



**Adopted resolution**

## **New Social Europe Ten principles for our common future**

Europe's commitment to social justice is unparalleled in any other region or continent. We are the only continent to be pursuing social justice and competitiveness as mutually supportive goals rather than trade-offs. This unique alliance of social and economic progress must remain at the heart of Europe's development. There is so much to gain in the global economy if we modernise in the right way, making our welfare societies fit for the twenty-first century – and so much to lose if we don't.

A new Europe is emerging: an enlarged Europe, a Europe transformed by new technologies and new knowledge, a Europe where people are living longer and healthier lives. But it is also a Europe which has left millions unemployed, socially excluded, in poverty and deeply uncertain about the future.

The European Union brings together a unique group of welfare states built through the efforts of ordinary people and trade unions and championed politically by socialist, social democratic and labour parties. This is **our Social Europe**.

There are those who argue that Europe can no longer afford its welfare states due to the unrelenting pressure of globalisation. That the welfare state will have to be "down-sized" in the future and the role of government limited to averting the worst forms of poverty. They also argue that societies should compete with each other to set the lowest rates of taxation. That the primary purpose of the European Union should be to promote free trade and competitiveness.

But Europe's socialists and social democrats know there is another way – not only in theory but in practice. We set out our commitment: that the European Union shall not be reduced to a competition among states, or a marketplace for social dumping. Europe's socialists and social democrats firmly reject such a short-sighted view of the economy, society and democracy. **We stake our claim for a New Social Europe.**

Our task is to renew and strengthen Europe's welfare states. This does not mean preserving our welfare states as they are. We know that in today's world, this would be doomed to fail. At the heart of the renewal of our welfare systems is a new set of **rights and duties**. They form the basis for a **new deal between people and government**.



**Our Europe and member states need better social policies, not less social policy, to tackle today's challenges.** For socialists and social democrats, the future is about pursuing the right kind of reforms: making economic competitiveness, environmental sustainability and social justice mutually supportive rather than mutually exclusive.

Modern government must ensure **equal access and equal opportunity** for all, if our societies and people are to be properly equipped to cope with the challenges of today's world. Equal access to the highest quality public goods and services must constitute a fundamental right for all in our societies. Government and the Social Partners should work together for equal access and equal opportunity in the labour market, ensuring fair work practices and fighting discrimination. In return for this right, citizens and all actors in society have a duty to participate and contribute. It is only by respecting **rights and duties** on all sides that tomorrow's welfare states will be strong and effective, able to provide new forms of social security.

The future presents new risks, but also new opportunities. Europe is still suffering from the shortcomings of the past. Europe has to manage change in a new way that makes our societies more inclusive, bringing everyone on board. **Nobody should be left behind; everyone should share the new opportunities.**

Certain reform choices must be made in the Nordic countries; others in the new central and eastern European member states; others still in the northern and southern parts of the continent and in the Anglo-Saxon model.

The New Social Europe is a **roadmap** for the future of European social democracy. It represents a new, common direction for our welfare societies. While our welfare societies have different points of departure, given their varying levels of development, they have far more in common than they have differences. We insist on radical changes in our societies, but the right changes with a perspective for a better future for ordinary people. **In all our countries, reforms must be made without losing our insistence on inclusiveness and cohesion.** Our approach is not to deal with European questions separately from national questions. For far too long, we have been thinking and acting in separate boxes – as if we were isolated from each other. Our idea is to **act together simultaneously** in all of our four democratic houses: local, regional, national and European. We are decided to follow the same progressive principles in one common direction. The fundamental idea is that the direction of reform choices and investment initiatives must be based on cooperation. A focused coordination so that member states do not take decisions that contradict one another.

**It's about building bridges to the New Social Europe, rather than building new walls between our member states. For this we also need a sustainable treaty basis for a Europe that is coherent and politically effective. The PES is ready to support a relaunch of this process.**

A New Social Europe has to be a **joint concern** for all socialist, social democrat, and labour parties. A joint concern that also goes beyond our own parties to include other progressive political forces, trade unions, socially responsible businesses, civil society, national governments and the European Union. In this drive for a more inclusive, active New Social Europe, we invite all actors to participate in fulfilling the New Social Europe report on the basis of the following **ten principles**:



## **1. Rights and duties for all – the essence of cohesion**

**Some speak of** leaving the future of our societies to the guiding hand of market forces.

**We, the PES,** have made our political choice: rights and duties for all, which represents the glue ensuring cohesion in the modern welfare society.

The individual and Government, as well as business, trade unions and other actors should have clearly understood rights and duties. The duty of **government** is to ensure that all citizens have access to public services - education and social protection - and to guarantee political, civic, social and labour rights, as well as to provide the conditions for full employment and inclusion in society. The right of government is to expect that individuals and all other actors in society contribute to the welfare society. **Businesses** have the right to expect stability, fairness and transparency in the conditions of competition; their duty is to contribute to public finances and support the achievement of full employment, helping raise the skills and competences of the workforce and playing a positive role in society through the tenets of corporate social responsibility. **Individuals** have the right to participate fully in society and in the workforce; their duty is to seize the opportunities of high quality education and training and all other means provided for enriching our human and social resources - in their own interest and in the general interest of society as a whole.

## **2. Full employment – the basis for the future**

**Some say** that full employment is impossible.

**We, the PES,** have made our political choice: full and high quality employment can be realised. It is the best route to make societies more inclusive and more prosperous, using everyone's potential to contribute to the creation of new resources. It is clear to us: there can be no full employment without a modern welfare state – and no sustainable welfare state without full employment.

Labour markets must be made dynamic and inclusive through policies of support, security and activation throughout people's working lives. A new deal is needed to enable those excluded from the labour market to enter the workplace in a clear framework of rights and duties for all. Well-designed social, educational and active labour market policies will form the basis of this new deal. Young people must be given better chances of entering the workplace. In the years to come, age discrimination and passivity should be replaced with active, inclusive ageing, giving older people more opportunities to participate in working life. Concerted efforts must be made to fight precariousness in work.

The **European dimension** is clear: the EU and its Member States must provide the conditions for full employment through concerted, simultaneous efforts for smart, green growth, based on investments and the best use of new sustainable technologies. We must start by realising the PES Growth and Investment Strategy.<sup>1</sup> European Economic and Monetary Union must be rebalanced through a real coordination of economic policies for high growth and job creation. Fiscal competition policies – like flat taxes at minimum levels - can be contradictory with Social Europe.

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<sup>1</sup> "Acting together and simultaneously: Higher Growth and More Jobs", adopted by PES Leaders and Prime Ministers, 26<sup>th</sup> October 2005



### **3. Investing in people – we take the high road**

**Some say** that we just need to focus on opportunities for the highly skilled, not minding the poor prospects for the low-skilled without higher education.

**We, the PES,** have made our choice: the inclusive choice of investing in the capabilities of all people. It is about constantly developing skills and competences: about working smarter not harder; about competing in the right way, not on lower wages, but on higher skills.

Investing in people – through education, training and social policies – will be an essential tool to fight social exclusion, reach full employment and achieve social justice. Europe has a long tradition of investing in people, but the fact that millions are unemployed, excluded and poor is a sign that we need to do more to cope with the challenges of the 21<sup>st</sup> century. There is a **divide** between those who are highly educated and those who have been given poor educational opportunities. Those who need high quality education most – the poor and disadvantaged – are still those who receive it least in many European countries. Education and training is the most secure route to progress, equipping people with the knowledge and capabilities to take up the jobs and opportunities of the new knowledge society. Those without higher education should have a right to second chance education. There also needs to be a strong bridge between a new concerted investment and growth policy and education and training policies to match new jobs in the economy with new skills in the labour force.

In today's globalised competitive economy, there can be no guarantee of a job for life. But what we, as socialists and social democrats, are committed to is guaranteeing employment throughout the course of a working life. This includes providing the means for re-employment during periods of unemployment. Employment security – providing new forms of social and economic rights – represents the best way of fostering job mobility in secure conditions in the global economy.

The **European Union** must focus on putting education and training at the heart of the Lisbon Strategy. Public and private investment in the knowledge society remains insufficient. The EU Structural Funds and European funds for education and training should be fully used by Member States towards our New Social Europe. A central part of achieving the knowledge economy must be a higher commitment to investment in innovation, research and development.

### **4. Inclusive societies – nobody left behind**

**Some claim** that we cannot do anything about those at the bottom of society.

**We, the PES,** have made our choice: Europe's strength lies in its inclusive society in which everyone counts. But despite over a century of social policies, there are still too many inequalities in life chances and wealth. Globalisation and demographic changes will bring new opportunities to the many – but market forces will create marginalisation of millions unless balanced by active social policies.

Those at greatest risk of exclusion – the elderly, the long-term unemployed, women, young people, ethnic minorities, the unskilled, those from deprived communities, and those suffering multiple disadvantages – demand renewed commitment from society and government to fight poverty and ensure new prospects for inclusion and participation.



Public policies at national, regional and local levels must be targeted at individuals and communities. These should address all relevant issues, including health, social services, active labour market policies, as well as innovative measures for community cohesion, in partnership with local stakeholders and grassroots organisations. We must guide our reforms on the basis of rights and duties, making our social policies a springboard for entering the active, inclusive society.

Furthermore, the provision of care, health and social services for the elderly will become ever more important in an ageing society to avoid widespread isolation, and promoting activity, individual autonomy and inclusion, while helping families, and particularly parents, reconcile work with care responsibilities.

**Europe's value-added** must be based on our common approach in the Lisbon strategy to realise a stronger economy and more socially cohesive society. The European Union must remain a constructive ally in safeguarding the rights of citizens to high quality public services in all Member States and appropriate legal frameworks for Services of General Interest. Mandatory social impact assessments of proposed EU legislation and of the implementation of existing EU competition and internal market law should be carried out, examining the social consequences for people's living and working conditions that may result from legislation. These impact assessments must integrate the social, economic and environment impacts of legislation. Having a solely economic rationale in the planning of new legislation risks harming the development of the European Social Model and the European project itself, as was apparent in the first European Commission proposal for a services directive.

## **5. Universal child care**

**Some say** that child care is a private matter and nothing more.

**We, the PES,** have made our choice: European countries should move towards childcare for all who want it. High quality, affordable and accessible childcare is an enormously positive investment both in the short and long term. It gives children the best possible start to their education, while giving them important social skills for life. Good local nurseries and crèches integrate parents and children alike into the community, and lay the foundations for stronger communities now and in the future. Parents often find that the contact with childcare workers and other parents provides invaluable support.

Childcare frees parents to enter paid employment, essential for ensuring equal rights for women and men, ending child poverty and tackling the economic challenge posed by demographic change. Childcare creates local jobs - which further stimulates economic growth, particularly in deprived communities.

## **6. Equal rights for women and men**

**Some claim that** enough progress has been made in equal rights between women and men and that we need no go any further.

**We, the PES,** have made our choice: in spite of progress, inequality between women and men is still strong and we must act on it. Women are the largest disadvantaged group from the labour market due to discrimination, insufficient access and unequal conditions. Wages are lower for women than for men and women still bear most domestic responsibilities in the family, often without childcare support.



Equal rights for women and men are not just a moral imperative: they are also a key to solving the demographic challenge, to strengthening democracy and ensuring higher welfare for families.

New public policies for equal rights and opportunities – in working life, in family life and in public life – will bring economic progress and deliver social justice. These will be crucial for tackling gender inequalities in the labour market, such as the pay gap, and the resulting inequalities in welfare and life chances, as well as pursuing better work-life balance policies, including the right to flexible working for parents. Social dialogue and collective bargaining will also play an important role in achieving these objectives.

The **European value-added** is clear: Europe must go further in the broad struggle for equal rights in all areas of work and life, not least in the field of equal pay for equal work as established in the Treaty of Rome.

## **7. Social dialogue – we cannot do without**

**Some say** that the time for organised labour is over.

**We, the PES**, have made our choice: as work is an invaluable part of life and society, the way we organise our work and our shared responsibilities through trade unions and employers' organisations is fundamental for modern society.

The organisation and conditions of working life are of utmost importance for achieving economic growth, full employment and equal rights. Working people and employers require strong and responsible representatives; thus trade unions and employers' organisations must undergo their own processes of renewal, encouraged by the commitment of government to social dialogue. This means new responses from trade unions. This means new and broader responses from business and employers. And it means supportive government policy for social dialogue. It is about anticipating and managing change; about creating a more dynamic European economy and a fairer, inclusive labour market.

The more Social Partners can do in cooperation, with clear and unambiguous backing from government, the better for the economy and the quality of working life. The Social Partners must particularly have greater responsibility in the implementation of education, training and active labour market policies to raise the human capital of Europe's labour force and prevent skills mismatches in an ageing workforce. Social dialogue has to be strengthened at all levels, in work places, in national, industry and sectoral collective bargaining and in European affairs to give working people a stronger voice in the shaping of a progressive new deal for full employment.

The **European dimension** of social dialogue has much unfulfilled potential. Europe must be more pro-active in engaging in tripartite social dialogue and associating Social Partners more closely to the promotion of growth and jobs.

## **8. Making diversity and integration our strength**

**Some try** to take political advantage of xenophobia and hatred in relation to minorities and immigrants in Europe.

**We, the PES**, believe in Diversity and Tolerance as set out in the declaration of this Congress. European societies must reject all forms of intolerance and hatred. Everyone has the right to live in dignity and be treated with respect regardless of their nationality, ethnic origin, race, gender, sexual orientation or religion.

Social democracy must fully address the opportunities and challenges of societies that will be increasingly diverse. Sustainable and effective migration policies will be needed to ensure cohesion in our societies and as a contribution to economic progress and employment. Without strong respect for diversity and a strong commitment to shared European values, it will be impossible to resolve the genuine challenges of integration. We must also understand ordinary people's fears and uncertainties in the actual context of high unemployment and social exclusion often concentrated in suburban "ghetto" areas. Therefore, positive integration policies must go hand in hand with an active economic policy for more and better jobs. Integration policies must be created in some cases and fine-tuned in others, based on a framework of clear rights and duties for all, focusing on employment, anti-discrimination, public services, community dialogue and cohesion.

The **European Union** has a huge responsibility in managing migration, tackling illegal immigration and its root causes, including poverty and conflict in neighbouring developing countries. It must also support the fair and responsible management of economic migration, while helping to tackle the imperative of integration in our societies.

## **9. Sustainable societies – tackling climate change**

Few people doubt the need for better climate and energy policy; but many still regard it as an extra cost.

**We, the PES**, have made our choice: an active policy for tackling climate change and energy needs should be at the centre of a new smart green growth strategy.

Europe's energy and climate challenge deserves monumental political effort to assure social justice, environmental protection and economic progress. The next ten to twenty years will be decisive. Rising energy prices hit the poorest hardest. The impact of global warming will reinforce social inequalities both within Europe and in the developing world, affecting the poorer, elderly and most vulnerable people most. The challenge extends beyond energy to the sustainable use of all natural resources. It encompasses the protection of the natural environment, and the creation of a clean and green environment for our children to grow up in. It is vital to underline the economic and social imperative of environmental sustainability. Without it our planet, our home, has no future.

The **European Union** played a leading role in the agreement of the Kyoto Treaty and should now take a leadership role in the definition of a post-Kyoto agreement to combat climate change. These actions at global level should be complemented by European, national, regional and local efforts to create a post-fossil fuel society: raising energy efficiency, reducing our energy consumption, and investing in sustainable forms of



energy. The **PES action programme for energy and climate change** represents a new way forward for the European Union.

## **10. An active Europe for people**

**Some argue** for a passive Europe, limited to the single market with little or no regulation.

**We, the PES**, have made our choice: the EU is more than just a market place. The EU is an essential part of the New Social Europe, helping regions and countries achieve more together than they can alone. But we are far from having realised the potential of the European Union - there are far more benefits which European cooperation and solidarity can bring to people's lives. In the new global economy our **New Social Europe** can be realised step by step if we build further on the balanced basis of: *Competition that stimulates, cooperation that strengthens and solidarity that unites.*

These three pillars are equally important and mutually reinforcing. These are our means to harness the enlarged single market towards sustainable, smart, green growth and ensure, through better cooperation among states, that stronger competition between companies transforms into greater shared prosperity for people, stronger social cohesion and social justice.

**Competition** yes, but it must not lead to competition between member states through fiscal and social dumping. Competition among companies should be fair, transparent, bringing higher innovation, lower prices, and more and better jobs for people.

**Cooperation** yes, allowing member states to regain part of the national sovereignty lost to globalisation. We must ensure that competition is conducted on the right terms and does not act to the detriment of social protection, workers' rights and public services. We believe in a social market economy - not a market society. European cooperation will be vital in supporting member states meet common challenges to their welfare societies.

Since it was launched, monetary union has achieved its goal of protecting eurozone economies from external shocks and instituting a more stable economic environment. However, the Treaty's goal of dynamising the economy through effective economic cooperation must still be realised.

**Solidarity** yes, through social and employment policies and Europe's structural and cohesion funds. We must ensure cohesion, social and labour rights within our nation states, but also among member states of the European Union.

The strength of Europe lies in its **cohesion**. Europe is the most cohesive region in the world. It will be a challenge to ensure that this cohesion is strengthened in an enlarged union of 27 member states, but this is crucial if we are to remain faithful to our shared values and generate shared prosperity in the global economy. Furthermore, it is fundamental to the relevance of the European Union to the lives of ordinary people.

The New Social Europe will create more wealth and inclusiveness through better competition between enterprises under fair and transparent conditions, through political cooperation between member states and through solidarity within and between our member states.

The New Social Europe represents:

- A green Europe with more and better jobs
- An inclusive Europe
- A learning Europe
- An innovative Europe
- A cohesive Europe

This is our Europe - people's Europe. It is not a dream - it is the political choice of Europe's socialist and social democratic family. European countries will together be stronger if they act together to improve living and working standards - to ensure decent work and decent lives for all people throughout the European Union.

The PES and its member parties are determined to make **our New Social Europe** a reality.

