that it is austerity that undermines the provision of the policies that they believe to have rights to. Therefore, **renouncing austerity as counter-productive to the *solidarity economy* is also strategically important.** A clear cut is key for the Progressives to reach out and restore connections without which a new majoritarian cross-class coalition simply will not be possible.

The shared objectives (of a new coalition) must certainly include programme for faster, more equitably-shared growth and full employment. (...) With the proper policies in place – new investments in infrastructure, education and renewable energy and far-reaching labour market reform – it will be possible to usher transition to a high productivity, high wage, high employment service sector. (...) A new growth model starts, of course, with a rejection of austerity economics. Whatever the short-term compromises necessary to keep some countries afloat, austerity is not and cannot be a progressive growth policy – indeed the evidence is strong that it is not a growth policy at all. Social democrats must be clear and vigorously propose a well-defined alternative⁹¹.

Coherently, it will then be possible for the Progressives to forge a different way of looking at the budgetary balance sheers. They will be able to argue why, in its concept, *solidarity economy* provides the way to enact social policies not in the narrow category of spending – but rather in terms of investment and essential safety nets. **Progressives may hope, therefore, to use *solidarity economy* as a framework to explain the existence of an extended public social insurance is a matter of both moral imperative as well as a pragmatic and realistic approach in taking responsibility for where the markets remain imperfectly regulated.**



91 J. Halpin & R. Teixeira, *Creating Majority Coalitions in the United States and Europe: is there a Blueprint for Progressives?.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 64 - 99.

(...) social spending should be properly understood as a response to the incompleteness and failures of private insurance markets, and their inability to provide a long run protection compared for fundamental risks related to health, old age, unemployment. In this respect, the solutions represent a certainly imperfect response, but almost always preferable, in terms of efficiency and fairness, compared to market alternatives⁹².

6.3 Embrace the criticism of growth and propose a new definition that embeds it in the framework of democratic solidarity economy.

The FEPS Next Left conversation began in the immediate aftermath of the 2008 crash. This had obvious implications, as at the time many constituting assumptions of the economic order were being severely questioned. An example of that was the conversation about *growth* which re-occurred and, particularly at that moment in time, was defined by a somewhat existential question, if *restoring growth* after the crisis was at all possible. In the European context, the very same discussion induced a dispute on the feasibility of the Growth and Stability Pact.

With that in mind, the earlier writings have been heavily focused on analysing and comprehending the existing criticism, with a final recommendation that the Progressives should embrace the critic of the classical approach to growth within the same conceptual framework that they use to talk on alternative, democratic solidarity economy (Points 6.1 and 6.2), as also Welfare Societies (Point 4) and Egalitarian Quality Employment (Point 5). The motivation for Progressives to adopt the critical approach would be, among others, the fact that the existing

92 R. Mazzocchi, *Europe beyond Maastricht – The Role of Inter-State Transfers, Social Protection and Cultural Homogenization.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 122 - 152.

understanding of growth fails to connect it with the social goals it should serve, and this then defines social progress and transformation for the benefit of all.

A progressive growth criticism must be a specific critique of capitalism, it needs to be internationalism and pluralist and it has to consider questions of the intertwining of social and ecological sustainability, (in)equality and distributive justice, democracy and a new understanding of "good life"⁹³.

Subsequently, it would be important to admit that assessing economy through the Growth Domestic Product (GDP) growth may miss out an important part of the socio-economic reality from the scope. In that sense, **for the Progressives GDP growth should be seen as a tool in achieving socially defined goals, but the economic performance should be evaluated in a broader sense using other qualitative criteria that would also allow analysing in how far this growth impacts fulfillment of human needs and the sustainability imperative.**

Policy makers should analyse the policy's impact using multi-criteria analyses. GDP growth cannot be seen as a panacea. Progressive should aim at improving daily life of the people. GDP growth can be a tool to achieve this goal, if this growth is also compatible with the achievement of other priorities such as the fulfillment of human needs and the sustainability imperative. The nature of growth is more important than growth itself⁹⁴.

Merging the qualitative and quantitative dimension in the definition of growth (for more on that see also Point 4.2 on *socially valuable contributions*) can create a new opening in the conversation on debts reduction. This would be essential for

93 P. Zwicky, "Daring More Democracy" – Reflections on the Future Foundation of Welfare Society., [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 210 - 237.

94 R. Bazillier, *The economic meaning of progressive values.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 68 - 96.



the Progressives in bringing forward a new, anti-austerity narrative (see Point 6.3), alongside reinforced focus for a positive approach that instead of debts focuses predominantly on growth and its creation. It would also pave way in the European context to move from Growth and Stability Pact towards Growth, Employment and Stability Pact⁹⁵.

Social democrats must develop domestic economic plans that don't just include targets for deficit reduction (the current approach), but the mechanisms that might actually produce a spurt of new growth⁹⁶.

To that end, the new definition of growth and a shift from the debts-reduction oriented conversation would enable **Progressives to re-introduce long-termism while talking on economy, its model and service. This is why one of the critical criteria that should complement the classification of *what is growth nowadays* – should be the benchmark of sustainability.**

There is a real challenge for progressives to exit from (this) austerity trap by proposing alternative macroeconomic policies based on the need to foster growth and employment before achieving the goal of reducing public deficit. (...) In the long term, we have to solve the contradiction between the need to foster growth in the short term in order to reduce unemployment and the imperative of both environmental and social sustainability. (...) Coherence is therefore needed to redefine a socio-economic paradigm taking into account the challenge of sustainability. The definition of efficiency should take into account multiple factors and consequences. There is a need to redefine the concept of effectiveness by including the imperative of sustainability⁹⁷.

95 For more on the subject, please consult FEPS Next Social Europe work – especially the one focused on "Rewriting the Rules for European Economy".

96 J. Halpin & R. Teixeira, *Creating Majority Coalitions in the United States and Europe: is there a Blueprint for Progressives?.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 64 - 99.

97 R. Bazillier, *A New Socio-Economic Paradigm: Jobs, Equality and Sustainability.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 144 - 153.

Last but not least, yet another argument to justify the call for a new definition of growth is the issue of changing circumstances (already mentioned developing society, industrial and digital transformations etc.). This is why in redefining what growth is, it is important to look at the possible new sources of it (see Point 4.2).

The Eurozone seems bound to repeat the fundamental mistakes of the Great Depression. (...) Repairing the financial sector is necessary for economic recovery, but it is far from sufficient. Advanced economies were facing many difficult problems before the crisis; the financial bubble merely concealed their weaknesses. (...) In order to leave behind the consequences of the Great Recession, all advanced economies will have to pursue "new sources of growth". (...) We need a medium- to long term plan to restructure the economies and restore jobs in advanced economies via massive investment in new infrastructure, upgraded skills, human capital improvements and low carbon energy (structural policies). (...) For capitalism and market oriented economies to be sustainable rather than ending up in prolonged stagnation, we need to return to the right balance between markets and provision of public goods⁹⁸.



6.4 Coin a new approach to productivity and link it with the proposal to raise wages

The argument to redefine growth (its measuring, its sources and allocation of its benefits) has to be reinforced by simultaneous efforts of the Progressives to reclaim the term “productivity”. It is a key element in assessing in how far economy is in fact in service of the people.

Productivity growth is a key element to assess standards of living in an economy. Improving national productivity raises income and therefore

98 P. Guerrieri, *The Risk of Prolonged Stagnation and Policies for New Growth Engines.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 132 - 143.

improves individuals' ability to purchase goods and services, enjoy leisure and more generally fulfill their own needs⁹⁹. (...) In the long run, productivity gains are also sustainable way to increase wages or improving working conditions without worsening profitability of firms.

It would seem that the current perception explains productivity in the narrow terms of productivity gains, which evaluation criteria are insufficient. In that way, the present approach makes it is possible to overlook certain negative effects of productivity (especially in terms of demands for work intensification). Therefore **Progressives should look at how to change it, in which attempt they should follow the logic of linking (as argued in Point 6.3) quantitative and qualitative measurements of economic performance. The way to do so would imply looking at the mutual relation between productivity and the working standards.** Political translation of it would then be reflected in searching for tools that would ensure simultaneous increase of productivity and wages.

Productivity can have two types of effects on working conditions: a positive one due to technical progress and management optimisation and negative one mainly due to work intensification¹⁰⁰. (...) It is also possible to think on what should be a progressive definition of productivity if we acknowledge that productivity gains are necessary in a long run to increase wages to improve working conditions. But because of the possible negative consequences of productivity on the quality of life of workers, not all productivity gains will be welfare enhancing. (...) The main policy challenge is to find relevant tools to increase productivity and wages simultaneously.

Consequently, the GDP and working conditions would have to become sides of the same equation. In order to ensure the equilibrium,

99 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

100 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

it would be important to look at communalities between the definition of what constitutes quality employment and what improves workers' productivity. Studies indicate they translate to similar objectives, amongst which there are: training, introduction and diffusion of technological innovation and infrastructure, improvement of organisational models etc. The buzzword that connects these is "investment".

The only important thing for the well-being of a country is thus its productivity. The growth rate of living standard equals the growth rate of domestic productivity. Instead of recommending policies of wage deflation, with negative effects on income distribution, Europe should direct its efforts toward policies that raise the productivity of the various Member States: increase workers' training, introduction and diffusion of technological innovation, improvement of national infrastructures, improvements in organizational models of production process etc. And of course investments¹⁰¹.

Finally, forging the new approach would require a broader consensus to support the paradigmatic shift. In other words, it would come down to successfully involving both workers and shareholders, who jointly should determine in practice the fair ways of sharing the productivity gains. This would call for strengthening the role (the say) of social dialogue in policy-making processes.

Productivity gains should be equally shared between workers and shareholders and wage increase is a necessary counterpart to productivity gains. Different institutions and policies should aim at preserving this goal. The role of social dialogue is crucial¹⁰².

101 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

102 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 - 51.



6.5 Progressives should expose the dogma of competitiveness and propose a narrative shift towards the language of “comparative advantage”

The globalisation-related discourse of the 1990s put emphasis on the question of competitiveness. The prospect of the international expansion and consolidation of the markets was understood as the one in which it would be necessary to outperform the others in order to survive. It meant searching for ways to stand out in the new conditions in which (financial) capital became de-localised and could transfer rapidly from one place to another. The ease of transferability of resources was a reason for worry, especially that sudden withdrawal of a multinational corporation from one place to another could mean, among others, massive jobs losses.

In those days, the European Progressives concluded that the best way to deal with the situation was to embrace the logic of competitiveness. They were fully aware that they would not and could not allow the race to the bottom in terms of deregulating labour markets in order to make the labour cheaper and race with the precarious working conditions elsewhere. Instead they considered it would be smart to rather think about raising the attractiveness of the labour force – and this is where the idea of making Europe the most competitive knowledge based economy came into question. It assumed that if people would accelerate their skills and expertise, not only would they be more desirable employees, but also they would be able to readapt to changing circumstances (therefore also redundancy).

There are number of issues with the execution of this idea, amongst which, in the narrative terms, the most difficult is that competitiveness became a sort of a dogma. Subsequently and against the hopes of the Progressives, it turned out to be a vessel for

neoliberal policies of privatisation and liberalisation. Having learnt that lesson, **the Progressives should denounce the idea of international competitiveness as it is framed now as a dangerous concept.**

There are claims that have a force of dogma. There are stereotypes that have crept in the collective imagination so quick that now most of them are not even perceived as clichés. One of these dogmatic claims is competitiveness. Along with privatisation and liberalisation, it is one of the most persuasive cultural phenomena in the economic policy debate of the last three decades¹⁰³. (...) International competitiveness is not only a meaningless word when applied to national economies. It is a dangerous concept.

There is a supportive research evidence to show that it is only a myth that the fortunes of a country would be determined directly by its success on the world market. On the contrary, studies show that leading nations are not in direct economic competition with one another. Neither can any of the major economic problems be attributed to failures to compete.

The idea that the fortunes of a country are determined by its success on world market is only a claim. Empirical evidence shows that this hypothesis is wrong: leading nations are not to any important degree in economic competition with each other, and none of the major economic problems can be attributed to failures to compete on world's markets¹⁰⁴.

Therefore in their search for a new approach to bring about democratic solidarity economy and to redefine the criteria of productivity, Progressives need to seek ways to abandon the neo-liberally imprinted discourse on competitiveness and instead put forward a narrative

103 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

104 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.



focused on “comparative advantage”. It would have three eminent political and strategic benefits.

First of all, it would allow focusing on the building on existing resources and consequently seeking to accelerate on where the country (or EU) is already particularly strong. This would impact thinking about international trade, which would then become oriented predominantly around the logic of being a matter of mutually beneficial exchange – rather than draining competition.

Each country can gain by specializing in the good where it has comparative advantage, and trading that good for another. Therefore international trade is not about competition. It is about mutually beneficial exchange¹⁰⁵.

Secondly, that would allow reconnecting with the question of competitiveness, which Progressives should explain rather in terms of a search for comparative advantage. This changed **narrative could help them reclaim ground in a conversation that they initially marked by knowledge-based economy concept**. It would help them showing yet again that keeping up with the pace of change, investing in innovation and translating technological progress to the benefit for all has a broader socio-economic sense.

Maintaining productivity growth and technological progress is important for its own sake, and has nothing to do with international competition¹⁰⁶.

Thirdly, **the newly forged connection between redefined productivity and comparative advantage would be yet another argument in the debate on welfare state and redistribution of profits, allowing Progressives to address the question of current**

105 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

106 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

misallocation of public resources. Its set up still serves the old paradigm of competitiveness and instead should predominantly look at capacity, creativity and security building.

The most obvious worrisome danger of obsession with competitiveness is that it might lead to misallocation of public resources¹⁰⁷.



107 R. Mazzocchi, *The Economic and Social Consequences of the Obsession for Competitiveness in the EMU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 52 - 70.

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7.

**Regain ground in the debate about
the role of state
and make the case for
a strong, active and dynamic one
that prevents inequalities**

7. Regain ground in the debate about the role of state and make case for a strong, active and dynamic one that prevents inequalities

It has been already reiterated that *these are transformational times*, in which the evolving world has become more interconnected and paradoxically more divided than ever (see Introduction). While the regions and states become more and more interdependent, at the same time there are growing inequalities within them and among them. The crash of 2008 was therefore a certain wake up call, which should have been a reminder that the asymmetry and causal imbalance of that kind is prompted to be unsustainable. The point remains that although there was much talk about *not returning to business as usual*, in fact not much has been done to effectively change the state of affairs and to reform the global order.

The Progressives have to become more outspoken in this debate, which will require from them an honest assessment of the standpoint that they chose to take in the 1990s regarding *globalisation*. Although they remained internally divided on the matter then, in essence there was a consensus that *globalisation* was there to continue, it would be unstoppable and one could only try to manage certain aspects of that for the benefit of more than just a few. The problem with sustaining this political line is that it keeps the focus on a process and not on the actors who are behind it. In that sense it is essential to frame the debate



about interconnectedness and inequalities of today in the context of power struggle – between the financial capitalism internationally expanding through correlating markets and the governing structures. In this context, **the Progressives have to regain ground and rephrase the debate on the role of state.**

This relates to three dimensions, which will require addressing. First of all, because of the way *globalisation* was initially explained – it became one of the invisible, impersonal, global forces¹⁰⁸. Against it, the state was painted as an actor that was meagre in terms of power. Secondly, while the speed and scale of changes have been great, it seems to have been contrasting with the pace with which the state could readjust. Symbolic here is the comparison between the time needed to change the entire production line of a global company (just a few weeks) and the period needed to reform any aspect of policies (a few months or even years). Thirdly, it remains a question of who in fact has an initiative and who needs to readjust. In that context it would seem that it is capital that has constructive and destructive powers, whilst against this background state's role is reduced to mitigation. These three aspects have to be addressed in a programmatic manner and **Progressives have to offer new answers painting their vision of a strong, active and dynamic state.**

7.1 Prove that state can be a strong actor in global economy and fight against introvert, protectionist and nationalist forces

As much as it was the case almost two centuries ago, still today the core struggle for power is the one between the *capital* and the *people*.

108 A. Gusenbauer and A. Skrzypek, *Moving Towards Welfare Societies – Inclusive Approach.*, [in:] *The predistribution agenda. Tackling Inequality and Supporting Sustainable Growth.*, C. Chwalisz and P. Diamond (eds.), I.B. Tauris 2015, pp. 247 – 254.

At the heart of it is who dictates the rules regulating access to and distribution of resources, knowledge, wealth and opportunities. What has changed is the level, as the course of economic developments elevated capitalism onto a different stage. This process has been described by two characteristics: *globalisation* and *financialisation*. They seem to have led to a situation in which a singular state, with its traditional policy tools and prerogatives in economy, is perceived as the one that 'can do very little' to eventually curb undesirable developments. This, naturally, is not true.

While the Progressive answer has consistently been the international governance and the European integration, it is obvious that they should complement their argument. The way to do so is to say that international and European cooperation are key to regulate capitalism on those respective levels of governance, however they can only matter if in their actions they are supported by strong, involved states. Therefore there is no trade-off between strengthening either of the three, as only three of those layers consequently and mutually seconding one another can jointly produce outcomes that are desirable and meaningful for the citizens.

(...) social democrats need to take seriously claims that our society and economy are becoming increasingly globalized, without signaling the retreat of the state as an actor. (...) The task for social democrats is to increase the interventionist and developmental capacities of national governments, while strengthening and embedding the domain of global politics. These are two sides of the same coin: a global polity will not be created if national politics remains weak and fragmented, just as national governments will struggle to produce meaningful solutions for citizens without the capacity to act on global scale¹⁰⁹.

109 P. Diamond, *Global governance in crisis: towards a cosmopolitan social democracy?.*, [in:]*Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 258 - 264.



Showcasing interdependence between the three levels of governance – international, European and state – would be becoming particularly timely. In the relative chaos that Europe finds itself in after the referendum in the UK on 23rd June 2016, it could become a guideline as how to respond to the claim that singular states can do better on their own. This is unfortunately being echoed elsewhere, in the countries where populist and nationalist forces manage to rise and articulate protectionist agendas. To that end, while making a counterproposal to their vision of the state – **the Progressives have to focus on the role of state as the guarantor of economic and social stability. These are determined by factors on both inner and outer sides of the national boundaries.**

Democracies themselves are in danger from too much social uncertainty and economic inequality. (...) What that means for social democracy and social democratic policies? (1) The social democratic conception of the state must be renewed against the background of the excessive criticism of state characteristic of economic policy in the recent decades and of the global financial crisis. (2) Social democratic policy should be based on a participatory conception of the state, which all social groups can benefit from in an equitable manner so that the state does not become prey to individual, particularly powerful interest groups. (3) The social democratic conception must, beyond the nation-state, take into account integration in the European Union and the need for global cooperation. (...) (4) Politics must have a primacy over market economic processes. The role of state as guarantor of economic and social stability must be reinforced by extending its relevant competences and endeavors and by providing for an adequate revenue base¹¹⁰.

110 J. Nida-Rümelin, G. Horn, Ch. Färber and G. Schwan, *The tasks of state and its responsibility for the future.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 24 - 49.

7.2 Reinvalidate the idea of a Dynamic State and restore citizens' confidence in it

The apparent disempowerment of the state in the light of the 1990s dispute on globalisation prompted an acceptance of a following dichotomy. The (financial) capitalism and the markets would seem, in popular opinion, as dynamic and evolving, giving the impulses for innovations and defining the character of changes. State, on the other hand, would look more and more like a static set up of institutions – who were only partially able to recognise and hence readjust to meet the demands of the ongoing transformation. Citizens most obviously have been and are expecting more than this, which to a certain degree would explain the raise of the system-contesting attitudes.

This is why the success of the attempt to restore public confidence in a role of a progressively defined *strong state* (nationally, European-wide and internationally – see Point 7.3) depends on in how far it can be made look *dynamic* again. The evaluation criteria here connects with restoring its prerogative to define the socio-economic paradigm (see Point 6, and especially 6.1) and to remain *active* in shaping its subsequent policies. **This means that the Progressives need to connect the debate on the role of state with the strategy on how to realise their vision of democratic solidarity economy, egalitarian equality employment (see Point 5) and Welfare Societies (see Point 4).**

A step further in the Welfare State is the so-called "Dynamic State" as an actor that sets off new instruments to cover new risks generated by change, increasing their preventive nature, but also their active role in sharing positive externalities and supporting sustainable development¹¹¹.

111 I. Ramos-Vielba, *Future Challenges for the Renovation of Social Democracy.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 24 - 29.

To that end, making a case for a strong, dynamic (active) state has to facilitate making an electoral bid. While the above-mentioned skepticism is measured on the scales showing citizens' distrust towards institution, the sensation naturally transcends and defines the ways they think about those representing them. The eminent criticism affects all the traditional parties. Therefore, it would be relevant for Progressives to show that the way they want to approach the debate about the role of state, where they see its powers to act and why they wish to assume governmental responsibility in a way that does not limit itself to a simple *powerful office seeking*. **The debate on the role of state – and proposing a vision of a *strong and dynamic* one - is in that sense the chance for the Progressives to explain why politics (and policy seeking) matters. This is, in the end, the agency within which constitutional set up for the New Social Deal needs to be realised (see Point 2).**

Democrats and progressives must move forward with a confident vision of how government, despite people's misgivings about it, can serve as a powerful force to lift people up and produce national prosperity by renewing the broad middle class and reducing the ranks of the working poor¹¹².

7.3 Correct the current design of the structural reforms and make a case for pre-distribution

Aiming at reclaiming ground in the debate on the role of state is inseparable from proposing a set of the reforms that would pave the

112 R. Teixeira and J. Halpin, *Inequality, the Role of Government and the Challenge of Winning the White Working Class in the United States.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 110 - 123.

way to the desirable *Strong and Dynamic State*. In that sense it is unavoidable to address two questions.

The first is the existing agenda of so-called 'structural reforms'. As a notion they have become, to a certain extent, an equivalent of 'steered transformation'. That is problematic as their design reflects the current mainstream political management and to that end is influenced by neo-liberal thinking. Therefore **Progressives need to make a clear cut case, denouncing *structural reforms* as such to be a panacea – and instead make a case for a different set of *progressive structural reforms***. It may seem to be a nuanced, semantic battle, however, effectively it touches at the core the question on not only what adjustments, but also in what way concluded and cushioned. The discussion on how to project them should therefore be guided by the commitment to the goals of creating *Welfare Societies* (see Points 4.1 and 4.3).

*Progressive thinkers and policy makers should rethink the concept of structural reforms, refocusing the debate around the primary goal of welfare and quality of life*¹¹³.

Secondly, forging the idea of a *Strong and Dynamic State* will require addressing not only the fact that the state was made to appear weak (see Point 7.2), but also that there has been an implied imbalance in between the creative and reactive powers of the state. It is suggested that the state can only influence rules but essentially not generate jobs, for example, (there is an infamous quote "state does not create jobs"), while at the same time it is expected to assume responsibilities for where things fail to work. This induces the shift through which the state concentrates on correcting outcomes and providing safety nets. **Progressives need to argue that while indeed the state should be**



113 R. Bazillier, *Wage, Employment, Working Conditions and Productivity: A New Focus on Quality*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 28 – 51.

in charge of redistributive and social security policies, its role is equally relevant on the predistributive end – where the rules are being shaped and opportunities for all defined.

The notion of *Predistribution* as a characteristic *Strong and Dynamic State* offers a new opening in the debate on the New Social Deal (see Point 2), through which the core contemporary concerns can be addressed. To begin with, the **concept of *Predistribution* provides the means to support Progressives in their attempt to reclaim the debate on inequalities (see Point 3.2) – formulating a strategy on how to prevent them from occurring.** It then helps to bring into the same political equation notions of equality of opportunities and equality of outcomes (see Point 3.3). Consequently, a *Predistribution* agenda pins down the earlier mentioned debate on *structural reforms*, transferring it into the progressive angle where the goal remains to encourage more equal distribution of economic power and forge egalitarian quality employment (see Point 5).

Predistribution is a concept, which recommends that the state should seek to prevent inequalities from occurring in the first place, rather than using traditional 'tax-and-spend' mechanisms to tackle inequalities after they have occurred. (...) The aim of predistributive policy is to focus on market reforms that encourage a more equal distribution of economic power and rewards even before government collects taxes or pays out benefits. (...) Rather than relying on the distributive realm of social policy, the aim of predistribution is to address the quality of work, the allocation of 'good jobs' in the economy, the prevailing framework of employment rights, alongside the extent to which markets work in the public interest by treating all consumers (including the vulnerable) fairly. Of course, the concept of 'pre-distribution' is hardly an election-winning slogan, but it carries important insights about social democratic policy in the post-crisis era.¹¹⁴

114 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Predistribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypczak (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

While *Predistribution* in itself is hardly an election-winning slogan, advocating for it may be met with certain skepticism. For those who recall the 1990s debate in which it was experimented to bring opportunities and entitlements into causal relation, it can initially look as the return of old unsuccessful ideas in a new disguise. In order to prevent it, **Progressives have to commit themselves to a plea, which clarifies that there is no trade off between predistributive and redistributive policies. On the contrary – realising a promise of a fairer, more equal society in the conditions of permanent hasty transformation requires both simultaneously reinforcing and building on one another.**

*Greater equality of economic outcomes in the advanced capitalist democracies is necessary to ensure a more stable and cohesive society. The lesson of the last thirty years is that both predistributive and redistributive agendas are necessary to build fairer, more equal society. Redistribution and predistribution are two sides of the same coin.*¹¹⁵

Consequently, it would seem that the confusion results from a general inclination to occasionally narrow the understanding of *predistribution* to equal opportunities. That is misleading indeed, as **what Progressives should meanwhile be talking about on *predistribution* is in fact a new framework of which, indeed, *equal opportunities* are a part. Complementary, and in that sense, core elements are renewed prerogatives of the state, so that it is the vehicle to regain primacy of politics over economy and subsequently assumes the position to tame and regulate the market.** It is the answer that will resonate, especially when so many worry about state redistributive capacities in the 2008 crisis aftermath.



115 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Predistribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

*A new social and economic framework focused on 'pre-distribution' has to address three basic concerns. (1) It has to provide an active state with a clear rationale and purpose in an era where public spending is severely constrained. (...) (2) 'Pre-distribution' has to deal with the fact that the redistributive capacity of the welfare state was diminishing prior to the crisis. (...) (3) Markets are producing more inequalities than ever, as the share of growth absorbed by capital at the expense of labour has increased exponentially.*¹¹⁶

Thus a *Predistribution* agenda outlines the ways for State to get active not after, but around and in the course of, a production process. The instruments included here are already mentioned Labour Market Institutions (see Point 5.3), which can support Progressives in their claim that *Predistribution* can help eliminate causes for inequalities to occur, and also that it can be the way to reduce the waste of resources resulting from persisting structural exclusion, exploitation and precarity.

*The goal for progressives cannot only be to let market generate a certain level of inequality and then to allow the State correct ex-post the distribution of income. It is then necessary to propose different policies aiming at reducing inequalities also directly in the production process. The role of institutions and economic incentives is therefore crucial. (...) Strengthening labour market institutions (LMI) should be seen as a major pillar of predistribution policies. (...) The goal is not to come back to the traditional vision of socialism only based on worker protection, but to combine this traditional goal with the quest for productive economy*¹¹⁷.

Therefore *predistribution* is not only about equal opportunities – but as an agenda goes further looking at the framework within

116 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Pre-distribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

117 R. Bazillier, *Labour Market Institutions as a pillar of Predistribution.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 170 - 183.

which these opportunities can be accessed and used. Because of that inclusiveness, coherence-forging policies should be examined not only at the point of their initial delivery, but also at the point of where they produce outcomes – which imperfection should then further be subjected to corrective (both distributive and redistributive) mechanisms. In that spirit, **Progressives should use *Predistribution* as a way to reconnect with somewhat an already established, but not fully embraced concept of social investment. They should be seen as complimentary strategies, especially in the light of the Progressive take on the *productivity* debate** (see Point 6.4). All three – predistribution, social investment and productivity - should be brought under the same denominating goal of increasing general prosperity and improving living and working conditions for all.

*Predistribution and social investment are complimentary strategies: predistribution relies on raising the underlying rate of productivity in the economy in order to improve real wages and relative living standards, alongside changing how markets operate. Improving productivity entails 'social investment' focused in particular on children in low-income households in the early years of the life-cycle.*¹¹⁸

Additionally, **since in that understanding there is clearly no trade off between predistribution and redistribution, *Predistribution* agenda can cater to the needs of the new inter-generational contract** (see Point 4.5). Its features that connect with setting decent minimums for all on one hand and on the other look at provision of social services, pave the way to showcasing that collective security for all regardless of age is possible. Added to this, there are ways to put an end to the inter-generational transmission of disadvantage. This is an extremely relevant argument for the Progressives to make, especially



118 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Predistribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.

in times when surveys show that parents believe their children to be the first generation in the post-war period to be *worse-off* than their ancestors.

Preventing the inter-generational transmission of disadvantage is an urgent moral and political imperative. As support for the welfare state has declined among the highly skilled in a service-oriented knowledge economy, a strategy of 'inter-generational redistribution' provides a renewed rationale which also directly benefits those on higher incomes through universal delivery models in childcare, education, family support and so on. The expansion of service employment among high skilled women workers is a major political opportunity for the centre-left, providing further opportunities to bridge the 'winners' and the 'losers' of economic and social change. (...) The strategic aim must be to ensure a decent minimum income for all, to provide access to social investment and services, alongside a fair distribution of assets and wealth identifying new means to provide collective security – the sine qua non of social democracy.¹¹⁹

To that end, it is important to underline again that **Predistribution** remains a feature of a **Strong and Dynamic State** that the Progressives should propose as an embodiment of a **New Social Deal**. As such, its conceptual framing must be coherent with the programmatic objectives of building Welfare Societies (see Point 4), realising the agenda of egalitarian quality employment (see Point 5) and transforming economy to a democratic solidarity one (see Point 6).

119 P. Diamond, *Towards Equity and Growth in European Welfare Societies: The Pre-distribution Agenda.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 330 - 350.



8.

**Resolve the dilemma of Europe
and present a strategy
for a Union of the new times**

8. **Resolve the dilemma of Europe and present a strategy for a Union of the new times**

Since its beginnings, the process of European integration has been permanently challenged by diverse predicaments. Their occurrences have usually been synonymous with crunch moments, which prompted all involved actors to get together and work out a new compromise, following which, Communities have been able to prevail and integrate further. While it would seem that the crisis at hand may be of a more existential nature – especially after the referendum that took place in the UK on 23rd June 2016 – still there should be no defeatist assumption made about it. It may as well be turned into an opportunity to thoroughly review the fundamentals and come up with a new vision of Europe that would be a fit answer to the challenges that the citizens face in the contemporary times.

There are, however, a number of factors that need to be taken into consideration. First of all, the situation that has occurred at this stage is in fact well rooted in the context of a quarter of a century long struggle. It dates its beginnings at the time of the Treaty of Maastricht, which had been expected to become the long-awaited grand opening for a new Political and Social Union, and which faced criticism for having been incomplete since its ratification. Further attempts mended the situation, though not without dramatic moments. They occurred around the failed Nice and Constitutional Treaty. Even if the new compromise embodied by the Lisbon Treaty seem to have closed this dark chapter of the institu-



tional struggle, a valid question at hand is what sort of EU should prevail and if the one speed, ever closer Union is still feasible to promise.

Secondly, however, in that context all the *traditional* political parties find themselves in a challenging situation and it is a particularly tricky one for the European Progressive family. Historically speaking, the socialists and social democrats were in favour of European integration, however tending to remain skeptic about the course defined in the Paris and Rome Treaties. Ideologically, they argued that integration that focuses on market expansion without adequate political consolidation and social provision would only enable the capital to grow. Consequently, in the 1970s they coined a vision of a *Social Europe* – which guided their joint actions on communitarian level. The sole belief that a Social and Political Union is possible was the reason for which they reviewed their standpoints on the national level and by the 1980s and 1990s became the profoundly pro-European movement. This position they uphold consequently until now.

But the Progressive views regarding the EU are becoming very hard to explain. Their justification is a nuanced one – namely *in favour of the European Union, but in fact in favour of a different Union*. This is relatively vulnerable standpoint, if to compare it with bold euro-skeptic and anti-European narrative. It is likely to turn to become an even greater liability, especially considering that the matter of where further with Europe has become a question that is being posed on the national level, being used as yet another leverage to criticise the *traditional* parties and *the system*. As hard as it may seem, **the Progressives may win the battle on the national and European level. This is to paint a vision of the Union that would not be about crisis management, but would again rise to the occasion being the component of their New (Social) Deal, offering answers and ways to deal with the challenges of modernity.**

8.1 Consolidate on the issue of Europe and face the battle against a new type of Eurorejectionism

There is an obvious two-fold problem that Progressives face while making the case for Europe. First of all, indeed the EU itself is in trouble and is appearing to be weak and ineffective in terms of managing the situation at hand. The examples include the incapacity to restore the path to prosperity after 2008; the inability to successfully resolve migration questions and the inefficiency in holding all the Members up to the standards of democracy etc. Secondly, while the vote in the UK indicated British citizens' disbelief in the promise that the EU used to embody (in terms of prosperity, welfare, peace and democracy across the continent), this assessment is more broadly shared across the 27 other Member States. And it is unlikely that the answer here can continue to be: bridging the gap and raising awareness. In order to tackle these two simultaneously, one needs to go, therefore, beyond the familiar debating context. Especially that the circumstances altered the character of both euro-skepticism as also euro-rejectionism, and those reaching a new stage means simply that old strategies won't work. The situation requires coining a new rationale, which would offer both a long-term purpose and a set of tangible policy proposals.

The somewhat deterministic argument that *crisis proves we need more and not less Europe* has obviously not resonated. **What Progressives should argue for instead is a *Strong and Dynamic Progressive Europe*** – of which vision remains complimentary to their views of the Dynamic and Strong State (see Point 7.1 and Point 7.2). The crucial point here is to argue not that *a singular state cannot deal with certain issues alone, hence we need Europe* – but instead refer to the principle issues and to show that



the national states cooperating within uniting Europe can jointly deal with issues better.

*Across Europe a fierce debate is emerging between those who argue the crisis shows that we need stronger supranational institutions, while others content that we need 'less Europe and more national state'. The crisis also contributes to the galvanization of Eurosceptic political parties who are likely to make substantial electoral gains in 2014.*¹²⁰

The clearer linkage between the two debates (on national and European levels) is essential to assume not only because of programmatic motivation, but also because of strategic reasons. It is a fact that the Euro-skeptic and Euro-rejectionist forces have started using the European public space – and here especially the European Parliament – as an anchoring point, from where they can transmit their messages to the state level¹²¹. So far their move has not been matched with a counter strategy, since the *traditional* parties are more used to be dealing with the European and national issues rather separately. Not only is that division obviously impracticable in current circumstances, but also finds no rationale in the polls. These show that the voters, who are embracing the skeptic or anti-EU positions, are likely to also be supporters of the radical or extreme parties on the national level. Therefore **Progressives should accept that prevailing and winning against the extremist movements on national grounds is nowadays inseparably related with challenging their messages on both European and national issues simultaneously.**

120 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.

121 More on Europeanisation of the national debates can be found in: A. Skrzypek, *Winning for Real. The Next Left taking the Chance to Shape Europe in 21st century. 10 fundamental challenges.*, FEPS 2013.

*The more voters are to either the extreme left or right the more anti-EU they are. (...) The voters, who position themselves on the (extreme) right are more Eurosceptic than those on the (extreme) left. Radical left and right voters are more distrustful in European institutions, less likely to think that EU decisions have a positive impact on their country and more likely to think that EU membership is bad.*¹²²

It is true that correlating the two debates – on the role of state and the future of the European Union – may, in the contemporary context, be a tricky thing to do. Here the evident worry may be about those forces, which are not only anti-European, but also anti-systemic in general. **The way to escape a potential trap here and to turn the debate to Progressives' advantage is to move from speaking in explanatory terms towards speaking on purposes that the EU should be there for. This will allow moving the debate from a gridlock of "yes, but.." versus "no" – towards a discussion on relevant policies and their impact within the countries.** This proves to be much closer to where voters have more nuanced opinions and hence can also be the way to bring the debate on Europe closer home, engaging on the political side both the European and the national politicians. This can have a positive effect on narrowing the deepening gap between citizens and what is being painted as *Brussels elites*.

*Despite the growing anti-European integration sentiment, the majority of the political elites are consistently more pro-European than their voters. This 'EU-enthusiasm' gap is now fully exposed and results in a serious legitimacy problem for decision making at the EU level.*¹²³

122 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.

123 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.



In that sense, it is important to spot the difference within the electorate. The euro-skeptics do not form a homogenous block. To begin with, one cannot compare the left wing and right wing euroskepticism. As attitudes they originate from a different set of beliefs and a dissimilar set of concerns. To that end, the right wing euro-skepticism shows to be more fundamentalist, as also there is a greater amount of euro skepticism among the voters of conservative and other right wing parties. **What that means is that in comparison with the centre-right, there is a greater potential for the Progressives to win over those from the pool of skeptic but still left wing voters. The condition here seems to be paving a convincing, credible and renewed Next Social Europe strategy.**

Euroscepticism and even Eurorejectionism are found on both the (radical) left and right of the political spectrum. Centre left parties need to find a credible strategy to combine economic integration with the preservation of the welfare state, in the face of an economic crisis and growing support for right wing austerity politics. (...) Supporters of the left wing and progressive parties are the least Eurosceptic – (their) voters are most supportive to the EU. (Here referring to data from the Netherlands). (...) (But while) right wing individuals tend to be more Eurosceptic than left wing ones, there is a strong curvilinear pattern that indicates the increase of Euroscepticism with both extreme political positions.¹²⁴ (...) The social democrats can again become the dominant political force in Europe, given that the liberals and conservatives will have a hard time attracting the radical right voters because of the latter's intrinsic euro-rejectionism.¹²⁵

While the political orientation of the voters can partially explain the reasoning behind his or her euroskepticism, the data show that

124 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.

125 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.

gender also plays a role. To that end, Progressives need to realise that currently women are more likely than men to position themselves as reluctant or even come to further reject European integration. That is first and foremost a political concern, as it would indicate that as a group they do not consider that the EU delivers on their promise to them – therefore **Progressives have to make utmost efforts to ensure that their Next Social Europe proposal is gender sensitive and to gender proof all the proposals.**

*Women are more likely to oppose further European integration than men.*¹²⁶

8.2 Politicise the EU integration and reiterate the commitment to hold a new European Convention

While the first step is most obviously about changing the terms of the conversation and emancipating the Progressives from the defensive position they find themselves in regarding the question of Europe, the second is about politicising the debate. A new vision of a *Strong and Dynamic Union* (see Point 8.1) has to therefore respond to the criticism that the European Union is facing regarding its decision making process, showcasing that programmatic politics actually matter and should matter more inside of the EU.

To begin with, **Progressives need to exploit the vacuum between the European and national political systems in a constructive way. What that means is that they have to be at the front of the fight against the usual Brussels blaming-and-shaming, exposing the mutually existing political relations between the governments and the**

126 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9, pp. 36 – 62.



Council and between the parties acting nationally and their umbrella organisations on the EU level. This is to show that the decision-making processes are not as unintelligible as it is claimed. On the contrary, there is a straightforward dependence between the votes cast on the national level and the rulings that are being made by the Council meeting in Brussels. **Progressives have to articulate that there is not only political but institutional responsibility when it comes to European politics.**

The PES and its member parties should exploit the vacuum between the European and national political systems, and in doing so help structure European political space in a format more understandable to ordinary voters as well as helping to influence the necessary tasks that are required to restore economic growth and democratize EU decision making. (...) If the EU is now explicitly a part of the domestic political landscape, the danger is that there is an absence of a national context to argue the merits of financial and economic rescue plans apart from a general rejection, and this plays into hands of extremists¹²⁷.

In fact, claiming the interdependence of the European and national governance level can play to Progressives' strategic advantage. They are still united in the second largest group inside of the European Parliament and also jointly hold a decisive amount of votes within the Council. This gives them a possibility both to act and to show that they have enough political assents to either frame a new strategy or block the unfavourable one. In that sense, even among themselves Progressives should seek to see being part of the governing system as empowering – rather than as *a bit of a poisoned chalice*. **Their self-assurance that in Europe not much can politically *happen* without Progressives' consent will hopefully resonate among their own**

127 R. Ladrech, *Economic Crisis, Democratic Legitimacy: Transnational parties as a potential bridge between Member States and the EU.*, [in:] *In the Name of Political Union – Europarties on the Rise.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 7, Brussels 2013, pp. 80 - 91.

voters. They may then start believing again that Progressives are still up to a challenge of standing against everything that is socially unjust. And as such they should assume the position of a key warrantor that EU will not impose further undermining policies.

These are very hard times to be in the government. (...) There are very few instances of incumbent governments – of either left or rights – surviving unscathed in elections in EU member states since the onset of the crisis in 2008. Right now, winning office is a bit of poisoned chalice. (...) The key to resolving this dilemma is perhaps back at the European level: the social democratic parties need not only to agree on a set of policies, they also need to construct a strong vision of a fairer, more equal and more progressive European Union which can appeal to voters throughout member states¹²⁸.

In that sense **the current EU arrangement, which is compromise-focused and in fact ruled by a *grand coalition*, seems unsustainable and further undesirable from Progressives' perspective.** There is an eminent conflict about the future of the EU and in its context it would be unwise for the centre left to stick to the alliance with the centre-right. It would reconfirm the situation of them being part of 'the system' – positioning them on one side with the rest of the traditional parties and allowing the public demarcation line to cut in between 'yes' and 'no' towards Europe. Instead, in order to follow the already stipulated line 'the question is not if Europe, but what Europe' (see Point 8.1) they need to break out of the *grand coalition* set up. The first step was taken by S&D Group in the face of the recent election of the European Parliament's President. **While now three key positions are in the hands of the Conservatives, Progressives finally have a chance to come forward with a clearer message showcasing that there is a great difference between the EPP priorities setting**



128 M. Holmes, *Deficits and Dilemmas: The Irish Labour Party in Government and Policy on the EU...*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 292 - 305.

their own. This is the time to boldly reject austerity (see Point 6.2) and rethink the EU rules, which at this point indeed put mutual financial responsibility above the political responsiveness to societal aspirations and demands.

(...) In the era of European austerity, there is a dilemma for governments between financial responsibility linked to economic interdependence and political responsiveness stemming from societies hit by economic recession. The new framework for macro-economic governance – the European Semester – acts as a reflection and a catalyzer of this dilemma. (...) Evidence available on public spending and welfare services over past years shows that in face of increased needs due to unemployment, precarious employments and ageing population, still the European governments have prioritised deficit reduction over responsiveness to social demands¹²⁹.

Naturally trying to change the terms of the debate (see Point 8.1) and showcasing the difference will not win back the disfranchised, disbelieving and disconnected voters by default. The record low level describing fallen trust in politicians (especially among the youngest citizens) would require an effort focused on rapprochement and enabling greater circles to be a part of a change. Especially if Progressives would like to gain their recognition and involvement in a position: *it is not 'if' Europe, but 'what' Europe* – that matters. (see Point 8.1) This is why the **Progressives should recommit themselves to the idea of a new European Convention**. Using the examples of the past, it should become a combination of the Convention on the Future of Europe and the European Social Forum. As a broad EU gathering that could also have its work supplemented by the national equivalents, it could become a tool to reengage in dialogue, bringing up diverse proposals

129 A. Crespy, *Delivering Public Welfare Services in the Europe of Austerity. Responsibility vs. Responsiveness?*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 184 - 208.

and making all involved co-responsible to see their realisation through.

It may be worthwhile to have an event that brings together a wider range of people and activists, perhaps modeled on a combination of the Convention on the Future of Europe and the European Social Forum, a special assises for European democratic socialism involving all of the democratic left aimed at producing a roadmap for a new European future. Part of the challenge for social democratic parties is to challenge themselves to think beyond the next election, to view conformism to fiscal conservatism (which is not the opposite to fiscal profligacy), to break with la pensée unique, to alter the political 'path dependency' of the past couple of decades, to excite the imagination of those voters who either turned off voting anymore or else are supporting radical right alternatives¹³⁰.

An above-mentioned Convention could prove most useful in many ways among which *breaking out of pensée unique* would perhaps be one of the key expectations. In itself, Convention would become an arena on which diverse views can contrast and where new approaches can be proposed and examined. Going beyond the usual debates, **the Progressives could propose to look with all the actors involved in Convention at the concept of *experimental federalism* and ways it could contribute into strengthening various levels of the European polity.**

The experimental federalism as a model implies plurality of economic recipes for inclusive growth, diversity of institutions at various levels of European polity, and a variety of content specific policies. The experimental federalism is hospitable to experiments and initiatives from different social groups organized bottom-up. The most important part is that it transcends the trilemma of rigidities of the fiscal, banking and transfer Union. By empowering local communities, regions and member states it can also



130 R. Ladrech, *External and Internal Challenges to Social Democratic Leadership in Europe.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 240 - 253.

help overcome the existing dividing lines between North and South for the mutual benefit and interest¹³¹.

8.3 Progressives should explain the vision of the Next Social Europe and connect the renewed concept with their promise of the New Social Deal

While *being defied* has been a permanent feature of the European integration process, in the past they would usually be catalysts of a new agreement and then further integration (see Introduction to Point 8). The predicament at hand has so far had quite the opposite effects; rather than being a reason for seeking a new set of solutions, it has been prompting further divides (East-West, South-North, Eurozone and its externalities; core and peripheries etc.). To that end, it has seen countries drifting apart (regardless of institutional and economic interdependence among them), societies closing up and citizens (workers) turning against one another.

In that context, **as much as there is a need to propose a strategy towards a *Strong and Dynamic Progressive Europe*, it is clear that will only succeed as a new agenda if it forges a *New Social Deal on the European level***. In other words, there can be no hope to solve the predicament at hand, unless the proposal simultaneously sets a vision for an effective institutional construction and makes ensuring social progress core of the EU's mission.

The first step would require rejecting the old, dysfunctional differentiation between hard and soft policies of the EU. Because of it, the eco-

131 M. Nachtigal, *The European Union: From and Existential Crisis toward Experimental Federalism. (Going Beyond Rodrik's Trilemma)*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 306 - 226.

nomic and budgetary policies have been treated as the more relevant ones. They would be the field where common goals would be set and their attaining would be treated as a contractual responsibility. As such they have been mandatory, which has remained in imbalance with the non-binding social targets, even if the later ones were set in parallel. The current debate on the European Social Rights Pillar is offering a hope that this may change, but a bolder move is still needed. This is why **Progressives should argue that only then would the European Union be sustainable, when economic and social targets are seen as equally compulsory to attain and are therefore simultaneously pursued.**

Commitment to that guideline would mean that the programmatic ideas explained earlier (especially in the Points 4, 5 and 6) should be translated simultaneously into both national and the EU wide policy proposals. To take an example, it would be essential to emphasise that the current Growth and Stability Pact (GSP) will always be impossible to uphold in the format known today, since growth is more complex as a concept (see Point 6.3) and its accomplishment is dependent not only on fiscal, but above all on a number of socio-economic policies. As argued before, it is directly related to how the goal of productivity is defined (see Point 6.4). In that sense, while **speaking about the next European Social Deal, the Progressives have to re-emphasise their argument in favour of changing the rules as far as GSP is concerned, insisting that it is equally important to pursue budgetary discipline as it is to make efforts in the framework of social investment.** Strengthening the commitment to the second and agreeing on treating these as equal would be then a decisive a step towards a new socio-economic paradigm for Europe.

The EU is in a desperate need of a New Deal between countries which are in a better budgetary shape and have pursued social investment strategies more consistently in the past, and countries which have been less consistent with regard to social investment than one may have wished and therefore



experience dramatic budgetary situations. The macroeconomic policy regime that is required is one wherein all governments pursue budgetary discipline and social investment over the medium and long-run, and are effectively supported therein¹³².

Equalising economic and social policies in their importance is not only a question of an ideological imperative and political consistency of all governing levels, but is also a way to move out of the entrapment of popular disappointment vis-à-vis the existing European Social Model. Its main criticism can be summarised in an assessment that it neither delivers on the promise of prosperity and wealth for all, nor presents itself (together with its components – the national welfare states – see Point 4) as sustainable. In that sense **adopting and promoting a social investment strategy** can provide the answer that the Progressives are looking for at the EU level. Because it focuses on empowerment, on boosting potential and on providing social security at the same time - it allows pursuing the goals of providing equal opportunities and looking at the equality of outcomes. It does allow reopening the already known debates – such as the one on the European Minimum Wage – from a new, more promising angle.

A true European Social Model that binds all member states cannot go beyond the limits of feasibility, but has to keep an eye on future possibilities. Adopting a Social Investment Strategy is a way forward in that. It delivers both on economic and social policy fronts, multiplying the rewards for member states and citizens alike. Further, a European Minimum Wage gives concrete substance to “Social Europe” by lifting earnings of millions of Europeans to acceptable level, fulfilling the Union’s obligations to its working people and allowing it to claim the high ground on employment protection¹³³.

132 A. Hemerijck, *21st Century European Social Investment Imperatives.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 184 - 200.

133 D. Tsarouhas, *Rethinking the European Social Model.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 126 - 146.

In that context, **Progressives need to evaluate their Next European Social Deal looking at both aspects – the aspirations and the minimums.** While the goal is to build European Welfare Societies (for more on that notion please see Point 4), the path to that leads through setting certain mid-term objectives as far as rights and standards are concerned. Progressives have to accomplish here two tasks. First of all, politically respond to a social tension sensed throughout Europe regarding the disparity between claimed rights (aspirations) and so far provided standards (entitlements). Secondly, while in the last decade they were (rightfully so) focused on minimums, they are to be seen as the beginning and not an end in itself. Discussions on minimums have to therefore be ones that show them as relative to also medium and long term ambition, showing the trajectory towards achieving a substantial social progress that benefits all.

This should be the logic with which **Progressives should advocate the ideas such as the previously mentioned European Minimum Wage.** Uniting around it is bound to be a difficult task, especially in that different Member States have diverse traditions and laws that set the minimum standards in their respective countries. But this potential disagreement can be solved if a practical approach is adopted and the minimum is set at 60% of the existing median wages in the respective states.

A European Minimum Wage policy would entail important advantages: first it would create a viable minimum floor for wage earners across Europe and have a substantial impact on earnings of the low paid. Second, it would display in practice that a form of 'Social Europe' echoes citizens' concerns. Third, it would be fully in line with an employment-oriented policy, which requires the active participation of citizens in the labour market, and offers them a minimum of wage protection in return. Fourthly it is a realistic policy scenario that can materialize in the new feature, provided the policy is implemented sensibly. A very concrete and realistic proposal on how to do that entails a principled agreement at the Council level and following the Commission's and Parliament's (given support) for all Member States to



commit themselves to offer a minimum wage equal to 60% of median age. A timetable for implementation can be agreed, and extra incentive offered to those states, which are far from the target¹³⁴.

To that end, while the idea of introducing a European Minimum Wage can be seen as potentially conflicting, the initiative to provide *European guaranteed minimums* in a shape of set of welfare entitlements is bound to provoke disagreements. That is especially that it has been, until now, a field of the EU 'soft' policies. Nevertheless, taking into account circumstances (and here especially the consolidating European labour market), **Progressives have to enter into that conversation. First of all, because European guaranteed minimums are likely to be perceived as concrete measures through which (Social) Europe can deliver. Secondly, because the ongoing debate on schemes such as Basic Income Guarantee requires a decisive political answer.**

Welfare entitlements are "rights". Whether constructed under private or under public law, these entitlements enjoy legal protection, procedurally and substantively. (...) Welfare entitlements result from and in response to social mobilization. Most welfare entitlements originate from measures handled down from above. (...) Entitlements should provide for and guarantee for every citizen, on a level considered decent throughout the EU. These entitlements should assume the quality of rights, guaranteed by the Union. Such guarantee should be one of the main undertakings of the Union. A guaranteed minimum would be the basis for mobilising creativity and energy of the citizens within the EU and would be granted in consideration for citizens' participation in the public cause. (...) The new property, the guaranteed minimum would be in need of constant public review, and the review itself should be a public and democratic exercise¹³⁵.

134 D. Tsarouhas, *Rethinking the European Social Model.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 126 - 146.

135 L. Specht, *Redistribution and Entitlement: a Democratic Union.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 204 - 218.

To that end, the revised agenda of Next Social Europe based on advocating for equalising social and economic policies in their relevance also means that the Progressives will need to revise the existing social strategies and propose a new approach in the institutional sense. To begin with, it means that **Progressives need to build on their recent consolidation vis-à-vis the proposal to introduce European Social Rights Pillar and discuss amongst themselves ways in which Europe 2020 can be evaluated, accelerated and followed up.**

The centre-left needs to evolve a common position on how the Europe 2020 strategy can be enhanced and driven forward by the new Commission and the European Parliament. This will always reflect an understanding of the EU as multi-level governance system implying different modes of decision-making and leaving sizeable scope for negotiation and deliberation between actors. (...) Europe 2020 provides no magic bullet, but represents an important opportunity to hold leaders and policy-makers accountable for meeting Europe's long terms challenges¹³⁶.

Furthermore, **Progressives should deliberate on introducing a European Social Compact.** It would allow them anchor their new paradigm in the EU constitutional framework and couple the recently forged further fiscal integration with social objectives.

Whereas the Fiscal Compact is merely a symbolic confirmation or a tightening version of existing EU law measures, a Social Compact would substantively change the European constitutional order. By adding social policy objectives, it would add a whole new layer to the EU that is up to now rather economically focused¹³⁷.



136 R. Thillaye & P. Diamond, *Europe 2020, EU governance and Progressive reform.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 154 - 177.

137 S. Van Hecke, J. Lievens and G. Pittors, *A Social Compact for a Social Union: A Political Window and Legal Window of Opportunity.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 148 - 165.

To that end, a European Social Compact could help Progressives retain their focus and then the primacy of their initiative, while the future scenarios for Europe are debated. As such, it would be feasible in application in all potential shapes that the next stage EU may take – from an ever closer Union of 27+ up to the multi-speed Europe of core and peripheries (even if the latter, because of the political principles, should of course be avoided).

At the political level one should raise the question whether a Social Compact is feasible, whether it poses a window of opportunity that should not be missed. Among other things, as with EMU a difficult decision to make is establishing the criteria for participation (also in terms of the basic level of convergence), which Member States will be able to join and how many will be willing. One might end up with a Social Union of two or three Member States. For obvious reasons, this is not what we have in mind, nor how social policies in the EU will easily and rapidly advance¹³⁸.

8.4 Rethink the framework of the European Single Market and argue for implementing principles of smart subsidiarity in the new industrial strategy

Creation of the European Single Market (ESM) was a monumental achievement. It established a framework to prompt further integration of the national economies (of the EU Member States and the respective states involved through separate treaties) and to unleash the potential which had previously been curbed by numerous barriers applied on trade and exchange. But ever since, the permanent EU crisis (see Introduction to Point 8), also the story of the ESM is the one of numerous defies preventing from completing of its full implementation.

¹³⁸ S. Van Hecke, J. Lievens and G. Pittors, *A Social Compact for a Social Union: A Political Window and Legal Window of Opportunity.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Dufek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 148 - 165.

Therefore, **Progressives need to reiterate their commitment to do their utmost to ‘complete’ the European Single Market. While doing so, they need to reflect on its fundamentals. First of all, it is important that they restate that the idea of ESM is based on four freedoms of movement – people, goods, services and capital. In order to achieve a proper balance it would be irresponsible to argue for curving one of them. This can only prompt further distributional conflicts, alongside depriving Member States and their societies from the benefits resulting from all four of them. Instead, therefore, better and fairer regulations need to be put in place to guide their realisation. Secondly, Progressives should add another freedom of movement to the list of four above – namely of knowledge. This is indispensable in order to secure that the ESM is indeed a solution for the modern times. And finally, Progressives need to look at how to bring a new balance, seeking to close the gaps of existing fragmentation and disparities among States and regions. This requires taking the debate on the future of the European Single Market debate parallel with the one on the role of the Dynamic and Strong State (See Point 7), seeking to redefine the concept of *smart sovereignty and institutional pluralism*.**

*Rethinking the existing framework of the European Single Market and searching for the institutional plurality is not the same as fragmentation of the Single Market. By equipping local communities, regions and Member States – especially the vast majority of stagnating regions, but also advanced regions – the goal is to strengthen the Single Market by broadening the entrepreneurial and educational opportunities. (...) We need more of a Single Market, but a different kind of a Single Market: that would become more open, more inclusive and more balanced. (...)*¹³⁹

139 M. Nachtigal, *The European Union: From an Existential Crisis toward Experimental Federalism. (Going Beyond Rodrik’s Trilemma)*, [in:] *Delivering Empowered Welfare Societies*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 306 - 226.

The latter requires picking up on the disagreements that arose among the progressive sister parties ahead of the recent European elections in 2014. Then it focused on specific aspect of *mutualisation of debts*, however it in fact indicated an unsolved issue of how the effects of asymmetric shocks could be dealt with in the European, solidaristic and fair manner. That is especially that 2008 and its legacy exposed the fragility of the situation, alongside the inclination for stronger economies to get stronger and for weaker economies to weaken in the context of a crunch. **The issue of stabilising the ESM as a whole requires addressing and is key for Progressives to win over in an argument about proportional, just distribution of costs and benefits resulting from Membership in the European Union** (see point 8.1 on Euro-rejectionist rhetoric). That is why the Progressive proposal has to look at the horizontal (between the countries, regions) and vertical dimensions (between people, social classes etc.) – providing a springboard for further concrete policy proposals. It can underpin the initiative to establish *a form of insurance among citizens of the European Union*.

A form of insurance among the citizens of the European Union, as it would be with an European welfare state, would in fact have the advantage of allowing wider distribution of risks, able to cope the effects of asymmetric shocks between the countries (...) The creation of European identity that supports the political and fiscal union will not be possible without actions to ensure a balanced distribution of costs and benefits, and this applied both horizontally (insurance and mutual solidarity between the countries and regions) and vertically (between individuals, social classes and occupations.)¹⁴⁰

To that end, completing the European Single Market is essential to offer the floor for the development and implementation of a new

140 R. Mazzocchi, *Europe beyond Maastricht – The Role of Inter-State Transfers, Social Protection and Cultural Homogenization.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 122 - 152.

industrial strategy. It is true that 're-industrialisation' has been a promise made for a while by the European institutions, however it still remains unclear what its particularities will look like, in how far it can bring a hope of increased investments in research and development, and to that end what it would mean to job creation and losses. For that reason, Progressives may want to explore alternative initiatives that are being elaborated. One of them assumes a need for leaving the pattern of designing unified plan of 'one-size-fits-all' and instead pursues the common objectives of social cohesion and economic development through the bottom-up approach. While it may cause skepticism, still the notion of *European experimental federalism* is worth pondering. Especially that it in fact does not remain at odds with the principles of decentralisation, which so many progressive parties favour on the national ground. (See also Point 8.2).

The debate on the future of modern industrial policy in Europe should become a debate on the productive potential of industrial policy and on the strategic partnership between the private and public sectors. (...) What would the 'new' European industrial strategy look like? First of all, it would be important not to repeat the – one-size-fits-all technocratic approach without taking into account the immense diversity in terms of economic development and social cohesiveness. More innovative industrial policies, instruments and measures should be adopted in a highly decentralised way. (...) The 'new' European type of industrial policy therefore should be decentralized and participatory by invoking ideas and initiatives from local producers, should be pluralistic in order to adjust to the different needs and different productive potentials of different European regions and should be experimentalist in order to permanently adjust, correct and improve the strategic partnership between the private and public sectors.¹⁴¹



141 M. Nachtigal, *Reinventing Modern European Industrial Policy: Beyond the Current EU Legal Framework* [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 342 - 357.

8.5 Resolve the crisis of the Eurozone and propose fully establishing the euro as an international reserve currency

The aftermath of the 2008 crash prompted a severe crisis within the European Monetary Union (EMU). Its scope and nature have been of such gravity that it is being suggested that the exploration of it is a condition sine qua non to paving the way out of the current predicament of the EU as a whole. Indeed, focusing on strengthening Eurozone by expanding its initial role, equipping it with new democratic institutions (Eurozone assembly) and with social dimension is one of the avenues to pursue a new kind of accelerated European integration in the future.

It is beyond any doubt that the introduction of the euro has been a turning point in the European history. It forged stronger connections and imposed greater mutual responsibilities to be shared among the Eurozone Member States. It became a symbol of unity, valued by the European citizens ahead of any other as an emblem of ever-closer Europe. But while it all has to be dutifully noted on a positive account, the fact remains that throughout its existence, EMU has also shown a lot of weaknesses. The leading among them is remaining divergences amongst the countries, and therefore similarly to the case of the European Single Market (see Point 8.4) – an asymmetric distribution between the costs and benefits of the single currency. Therefore **Progressives need to begin their strive to solve the Eurozone crisis by balancing between the positive aspects and critical evaluation of Euro, which will help them forging a claim that *the error was not euro, but merely insufficient institutional structure built with the Maastricht Treaty.***

the persistent real divergence in the Monetary Union has shown that the main weakness of the Eurozone still remains the asymmetric distribution

between costs and benefits of the single currency. (...) The error was not the euro, but the insufficient institutional structure built with the Maastricht Treaty and never corrected in the subsequent twenty years¹⁴².

Naturally, it would not be enough to rest on the argument that a new, more adequate institutional framework for the Eurozone would, by default, sort out the existing problems. **Progressives should argue that a new Eurozone architecture cannot be focused only on the pan-European dimension, but has to include a bold solution to the distorted balance between the Eurozone governance and the national policy making.** (For more context please see Points 1.3, 7 and 8). Striking it is key to restoring of the legitimacy of both national democracies and the European multi-level polity, which have been challenged especially in the post-crisis crunch, prompting an introduction of austerity policy and leading to the retrenchment of the (national) public sectors (See Point 6.2).

The crisis of the Eurozone has brutally disclosed the close interdependence of European fiscal and budgetary policies, and the new Eurozone governance architecture crucially aims at reigning in public sector expenses and at redefining the balance between national and European policy making. Public services are a core element of these attempts and have been the main target of austerity policies¹⁴³. (...) Public sector retrenchment has major implications for the legitimacy of national democracies and the European multi-level polity as a whole. (...) In the recent era of great recession, public services retrenchment has meant the loss of rights, the downgrading of service quality and rises in prices to a more or less dramatic extent in virtually all the EU countries. This is important because the ability



142 R. Mazzocchi, *Europe beyond Maastricht – The Role of Inter-State Transfers, Social Protection and Cultural Homogenization.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 122 - 152.

143 A. Crespy, *Delivering Public Welfare Services in the Europe of Austerity. Responsibility vs. Responsiveness?.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 184 - 208.

of public authorities to address societies' basic needs is crucial for political regime's legitimacy¹⁴⁴.

Additionally, **Progressives should argue that the new way of governing is needed to bring in place a different, consolidated approach to both fiscal and economic policy making within the Eurozone.** The recent years have proven that the strategy based on sole market solutions is insufficient. As well as this, the mechanisms in place that were designed to serve as automatic stabilisers, in fact have become *automatic destabilisers*. To that end, instead of supporting weak economies to level up with the continuously accelerating stronger ones, the situation has become the one of polarisation – where the strong became stronger and the weak – weaker. Hence a change is essential in order to ensure coherence between the efforts to restore growth and to forge further monetary integration, so that both start serving again the same purpose of prompting prosperity and progress that benefit all.

It is (...) more and more evident the need to abandon a strategy exclusively based on market solutions and the simultaneous need to develop a set of economic policies aimed to achieve some form of fiscal transfers from central European countries to the periphery and to implement a coordination between policies of the various member countries in order to determine a control of incomes and aggregate demand at the European level. (...) In addition to the fiscal transfers, it is necessary to develop an effective strategy that allows the Monetary Union to boost their growth rates so as to ensure a satisfactory level of employment. So far the choices continued to insist exclusively on the problem of internal competitiveness. The supply side policies – that were the key objectives of the Lisbon Agenda of 2000 – were re-introduced in the Europe 2020 strategy. But a strategy of this kind can only be effective in the presence of satisfactory trend in the aggregate

144 A. Crespy, *Delivering Public Welfare Services in the Europe of Austerity. Responsibility vs. Responsiveness?*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 184 - 208.

demand, but neither Europe nor the rest of the world seem to be able to guarantee it¹⁴⁵.

Last but not least, it is a high time for the **Progressives to ring an alarm bell in which the conversation on the future of the Eurozone should not be led within the closed, euro-centric circle of the EMU Member States.** Effectively it is an international matter. The recent crisis and Europe's strategy so far are likely to prompt further unfavourable reactions across the globe – especially because it is bound to cause yet another prolonged instability. Subsequently, **Progressives should consider how to showcase that the new socio-economic paradigm they are proposing for Europe is the one that will bring growth, will increase internal demand and consequently will strengthen the value of the euro itself.** This reasoning is one of the reasons for which it would be important to call for the establishment of the euro as an international reserve currency.

(...) Europe's austerity strategy, which is frequently criticised by progressive commentaries for being ineffective in reducing public debts and masochist in its social impact, should also be regarded as likely to introduce hostile reactions from the rest of the world. Without noticing, Europe is fostering a world-wide pursuit of uncooperative economic policies and global instability. On the contrary, the progressive growth model in Europe, based on internal demand (in particular investments and wage growth), would be facilitated by the full establishment of the euro as an international reserve currency. This, by combination, would turn out to be beneficial also for the stability of the international monetary system¹⁴⁶.



145 R. Mazzocchi, *Europe beyond Maastricht – The Role of Inter-State Transfers, Social Protection and Cultural Homogenization.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 122 - 152.

146 C. D'Ippoliti, *The European Union as Peter Pan. Global and Foreign Policy Implications of the Eurozone Crisis.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 294 - 316.

8.6 Use the mechanisms of the partisan pan-European cooperation and invest efforts in the PES

Progressives have been the protagonists of the cross-national partisan cooperation in the context of the European integration. Though it is frequently overlooked, it is in fact due to the persistence of a Belgian socialist, Paul Henri Spaak, that the groups inside of the then equivalent of today's European Parliament, became organised alongside political and not national lines. At the time (1952), he agreed to run as a candidate for the position of the assembly's President, setting a condition that his consent is dependent on all socialists and social democrats from across the 6 Member States backing him. They did, which created precedent and set the fundamentals. The evolution of the European Parliament and the growing need for enhanced cooperation among the sister parties led then to creation of a Liaison Bureau, which was succeeded by establishment of a Confederation. That gave birth to a party, – Party of European Socialists – which was founded based on provisions of the Treaty of Maastricht. For the last quarter of a century it has been growing, consolidating and gaining political relevancy – coordinating among parties in opposition and governments ahead of the summit; initiating policy idea and mobilising support through campaigns; and engaging activists on the European project.

The well-established PES presents itself as an incredibly important asset for the socialist, social democratic, labour and democratic parties across the EU. On one hand, because it is an umbrella under which common solutions to common pan-European problems can be elaborated. On the other, because its legacy and relevance in coordinating efforts ahead of the European summits is legitimating the claims that the Progressives make on the national level. Indeed, as

a political family they are jointly in a position to shape the EU agenda now and the future.

The latter is a clear advantage that the PES member parties can also use in the respective national debates. Firstly, because the cooperation with the other sister parties offers knowledge alongside with a reassurance that the respective parties ideas can be eventually backed, become PES policies and then can be carried onto the European level. Secondly, because *together they are stronger* indeed, which is a guarantee that they help each other counter-balancing the attacks of the populist, anti-European and EU-rejectionist groupings. But in order to succeed in doing so, **PES and its members should consider the ways they could explore in order to emancipate the debate from narrow “pro” and “anti” European stand (see Point 8.1). The key to that is further *politicisation* of Europe that would facilitate explaining that the Progressives are not *just for Europe*, but for a specific project of a *Social Europe* that stands as an alternative to the one at hand.** The ‘existential’ dilemma that EU has to solve in the near future and specific political decisions that will have to be made, most obviously offer a momentum (see Point 8.5).

What is required is the politicisation of the European Union, which is a precondition for the articulation of a truly European political discourse on the part of progressives. (...) It is in that context that the Eurozone crisis offers hope. National political debates, including the ones led by the political parties, have increasingly acquired a EU dimension. Economic woes in one member state have translated in political mobilisation elsewhere, as bailout packages have consequence for the Union as a whole. (...) The crisis has also been an opportunity to rethink the role and the function of the EU vis-à-vis its citizens. It has allowed progressives to articulate fragments of new vision for Europe, including the FTT and regulatory reform¹⁴⁷.

147 D. Tsarouhas, *Legitimacy and Progressive Politics. European Integration and Institutional Reform in an Era of Crisis.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 236 - 247.

In that context it is important to differentiate in between two key momentums, during which PES together with its sister parties sets out a common political direction. These are: PES Leaders' meetings and the PES Council ahead of the subsequent European elections. The first is a coordination meeting, which, if it takes place ahead of the Summit, allows discussing diverse national approaches and reaching a consensus among Progressive members of the Council. If there is a Declaration issued, it is focused on clarifying Socialists' positions regarding the current EU agenda. In case of the pre-electoral Council, it usually concludes a longer process that had been involving diverse actors contributing to drafting of a Manifesto. The character of the latter has been evolving during recent years, reaching a new stage in 2014, when it became a short electoral platform that could be used in the campaign around the so-called 'Top Candidate'.

That is an important transformation which can, however, be further advanced. While it is important to approach a campaign with a text that is short and politically attractive for the potential voters in all the EU member states, it is worth recalling that the Manifesto is in fact the only document that is recurrently adopted every 5 years (since 1984)¹⁴⁸ and it remains the highest ranking programmatic document. Taking into account all the changes taking place in Europe at the moment, the new character of the campaigns with the top candidates, politicisation of the European Commission and, to that end, a potential for breaking out of the 'grand coalition' at the EU level, it would be worth looking at what else the PES Manifesto process could serve for. In that sense, **Progressives could consider an option of drafting every electoral cycle (every 5 years) a broader, more detailed programme that would become a fundament for them in their negotiations of**

148 In 1979, the parties of the Confederation of the Socialist Parties of the European Communities failed to reach a consensus around the manifesto and issued "An appeal to electorate" instead.

the subsequently elected institutions work programmes. The Manifesto could then be an ensuing extract that they wish to address voters with.

The europarties' manifestoes played a very important role as documents around which they would consolidate every five years; and as symbolic agreement of all the europarties' members regarding the general direction for Europe. (...) The manifestoes would (also in that sense) enlist the major problems that the europarties identified in relation to Europe's future. (...) (but) there is a potential to develop on the bases of the manifestoes more of strategic thinking regarding the "coalitions based on the content agreements". The manifestoes in that sense could become benchmarks that can be used within the negotiations (about the composition and work programme of the European Commission)¹⁴⁹.

To that end, it is important to remark that the progressing *europeanisation* of the national debates (see also Point 8.1) has raised awareness among the citizens about the EU and its prerogatives. It is true that that has not always translated into an acquiring knowledge, but it definitely has increased the degree of familiarity with the issues that are on the EU agenda at the given moment. The prominent example of that has been the question of TTIP (Transatlantic Trade and Investment Partnership agreement), which aggregated a lot of outspoken opposition across 28 member states *against TTIP* – even before its scope and content was defined. This means that in their strive for politicisation of the EU alternatives, the PES and its sister parties have to take into consideration a growing need to engage into a more direct dialogue with citizens about what used to be sided in national policies and left at the end of national parties' respective programmes as the "EU matters". Naturally, the interactions between parties and citizens in the



149 A. Skrzypek, *Consensus, Coalition and Competition – Possibilities for Transformation of the European Partisan System*. [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 456 - 482.

respective countries are defined by historical traditions, however those can and are likely to be transformed by the trends that are common and noticeable across the EU. Consequently, **the path that the PES has already set itself on, namely to coordinate and consolidate towards a new model of eurocampaigning is the crucial one to follow.** Through those common efforts Progressives should aim at using the democratically empowering provisions of the Lisbon Treaty up to their full extent.

The chance of for the europarties is to use the mandate given by the Treaty of Lisbon and ensure that in the spirit of democracy, there are diverse scenarios available for the European citizens to chose from (...) The competition among the different ideologies has to be transposition into the European Party system, following the good practice of the European Parliament. (...) The provisions of the Lisbon Treaty provide a space for a new type of eurocampaignig to develop¹⁵⁰.

Finally, the new model of eurocampaigning should help streaming a connection across PES – Member Parties – Members – Potential sympathisers and voters, promoting and mobilising them around the ideas developed at the EU level. While accomplishing that goal, **Progressives should see eurocampaigning (especially when it is around a specific idea and not ahead of the EU elections) as a process through which: new spaces for engagement are created, political creativity of members boosted and the proposals for a better Europe are given a politically-embedded debating platform.** This would enable a bottom-up approach, opening the door for a new kind of a conversation and bringing the debate on EU back from the level of political elites. In this context, **it would be advisable**

150 A. Skrzypek, *Ideology, Politicisation and Identification. The Role of Europarties in providing citizens with a democratic choice.*, [in:] *In the Name of Political Union – Europarties on the Rise.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 7, Brussels 2013, pp. 22 - 43.

for socialists and social democrats to review their strategies regarding endorsement for the Europarties' membership.

Increasing the membership will be a challenge for the Europarties at the time when party activism declines all over Europe. But two factors could be crucial in incentivizing people to join. The first one is to give the members more decision-making power within the Europarties. (...) The second factor that could motivate to join PES (...) would be the national member parties' willingness to actively promote Europarty membership¹⁵¹.

8.7 Use the opportunity of Euroelections, remaining protagonists of bringing more transparency and legitimacy into the EU institutions

The introduction of the direct elections for the European Parliament in 1979 had been welcome with great enthusiasm, as they had been expected to strengthen this institution's legitimacy, while offering a bridge between European politics and the citizens. The fervour quickly faded away, since the turnout had been lower than expected and would only see the decline in the subsequent elections. This, in a combination with some other factors, led to the forming of a perception that the European elections are effectively 'votes in between the general ones' and hence just 'test rides for the national political parties'. While this approach was dominant for decades, the eminent *europeanisation* of the national debates (see Points 8.1 and 8.6) is among the reasons why **Progressives should reject the idea that the European Parliament is voted by citizens in the "2nd order" elections. Instead, they should seek to start using them as opportunities to explain their**

151 I. Hertner, *Running the show? Europarty members as election campaigners for the Party of European Socialists and the European Green Party.*, [in:] *In the Name of Political Union – Europarties on the Rise.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 7, Brussels 2013, pp. 142 - 153.

vision for Europe and how it is instrumental to accomplishing the realisation of their Next (European) Social Deal (see Points 8.1, 8.2 and 8.3).

For the EU social democratic parties, the European elections also have a greater significance than in the past. (...) Although the exact circumstances vary from member state to member state, 'Europe' has now become an issue in national politics, and not simply at the extremes of the national party systems. The central reason for this 'europeanisation' of national politics is of course the nature of economic/financial crisis and the connection between the EU and the policies put into place at the national level¹⁵².

This is why it is crucial to build on the groundbreaking experience of 2014. The selection of one common Top Candidate was a profound step forward, tightening the links between the European and national dimensions. It allowed personalisation of the respective European political proposals, as also it gave new impulses for mobilisation and for organising European events within the framework of the respective campaigns on the ground. As such, it was empowering towards citizens, even in symbolic terms, who in overall terms could participate in a process that would determine the leadership of the European Commission. **Progressives should act to safeguard this achievement and argue for a necessity for the Top Candidates to be also selected by the Europarties ahead of 2019, in which year the interpretation of the Lisbon Treaty should no longer be questioned (as it was the case in 2014). They should be pondering at the same time other avenues to remain protagonists of a change towards more transparency and stronger legitimacy of the European institutions.** There are number of proposals that can be explored – including nominating not only the top candidate but also

¹⁵² R. Ladrech, *European Elections 2014: A Critical Election for Social Democracy and the European Union.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 398 - 408.

naming potential candidates for commissioners, as also the project of transnational lists. The reasoning here is that while the European elections are no longer 2nd order ones, it is rather likely that the electorates will become more informed and will call for more scrutiny as the opposite of the traditional behind-closed-doors processes.

For the PES and other Europarties, the 2014 experiment raises a number of challenges: how to find a candidate who is endorsed and embraced by all member parties? How to overcome the differences in language (and culture)? How to encourage a debate on policy (and not just on personality and institutional processes)?¹⁵³

But neither selecting a Top Candidate nor running a new type of eurocampaign (see also Point 8.6) are the end goals in themselves. They are a means to help Progressives in regaining ground in the context of the EU election, so that they have programmes that allow them to become more outspoken on Europe and new connecting spaces to reach out to a greater number of voters throughout respective Member States. This is crucial, **as Progressives need to act to counterbalance the shift that is noted traditionally for ‘their voters’ in the context of the EU elections.** Even more than during any other vote (national or regional), Progressive electorate shows tendencies of a greater volatility. The notable moves take them to cast ballots in favour of more radical left wing parties. The explanation provided by the studies on electoral behaviour is that those citizens express stronger sentiments *against neo-liberal, free-market capitalism*. That would indicate that **the need for the Progressives to more tightly reconnect their national and European New Social Deal agendas is more pressing that it has ever been before.**



153 I. Hertner, *Who is that Spitzenkandidat? The Press Coverage of Martin Schulz and his 2014 European Campaign.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 256 - 271.

Even though the result of the 2014 European elections did not cause major shifts in the seat distribution in the European Parliament, they demonstrated a clear downward trend for three main families – Christian Democrats, Liberals and Social Democrats. All these groups declined in their vote and seat share, despite large internal variation due to national factors. (...) The overall vote of anti-EU forces on the right increased, despite the fact that in several countries these radical anti-immigration parties saw their support decline. Parties on the radical left improved their electoral performance¹⁵⁴. (...) (All four) cases show that voters who switch from centrist social democratic parties to the radical left are driven by strong sentiments against neo-liberal, free-market capitalism. Nevertheless, because we are examining shifts within the left, we also see strong non-economic drivers of party choice. In all cases we find that most voters who switch over to the radical left are more strongly opposed to European integration (which they may see as a free market project) and what the Eurozone to be dismantled¹⁵⁵.

154 A. Krouwel & Y. Kutyiski, *Why do Social Democrats Switch to the Radical Left: Evidence from Germany, Sweden, Denmark and the Netherlands.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 352 - 369.

155 A. Krouwel & Y. Kutyiski, *Why do Social Democrats Switch to the Radical Left: Evidence from Germany, Sweden, Denmark and the Netherlands.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 352 - 369.



9.

**Present a new global agenda
and forge a new social commitment
for international solidarity**

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It has been argued already elsewhere in the paper that succeeding in proposing and executing a New Social Deal is bound to a condition *sine qua non* of contextualising the vision and explaining it mutually dependent particularities when it comes to the local, national, European and global levels respectively. In case of state and Europe, it calls for adjusting the terms of the ongoing conversation. But when it regards the global context, it would rather seem that an entirely new debate is needed.

For the Progressives, the starting point is revisiting the somewhat painful memory of their deliberations on globalisation. It has been almost three decades since the dispute regarding the understanding of the term and after that phenomenon divided the movement. The only common denominator was the belief that *globalisation is unstoppable*, as otherwise the disparities appeared across the proposals on what to do about that. The two extremes were: the optimistic stance assuming it can be used to ensure further societal benefits on one hand, and the deterministic position that *globalisation* is so overwhelming that it is unlikely it could be mitigated even in its negative impacts on the other. Today, from the perspective of thirty years that have passed, it is possible to argue that everyone involved then was *a bit right and a bit wrong*. Indeed, *globalisation* has proven *unstoppable*, however not a portent in itself – but a framework of a process enhancing international interconnectedness. To that end, the markets benefitted



from it expanding and consolidating, which development could and should have been better regulated. Herewith the evolutionary trajectory of financial capitalism could and should have been better framed.

Agreeing on that understanding is not a matter of prompting regrets, but rather a key to realising *what it is that* the Progressives should aim at achieving. What would seem desirable translates into a three-fold objective. First, **Progressives should use the argument concerning interconnectedness to forge a *new sense of internationalism* (or rather *globalism*), that could imprint the unavoidability of a mutual responsibility for one another among individuals, societies, regions, and states.** This is key to gear all those actors up for any action. Second, **Progressives should use the argument concerning the unprecedented power of the global financial capitalism as a motivation to counterbalance it with provisions that would bring back balance and make the benefits fairly and equally shared among people across the globe.** Thirdly, **Progressives should use the argument concerning modernity as an optimistic feature, paving the way through which all the technological and other achievement of the humanity could underpin new opportunities, new securities and new kind of social progress for all.** Altogether this three-fold objective could underpin their new global vision and, as such, emancipate them from both their previous predicament around the globalisation debate and the deterministic approach that seem to mainstream contemporary politics.

9.1 Build on internationalisation of contemporary societies and argue about positive complementarity of global and national governing levels

One of the problems with the previous debate on globalisation (as noted in the Point 7.1) was its doomsday-like character. Because of that, it was assumed that the international phenomena are overpowering and singular countries could do very little about them. Although it was meant to be an incentive to do more on *together* as an international community, effectively it translated into a presumption that national states have become weak. Consequently, learning from these past experiences, the centre left needs to find ways to recuperate from them. That is especially that the state is for them a vessel for bringing about the New Social Deal. Therefore the **Progressives have to strike a new balance – arguing that developing interventionist and developmental capacities of the national governments is not in contradiction in terms with the international context. Particularly, when the latter is once again gaining in its importance. Hence the interconnectedness requires ensuring coherence between the national global policies, which complementarity is key to the enhanced effectiveness of both.** In that sense the roles of a government played both internally and externally are effectively equally important.

This is a relevant point to make in the times when tendencies of a retreat towards national level and consequently a rise of nationalism are observed. It is the anxieties that underpin clinging *politically* onto the state level as a ‘familiar’ one, which is seen as opposite to ‘global – unpredictable’. These political withdrawal attitudes remain somehow at odds with the *internationalisation* of the contemporary societies, which is a process progressing in parallel. It makes the citizens feel that they



are part of the international developments, which they are content to discover and make use of. Even while they perceive themselves as victims of *globalisation's negative externalities*, they are also beneficiaries of the achievements of global progress (in terms of discoveries, technology, internet etc.). That fact they cognitively recognise less. And here lies the key to understanding a certain paradox – the citizens want to have access to what *globalisation* has to offer in terms of goods and services, while they think that the national level should be more empowered to monitor and define the pace of their flows.

Therefore **Progressives should build on that social *internationalisation*, emphasising that global expansion of the market can be turned into benefits for the citizens, if it is properly regulated. Thus there is a need for a strong, politically governed framework that implies simultaneous and complementary actions on international and national levels.**

Social democrats need to address the internationalization of society and the economy without conceding the retreat of state. (...) The task for social democrats is to widen interventionist and developmental capacities of national government, while strengthening and embedding the arena of global politics. (...) social democracy confronts the need to become genuinely transnational and cosmopolitan, while seeking to rebuild and strengthen the nation-state in a globalizing world¹⁵⁶.

In that spirit, Progressives have to ensure that their vision of the New Social Deal is coherently linked with the agenda that they would like to propose for the Next Social Europe and therefore the New Global Deal (see Point 7.1 and others)¹⁵⁷. There are number of ways

156 P. Diamond, *National and Global Governance in Crisis: Towards a Cosmopolitan Social Democracy.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 90 - 97.

157 For more on the matter of the 'New Global Deal' – please consult also other streams of FEPS work, especially the materials from the New Global Construct Progressive Convention.

that it can be accomplished. Taking into account the above-mentioned *internationalisation of the contemporary societies*, **Progressives should consider defining provision and rights of all to access global public goods as their way of becoming the protagonists of the modern global agenda.** This can provide them with a tangible explanation as to why international cooperation matters and is an indispensable condition for ensuring a better and fairer future for all.

If we want to avoid heading into a zero-sum world, effective international cooperation is a must, given today's economic openness and the growing importance of global public goods. If policy makers want to provide a global public good like climate change mitigation or international financial stability to their constituencies at home, they must now engage in cross-border cooperation. (...) Willingness to engage in fair and effective international cooperation is no longer just a policy choice that one can or cannot make. It is one's own enlightened self-interest, at least in the growing number of issue areas that are marked by policy interdependence. (...) As global public goods require international cooperation, effective and fair cooperation is now in our enlightened self-interest¹⁵⁸.

To that end, it is important to underline the hypothesis coined before, that even though the contemporaries are the *most informed* citizens in history, their access to information does not translate into knowledge and critical assessment by default (see also Point 8). Therefore there is a need to re-enter into a broader public conversation about the changes that are taking place globally and what they mean in social, economic and political terms. It would seem that in the recent years this task has been largely neglected, leading to a situation in which it is that much harder to appeal to people's sense of international solidarity. In that context **Progressives should set themselves on a mission to re-launch the debate on a global agenda. But instead**



158 I. Kaul, *Modern Progressive Policy: Why It Can't Stop at National Borders.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 136 - 150.

of choosing as a departure point any of the issues directly related to global governance and international institutions, they should try the issues focused, bottom-up approach. In other words, they should make the debate first and foremost about a vision of an ‘ideal global society’ – and what its sense is in the context of the lives of individuals and (local, national) societies that they belong to.

An important effort is to be devoted to better informing citizens and politicians about the changes happening in the world. The effort is crucial at a time, when the European position in the world is challenged and when international solidarity can be downplayed for electoral reasons.(...) A clear vision of an ‘ideal global society’ will be necessary to establish and attain our national or European objectives with an appropriate and necessary balance between interests and principles. (...) forging the next progressive vision of our own societies may increasingly mean designing our policies and making our political choices without the current separation between national and international spheres¹⁵⁹.

While embarking on that approach, Progressives should keep another nuance in their minds. People across the globe may feel to be *the citizens of the world*, but in essence that does not mean that they are ready to act, taking responsibilities for one another. This makes them vulnerable to narratives which suggest that *being a citizen of the world* is a meaningless concept, which alongside with other notions (multiculturalism, international solidarity), are abstract and hence seldom *work in real life*¹⁶⁰. This is why **Progressives should focus their new approach on generating and mainstreaming critical outlook, which would re-vitalise the spirit of international solidarity.** It has

159 C. Winkler, *Thinking about tomorrow's international solidarity.*, [in:]*Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 236 - 246.

160 For similar thoughts, see: D. Rodrik, *Global Citizens, National Shrinkers.*, Project Syndicate, www.project-syndicate, Feb 10, 2017 – accessed on 24th February 2017.

to become a building block of new kind of global humanism. The discourse should therefore refer to the principles, rights and responsibilities within the global community, showcasing why it is key to cooperate, coordinate and sustain international commitments. This is to create a fundament on which humanitarian aid, migration, development and trade policies of a new generation can be anchored and built.

The contemporary understanding of internationalism lies in bridging between philosophical acknowledgements, such as that all humans belong to one community, and ethical interpretation, about hospitality and responsibility of one another. This is why it provides such an attractive possibility for the progressives to embark on. It is offering a crucial element for the transposition of the next social deal onto the European and international levels – namely the concept of global citizenship. This supports global humanism as an idea to refocus on individuals and the community they live in; it enables showing the relation between progressive values (and their respective global and European dimension) and the Next Social Deal, reserving a space to outline mutual rights and duties. Finally, it can also help building herewith new progressive ethics and identity that is needed for the next social contract to be fulfilled by the next socio-economic paradigm¹⁶¹.

9.2 Propose a shift from internationalism to globalism and forge a strategy to deal with the new divides

It has been argued before that while citizens may feel connected to the global developments – either forming a part of them or being exposed to their risks and remaining on the externalities – they do not see it as synonymous with belonging to a global community (See Point 9.1).



161 A. Skrzypek, *The core values for the Next Social Deal.*, [in:] *Progressive Values for the 21st century.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 4, Brussels 2011, pp. 50 - 67.

This determines their expectations towards respective national states they live in, scaling down their demands regarding *stronger state* to the agenda of prevention from risks and search for more immediate benefits. This is naturally too narrow and hence not at all conducive when it comes to tackling the reasons for which today's world is one of imbalances, unanswered challenges and unsustainable, fragmented policies.

But as such, recognising these attitudes helps explain why the grand global mobilisations that used to connect individuals and local communities in the name of one common objective have faded away. Here the last one coming to mind is the Global Call Against Poverty – Make Poverty History, which emerged on the back of the Millennial Development Goals and the G8 talks about enacting a debt relief agenda. When nowadays the Sustainable Development Goals come to play, the activism around them is incomparably smaller. Looking at the last years, one could rather observe that what triggers actions is not a willingness to voice an idea that the policy makers should pursue, but rather an urge to express opposition. This has been the case recently in the context of prospect of the CETA and TTIP agreements respectively. Right from the start, citizens seem worried that these would become springboards for liberalisation, and hence for the global capitalism to advance its expansion on the costs of the people's welfare (see Point 8.6).

In that situation, calling for more *international solidarity*, even if it is ideologically justifiable and would be needed, is bound to be a challenging task. One cannot imagine succeeding in it, unless one begins with creating a popular understanding that the growing world's interconnectedness (as described in Point 9) means that what used to be external, becomes very much internalised these days. To give an example using the case of the trade agreements, in the past they were seen as accords regarding the exchange of goods between the

countries. Nowadays, they have a great weight in influencing the national policies, especially when it comes to: criteria of competitiveness, the issue of the labour and social standards and the provision of the public goods and services. While it is clear that protectionism could never be a responsible answer, there is a need to start thinking differently about the existing interdependences, and this is where the centre left should try to anchor themselves.

Consequently, **Progressives should argue that the interconnectedness translates internationalism into globalism, whereby all form part of a global community. In such a context international solidarity would no longer be only a moral, abstract imperative, but could eventually become a reference point for establishing benchmarks of common objectives, standards and degree of responsibility.**

Internationalism is part of the social democratic value base and one of our founding elements: freedom, equality and solidarity. (...) It is obvious that internationalism and international solidarity, is of Europe's own interest. Not only by the reciprocal nature of the social democratic solidarity concept, but also from the hard realist point of view. (...) The conceptual and the methodological challenges of the development of internationalism might be summarized in the challenge to go from internationalism to globalism¹⁶².

This kind of approach would also allow bringing forward an alternative understanding of sovereignty. There is no reason why it should remain hijacked by the right or by the extreme forces, being coined by them as a matter of nationalist pride and self-standing of singular national state (see also Points 2.3 and 7). To the contrary, **Progressives should insist that there is a different view and in fact only smart sovereignty offers a path to more empowerment and more control for the**



162 J. Orback, *Mobilising European Labour Movement for International Solidarity.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 200 - 212.

citizens. As such, the concept assumes accelerated cooperation with other countries and therefore a greater ability for the singular states to set, coordinate and control the global agenda for the benefit of people everywhere.

Forging global consensus on a notion of smart sovereignty could clear the path for states to strengthen their willingness to cooperate and to do so in a fair and effective way – provided that they feel reassured that other nations, too, will abide by this norm. (...) Smart sovereignty would introduce a new policy and governance paradigm and allow policymakers to make sense of measures that they now reject out of fear of losing national policymaking sovereignty. (...) Realizing progressive goals requires the pursuit of an active global agenda, at the heart of which would need to be the notion of smart sovereignty¹⁶³.

9.3 Rearticulate a need for the EU to act united on the global level and translate this principle onto further dimensions such as monetary policy

Arguing for both the complementarity of the national and international policies (See Point 9.1), and for the new sense of social *globalism* (see Point 9.2) has to be embedded in a narrative that showcases that modernity is not *yet another plague*. As said at the beginning of this text, these are transformational times (see Introduction and Point 1) in which a political party should dare to propose a new way of thinking. In the international context that means accepting that the world has changed. The revisiting of the painful memory of the 1990s dispute on globalisation (see Point 9) is not only essential in order to recuperate ideologically, but perhaps even more importantly because it is a key

163 I. Kaul, *Modern Progressive Policy: Why It Can't Stop at National Borders.*, [in:] *Framing a New Progressive Narrative.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 136 - 150.

to a critical understanding of the geopolitical developments that have taken place.

There are many avenues that could be analysed here, however from the perspective of the FEPS Next Left research, a prominent question was the one about the place and role of Europe. To begin with, despite reoccurring and lasting crises, the last three decades have seen proceeding internal consolidation especially in the areas of the European Single Market and Monetary policies. While these processes have been framed with a focus on their impact on the EU as a whole and on the Member States respectively, there has been little attention given to what their impact could be if there were also considered as factors of change on the international level (see also Point 8.5). This is also why the deliberations on the crash of 2008 and its consequences on the EU has remained a very Eurocentric debate.

Progressives should therefore seek a change and argue that the international involvement of Europe should be seen through more prisms than the traditional approach towards ‘external dimension’ incorporates. To that end, Progressives should argue that projects such as the Eurozone – should it be rescued and reinforced – provide a new opportunity to strengthen Europe’s clout in the world. It could become a partner expanding G2 to G3 debates and it could be the reason for arguing for single representation in the IMF and World Bank.

The central argument of this chapter is that there is precious little prospect of advancing a global progressive agenda unless ‘Europe’ steps up to the plate. This requires both a rethink of that agenda’s content and the more effective mobilisation of the EU’s collective clout in pursuing it. (...) A more politically integrated Eurozone will present a new opportunity to strengthen Europe’s clout in the world. For example it would be surprising if such integrationist move did not result in single Eurozone representation in the IMF and World Bank. This would enable the Eurozone to turn the present G2 discussions on global imbalances into a genuine G3 forum in which the



Eurozone nations would gain more influence. There would in the time be a corresponding impact on the way that the G8 and G20 work. (...) Should (however) a more integrated Eurozone develop, this will present a major opportunity for the centre left to shape a new progressive international vision for it¹⁶⁴.

While the internal consolidation is one of the reasons for the EU Member States *to act together*, the changing context should become *the reason to act differently*. And in that sense imprinting a new sense of social globalism (as described in Point 9.2) is key to ensuring legitimacy for the shift in approach. It should bring about consciousness that although the EU and its Member States remain important actors on the global level, their position has changed and the centres of world power have become spread out, to include other countries of other continents. It hasn't prompted an emergence of a multilateral order so far, however if definitely questioned the prerogatives and sustainability of policies from the side of once-upon-a-time defining, and now economically fabling. This is a turning point, which however cannot be answered by withdrawing from responsibilities. To that end, **Progressives need to speak about new generations of not only trade, but also aid and development policies. The Millennial Development Goals and the subsequent Sustainable Development Goals pave a path on the global level, however what is needed is a clearer link between these and the actions taken on the national level consequently.**

(...) the recent changes in the world mean that thinking tomorrow's international solidarity is not only about imagining better development policies, but it translated into bounding together three distinct policy fields; our own internal priorities, how international cooperation works and our development policies. (...) The end of a western-dominated world and the end of the developing/developed divide has fundamental implications. (...)

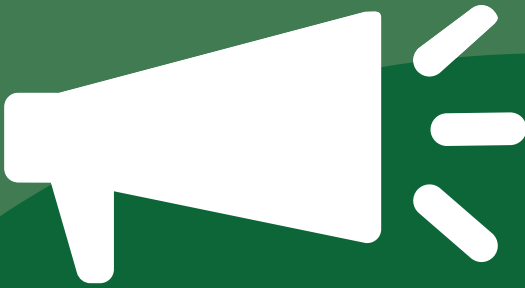
164 R. Liddle, *A Global Progressive Agenda?.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 40 - 52.

Ownership of development processes is an essential question that will have to be better addressed by a renewed international policy. The receiving countries will have to be the ones to determine their own priorities¹⁶⁵.



165 C. Winkler, *Thinking about tomorrow's international solidarity.*, [in:] *Towards a New Strategy.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 3, Brussels 2011, pp. 236 - 246.





10.

**Reach beyond the divides
of traditional partisan polarisation
and claim new grounds re-entering
broad political competition**

10. Reach beyond the divides of traditional partisan polarisation and claim new grounds re-entering broad political competition

The mainstream, moderate political discourse of the end of the twentieth and the beginning of the twenty first century would describe economy to be embarking on a neo-liberal path (see Point 1.2 and Point 6), and the society to become more and more framed by the post-modernist attitudes. The latter would in general terms see growing skepticism, translating into politically expressed distrust towards ideologies and systems. As such, *postmodernity* served as rationalisation for the civic behaviour of withdrawal and declining turnout in the subsequent elections. Even though it had been worrying, it still was undisruptive to the overall, permissive consensus. This is why *business as usual* could be carried on nevertheless. The situation has changed in 2008, whereby all was put into question.

It was argued earlier that the hopes of the Progressives of the historical pendulum seeing the return of the centre-left into power in Europe were illusive. To that end, they have become even more severely judged after some of the sister parties entered respective governments and pursued a path of austerity policies (see Point 6.2). Although they tried to argue for their necessity, their eventual reasoning was dismissed by majority of the citizens, who believed that other ways had been possible. Herewith the Progressives became, in the eyes of the public, a force that not only did not deal with the crisis effectively,



but also shifted the costs of the crash onto societies without even as much as holding those responsible accountable for their wrongdoings. The crisis aftermath triggered a new kind of dynamic, which saw citizens aggravated and coming out to say “no”.

This has marked a beginning of a new era, whereby the negative sentiments and contestation became the inspiration when it came to social mobilisations or political ones around respective elections. Political scientists tried to argue that this meant moving from postmodernism to *post-truth*, where reality and facts matter less, and emotions are the driving forces defining people’s behaviour. It would be prudent not to follow this line of thinking – as politics have always been about passions. The problem for the Progressives is that in the past they benefitted from these feelings to be about desiring a change, whilst today the citizens are first of all voicing a need to put a stop to different arrangements (political, institutional, partisan) that social democrats have been part of. In that sense **Progressives should realise that the task they have ahead of them is to go beyond the traditional parameters of ‘conservatives versus progressives with liberals in the middle’ and drop the conventional understanding of core electorates. Instead they need to rise beyond old political divisions and position themselves in a new kind of political competition, assuming the conflict alongside the demarcation lines of social polarisation.**

10.1. Restore the idea of politics as service and shape new political identity capable of bringing different segments of electorates together

There are number of reasons as to why the citizens turn their backs towards established politics. It is not only the system that they feel is dysfunctional, however that is part of their concern. Perhaps even more importantly many of them grew to believe that *politics has become a profession*, which, first and foremost, serves the political elites. And those elites tend to become more and more detached from reality, resorting to speaking about citizens in peculiar terms of *addressing ordinary citizens*. Progressives should reflect on how to restore, within their own ranks, an idea that they are a movement that acts at the service defined by an ideological mission, which is focused on bringing social progress and benefits to others. This is key to reinstating the ethos of the movement, as also to reclaiming its legitimacy and accountability. The Progressives' actions and consequently their appearance must be one of being themselves from among *exceptionally* engaged citizens who stand up, motivated to assume responsibility and join forces to accomplish something good for the others.

*Citizens are increasingly inclined to view politicians, political parties, civil servants and the institutions of democratic government in terms of self-interest, duplicity and unaccountability.*¹⁶⁶

This leads to identifying another profoundly important challenge. For years, it has been repeated by social democrats that they are the *labour* movement, which they would see as synonymous with *being the*

166 D. Bailey, *Responding to New Patterns of Social Contestation: the Politics of Protest Management during global economic crisis*. [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9 pp. 20 -35.



spokespersons of the working class. The problem with this definition is the evolution of the world of labour (see Point 5) and the progressing erosion of identification related to class in socio-economic terms (see Point 1.1). This is one of the factors that contributed to the fading away of what used to be considered the social democratic core electorates. As it is implausible that the trend could be reversed, **it is time for Progressives to start thinking and acting in a way that embodies equally for whom and because of which issues they are in politics for.**

The demographic and economic basis for traditional social democratic politics therefore no longer exists. (...) The coalitional challenge must be faced head on. Social democrats must pay far more attention to how they can work together with green and yellow parties – and even left socialist parties where they are committed to a responsible political path – to form common electoral fronts around share policy objectives¹⁶⁷.

While it is impossible to ponder re-establishing the old class identity, the focus should remain on coining a new understanding and searching for ways to create a new progressive ethos, which citizens could identify themselves with. As noted before, it should be balancing the focuses on *whose behalf* and *for what purpose*. For that reason, it is important to see a process towards it as participatory. **Progressives need to prove that they can transform into a movement that is open; that offers new connecting spaces; that is build on culture of debates.** The deliberations and disagreements should be seen as natural part of a development, whereby they help paving the way to stronger positions and broader alliances at the crucial, turning moments. In that sense, the commitment to pluralism and diversity must be restored and as principles they should be embodied in the culture of progressivism to begin with.

¹⁶⁷ J. Halpin & R. Teixeira, *Creating Majority Coalitions in the United States and Europe: is there a Blueprint for Progressives?.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 9, Brussels 2015, pp. 64 - 99.

The core political challenge for traditional progressive parties is to shape a new political identity capable of bringing a diverse group of voters including segments of the working class; middle class voters and professionals; immigrants and minorities; women; young people; and single and secular voters. Although the demographic shifts vary significantly across European countries, the broad trend of declining working class strength and rising education, white-collar employment, secularism, and ethnic diversity among the European electorates is one that will likely continue. (...) it is crucial to recognize that this new coalition must be nurtured both inside and outside of traditional party structures. (...) European progressive forces should seek to be more participatory and open to diverse inputs and points of view. (...) It is important to understand that the process of creating and nurturing a new coalition cannot be solved within one election cycle or even a few. Ideological and political differences exist for rational reasons and it takes years of patient organizing – and potentially many fights – to bring diverse people and parties together¹⁶⁸.

10.2. Drop the strategies focused on competing within the framework of pre-crisis political systems and connect with emerging electorates

Here the departure point lies, therefore, in understanding three aspects of the contemporary political reality. First of all, it is quite possible that the future of the partisan system is going to be quite a different one to what has been known as an arrangement in the post-war history. Progressives have to consider that the competition will be less and less among the traditional, used-to-be mass parties and will rather become a free-style play field among parties, movements and ad-hoc established committees. In order to persevere and

168 J. Halpin, *Building a Progressive Coalition in the United States: from Robert Kennedy to Barack Obama.*, [in:] *For a New Social Deal.*, E. Stetter, K. Duffek, A. Skrzypczak (eds.), FEPS Next Left vol. 6, Brussels 2013, pp. 190 - 201.



win in those conditions, it is essential to redefine the centre-left (as argued in Point 1.1) in the new context framed by new social polarisations. Only then Progressives could become a political force of modernity, assuming an agenda of new (social) conflicts (arising issues) and attracting new electorates emerging on the sides of these.

The growing polarization of political positions is not but a reflex of social polarisation. There are winners and losers, believers of one side or the other incapables of compromise. This tightening of political positions not only expresses the fading of shared spaces (and shared language and experiences) but the incapacity of politics to change things effectively. (...) The emergence of new politics is not only an answer to an economic crisis that has evolved to a political one. New politics is a challenge to social democrats, a spur to reinvent the idea of social democracy in a new era. And by doing it, to answer who are social democrats working for and who they want to work with¹⁶⁹.

This leads to the second issue. It would appear that while the conflict continues to be assumed alongside the traditional divides, the disparity between the historical mainstream actors and the others (radical and extreme parties, protest parties and movements) is becoming the focus instead. With people disenchanted about politics and motivated to give ‘red card’ to *political class*, this is not a situation in which any of the traditional parties (Progressives included) could persevere and flourish. But **Progressives can accomplish elevating themselves from the angle of “us (system)” and “them (alternative to the system)”, if they move away from attacking those organisations because of their nature.** It is not helpful to continue using labels, which no longer resonate negatively in broader debates. This concerns, for example,

169 O. Bartomeus, *The Emergence of the New Politics: Podemos.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 370 - 384.

approaching so-called 'populists'. They may indeed constitute a great danger for democracy, but they are obtaining the support from the side of citizens, which is growing, and which has to be recognised, respected and battled for. Hence it would seem that **there is a need to change the circumstances of the ongoing political struggle, which Progressives can achieve on assuming a conflict not on systemic, but on socio-economic issues.**

Thirdly, therefore, it is high time to break out of the logic that *elections are won in the middle*. It was a victorious strategy in the 1990s, but it was crafted of course for different political circumstances. With the social and consequently political polarisation at hand, Progressives should be careful not to get blended in a *consensus of traditional(s)*. Indeed, the current system is under pressure, which may prompt ideas to unite on the bi-partisan scale in the name of democracy. In a deciding moment this may even help as a strategy to persevere and protect. That was the case during the 2016 Presidential elections in Austria. Nevertheless, forming a coalition has to remain a conscious political act and not a habit assumed by default. **Progressives should firmly stand for democracy and democratic order, however they should continue underlining that these principles are part of an ideological ethos that they believe in and that makes them distinctive in comparison with conservatives, liberals or greens.**

*Political parties – and especially major parties within each national party system have increasingly converged around ideological center-ground in which distinctions between left and right are growing meaningless. This has been particularly associated with the idea that pro-welfare politics are either economically unaffordable and/or electorally unviable, resulting in a consensus between both left and right.*¹⁷⁰

170 D. Bailey, *Responding to New Patterns of Social Contestation: the Politics of Protest Management during global economic crisis.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Next Left Vol. 9 pp. 20 -35.



10.3. Re-examine the challenge from the left and draw lessons to solidify their own position in the future

In quite a handful of the EU Member States the parties on the left of the Progressives has risen in popularity. The reasons may diverse, as do the partisan system within which, or on the fringe of which, they would emerge. What, however, united them is the ability to channel the voices of the (social) contestation, which the social democrats have failed to connect with during the crisis of 2008 and in its aftermath (see also Point 6.2).

The lesson that can be drawn is two fold. First of all, **the Progressives should re-consider their attitudes when it comes to social contestation.** In recent years, they would answer in a rather rigid rejectionist way, which, as noted before, was a reason for their incapacity to connect with favouring their agenda in context of the mobilisations (See Point 3.2). **Instead, they should search for new guidelines that would enable them to enter a broader social dialogue, make ethically justifiable concessions and seek unifying, issues-based compromises.**

Regardless of whether we see consistent patterns of social contestation across the European Union, we nevertheless also see a failure by the parties (including social democratic ones) to adopt a concessions-oriented approach responding to social contestation. This would, therefore most likely require a change in the ideas of social democratic actors, itself a long process likely to be sparked by the experience of crisis – or their replacement by the more left-leaning actors. We need, therefore, both a consistent move towards social contestation and the adoption of concessions-oriented responses, across the European Union, in order for a “Social Europe” agenda to become anything near likely¹⁷¹.

171 D. J. Bailey, *Socio-economic Policy Making and the Contemporary Prospects for a “Social Europe” Alternative.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 166 - 183.

This is especially that as mentioned previously, (see point 10.1), the nature of the political competition has changed. In that context, it would be misleading to try to assume that the *more* left wing parties are essentially in competition with the centre left for votes of those who have been the centre-left voters. In fact, it would not be helpful to even try to apply the older definitions of *policy seeking* or *office seeking* parties here. **Progressives should acknowledge that the emerging left parties rise as they represent new conflicts, which traditional parties have not (yet) chosen to assume. The rivalry is therefore one about political competence and prevailing argument. As such it is not limited to the left-left dimension, but affects the parties across the board. Consequently, assuming greater proximity of the possible agendas, it should be seen by the Progressives as strengthening the phenomenon in overall.**

Podemos is not just a leftist party that attracts Socialist voters on its left side. It's a party able to collect support in a wide ideological area, coming from the left but going further than the socialist space alone. Podemos does not compete with PSOE for the leftist voters, it competes for victory. (...) the emergence of Podemos cannot be understood only in terms of the left and right. Podemos expresses a new conflict, linked to the economic response and the lack of response from the traditional parties (...) The appearance of this kind of movements affects all the parties, from the left to right. But it draws a big question mark in front of social democrats, because they have always been the party of the future, and now they are noted as a conservative force of the past, part of the status quo these movements want to overcome¹⁷².

172 O. Bartomeus, *The Emergence of the New Politics: Podemos.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 370 - 384.



10.4. Learn to use the context and approach alliances in a way that embraces the new patterns of participation

The previous sections have pointed to different reasons because of which the Progressives did not succeed in using the context of the changes happening around them. This was the cause of failing to connect and consequently an inability to benefit from the social mobilisations, which in these past three decades decisively influenced the terms of politics and political narratives. The paradox of that is what people have been calling for on the streets in the 1990s, 2008 and now (see Point 3) and essentially what remains at the core of social democratic ideology: social justice, equality and democracy respectively. Among the reasons was a confining determinism of the Progressives, which made them move from a notion of *trying to change* towards a philosophy of *helping to adjust*. The difference may seem semantic, but in fact is more profound. It is the one between *creating alternatives* and *making conforming to reality bearable*. And the latter is one that citizens could not accept anymore, especially with deteriorating criteria defining what is decent and acceptable.

But this should not mean that hope is lost. On the contrary – it should be taken as a lesson on what to do to preempt the next political cycle. The challenge remains to set itself on a course that will make Progressives a party which is ideologically driven and ready to be an actual force of modernity, standing resourceful in readiness to shape the course of the development for the future (see Points 1 and 1.1). In that spirit, **Progressives should open up to an idea that they need to go beyond thinking about themselves as exclusively *parliamentary* force and instead build an organisational vision that would show that their construct entails two components: parliamentary/**

governmental and extra-parliamentary-social – which both stand on the equal footage. This can be labeled as “fourth phase of the historical development of social democracy”.

We might also consider centre-left parties to be entering a fourth phase of their historical development, defined in terms of the relationship between centre-left parties and extra-parliamentary social mobilisation of the broad sub-altern social base that has tended from their constituency – with the content of this relationship yet to be decided¹⁷³.

This is important, especially if to take into consideration the dynamic of the inner-elections of the leadership within the respective progressive parties in the last two years (see Point 10.5). In their light it is possible to question in how far the literature was right to connect the *traditional forms of political participation* with the decline of the *traditional political parties*. Certainly, it is impossible to imagine one could organise a partisan line alongside the patterns that used to work in nineteenth century. Too many things have changed – from socialisation patterns to means of communication. But while that is the case, **Progressives should not give in to the idea that the new era will see the final dawn of partisanship as such.** There is evidence that it is not lost, especially looking at the respective parties, which grew in numbers of members rapidly around the elections of new, *more radical* leaders – who would be considered (rightfully or not) to be *from outside of the current party elite*. In that sense, **Progressives should not consider giving up on conventional forms of political participation, but should rather focus on finding ways to channel more unconventional possibilities for engagement into the traditional politics.**

There is a move away from conventional forms of political participation (voting, party, membership, partisan voting) towards more uncon-

173 D. Bailey, *Responding to New Patterns of Social Contestation: the Politics of Protest Management during global economic crisis.*, [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9 pp. 20 -35.



ventional political participation (direct action, street demonstrations, occupations.)¹⁷⁴

In that logic, while learning from the successes of mobilisations (and failures of social democrats to connect with them and/or their messages), it is essential to realise that the way these movements have been organising themselves has changed profoundly since 1990s. Among the core reasons is the digitalisation of the societies, which prompted the opening of new channels of communication and participation. Of course, on one hand it allows people to get connected to inform and call upon each other faster, enabling activation of unprecedented numbers. On the other, it also facilitates expressing opinions in a less committal way than traditional politics. Here the so called *social media* are the most prominent example, whereby “liking” a post does not yet mean readiness to undertake any serious action to realise the message that it entails. While that is the case, **the digital evolution certainly brought on new possibilities of learning and staying alert, new patterns of interacting and finally an ability to create (and dissolve) new communities quickly.** Progressives have to acquire a better understanding of it, especially if they are to expand their web of affinities and truly accomplish creating a modern two-tier party – of parliamentary politics and social mobilisation.

(...) Occupy is more than a movement of resemblance, and might, in fact, mobilize through a politics of recognition appreciation for how occupy movements struggle over very particular local contests even as they struggle to recognize their implication in global chains of inequality and injustice. (...) The mobilization of civil-digital society across Europe heralds a new era of social movement mobilization, linking electronic and actual protest in new

174 D. Bailey, Responding to New Patterns of Social Contestation: the Politics of Protest Management during global economic crisis., [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9 pp. 20 -35.

and effective ways. (...). The Next Left will only be really different if it sense of community engages these new movement as part of its own web of affinities¹⁷⁵.

10.5. Grasp the nature of anti-systemic revolt and create new politicised participatory spaces to enhance culture of democracy

The reason given for the rise in popularity of the new – protest, extreme, but also more radical ones – has been the *disappointment of the citizens with the system*. Within the framework of the *traditional* politics the fact that the citizens would support those new actors has been classified as a condemnable behaviour that would prompt putting democracy in danger. The problem is, however, that the strategies based on the old methods of *holding the extremists and populists in contempt* or trying to create distance by policies of *cordon sanitaire* no longer work. They grew too prominent for this and gained too much ground, meaning a different approach is needed.

To begin with, it is essential to say that the disapproval that is expressed by voters in the respective elections is not towards the *institutions*, but towards a political class (see also Point 10.2). This comes down to the question of representation and legitimacy, whereby the citizens feel that the traditional parties have become too elitist and too detached from reality. Herewith they crossed a certain Rubicon, moving from being closed circles of decision making¹⁷⁶ towards a managerial nucleus that function aside from society, predefining the guiding rules.

175 M. Kennedy, *The Next Left and its Social Movements.*, [in:] *Building New Communities.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 5, Brussels 2012, pp. 98 - 109.

176 Please see: C. Crouch, *Post-Democracy*, Polity 2004.



It may indeed be time for Labour to abandon the “managerial socialism” of the postwar period¹⁷⁷.

This is bound to prompt resistance. To counteract, **Progressives should consider ways in which they can create new openings** (see Points 10.2 and 10.4 about the two-tier party). This should be **focused on forging conversation, going beyond the out-of-date logic of conquest and constituencies’ subordination**. The latter will continue failing, especially when taking into consideration new patterns of participation (see Point 10.4), greater volatility of electorates and new kind of ad-hoc founded collectives (see Point 1.1).

The elitist nature of our political parties – and international coalitions – needs to be redressed as part of a larger change in mindset towards a more inclusive and open form of politics¹⁷⁸.

Furthermore, while grasping the sense of what is described broadly as anti-systemic, Progressives should read in that citizens’ longing for political representation that would be acting as their *real* proxies. Research shows that while voters (especially the young) consider social democrats as professional, intelligent and skillful operatives, they believe that as political actors they lack social competences¹⁷⁹. This image has been further strengthened by how the politicians appeared to behave during and after the crisis. At the end of the day, there was an unspoken bi-partisan consensus that there was no other

177 M. Weatherburn, *The Politics of Productivity: Big Data Management and the Meaning of Work in the Post-Crisis EU.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 72 - 90.

178 J. Halpin & R. Teixeira, *Creating Majority Coalitions in the United States and Europe: is there a Blueprint for Progressives?.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), *For a Connecting Progressive Agenda.*, FEPS Next Left vol. 9, Brussels 2015, pp. 64 - 99.

179 See: A. Skrzypek with support of M. Freitas, *Future Starts Now. 10 Cornerstones for Dialogue between the Progressive Family and the Millennial Generation*, FEPS 2016, http://www.calltoeurope.eu/assets/b6bba582-cc87-4023-8b2c-39e895e747fa/2016%2006%2014%20md%20final%20paper_done.pdf, accessed 1503/2017.

way but to put austerity in place, and that the citizens would need to lean. While the politicians felt there was no alternative, people refused to believe in that disempowerment and rallied against it. This is how the crisis from being a *failure of neo-liberal policies* became a fiasco of the current political system. Though the clocks cannot be turned back and what happened then cannot be reversed, still **Progressives can try to regain ground by seeking further politicisation of their narrative and policies.** Then the new opening mentioned before has to be politically framed and focused on creating a politicised environment, which seeks new collectives beyond an old shrinking systemic consensus. What is at stake is not only about regaining ground in institutional contexts (traditional office seeking), but is about re-investing and strengthening the participatory culture of democracy through progressive frameworks.

The notion of crisis has served as a most prominent feature of the contemporary reality and has turned to be dictating the ways of understanding of the world around. The most deceptive part of that is that in itself crisis is not a simple, politically neutral concept. To the contrary, it is a complex term of which scope and impact is being defined accordingly to one's political beliefs, ambitions and strategies¹⁸⁰.

180 A. Skrzypek, *To Change or Be Changed... The Evolution of the Welfare Agendas of the Progressive Parties in Europe and the Perspectives for an Ideological Shift in the Future.*, [in:] *Delivering Empowered Welfare Societies.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 10, Brussels 2016, pp. 424 - 447.



10.6. Think in categories of continuous dynamic change, where new conflicts need to be assumed and make their New Social Deal forge new coalitions in the name of a better, fairer future for all

To that end, it is safe to say that the old ways – especially when it comes to political expansionist strategies – will not work for the Progressives. If they aspire to become the force of modernity and appear as credible and worth supporting, they need to themselves get accustomed to the rapid pace of changes taking place in the context they operate in. That is particularly when it comes to how the society evolves, how the collectives are being formulated and what is the nature of impact that the different social actions have.

Therefore they should drop the idea that their institutional position places them, by default, at the heart of what the centre left is (see Point 1.1). **Progressives need to think in the categories of dynamisms. Anticipating continuous shifts is quite paradoxically the only way to solidify the position and reassure political continuity. The new definition of what the centre left is, alongside with the ideologically determined delivery criteria, should therefore be logical to define entering into different, also ad hoc – but credible – coalitions.** In that sense, they should not count on automatically forging an alliance with the social/protest movements, but should focus on hearing the issues that they raise and place themselves boldly on one or another side of the resulting argument.

There is not likely to be a re-formulated alliance between contemporary social/protest movements and centre-left social democratic parties in foreseeable future. ¹⁸¹

181 D. Bailey, Responding to New Patterns of Social Contestation: the Politics of Protest Management during global economic crisis., [in:] *For a Connecting Progressive Agenda.*, E. Stetter, K. Duffek, A. Skrzypek (eds.), Vol. 9 pp. 20 -35.

Elevating the issues that the citizens bring through different participatory modules (mobilisations, petitions, actions etc.) and translating these into institutional legislative initiatives is what could restore Progressives into a position of people's representatives. That would be the key in restoring them as actors *in service* of the society, determined to make its future better and fairer. But while doing so, **Progressives must become bolder about the ideological boundaries that they have and come forward more strongly as party ready to make clear cuts. They should listen, as well as argue, but then select the issues that are those that they are ready to strive for, taking into account their overall mission.** In that sense, the traditional, consensual models of politics have placed them in a position where they seem far too cautious to position themselves and to lead.

What can be done to restore sense of politics? (...) Politics must be useful to people and not only to politicians. It is impossible to try to involve people in politics if they do not see that it is worth for something, that it has the power to change effectively their living conditions. That implies that politics must not be afraid of leading, of defining what kind of society and what kind of world we want¹⁸².

And to that end their narrative must become the one that shows power of conviction, readiness to enter into conflicts and battle until the historical mission of a better, fairer world for all is accomplished. Yes, the Progressives should always stand against what is unfair and hence try to build the coalition that can protect those who are worse off. But they cannot do so effectively if it mixes up the idea of solidarity with the idea of charity, when it continues speaking about 'losers' focusing on *preservation of standards* and watering down the

182 O. Bartomeus, *The Three Faces of Politics: Morality, Power and Society*, [in:] *Framing a New Progressive Narrative*, E. Stetter, K. Duffek, A. Skrzypek (eds.), FEPS Next Left vol. 8, Brussels 2013, pp. 72 - 80.



aspirational part of the agenda. In modern times, **Progressives** should become protagonists of a hope and reassurance; guardians of a social contract – New Social Deal - that safeguards equality of opportunities and outcomes; and the proponents of solidarity that brings about a new forceful alliance uniting different groups and collectives in the name of a mission to make the new era work for all.

Centre left social democratic parties can not fully support the winners' side and remain a credible protector of the less well-off, yet they also need to avoid aligning themselves with peripheral actors and refrain from adopting a so called losers' programme, with only cultural, social and economic protectionism. ¹⁸³

183 A. Krouwel, Y. Kurtyiski, *From Euroscepticism to Eurorejectionism. Analysing discontent with widening and deepening European Integrations.*, Vol. 9, pp. 36 – 62.

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Appendix 2:

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Kristian Weise, Director of CEVEA.

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