



A New Direction

for Progressive Societies

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People first: A Progressive European Agenda
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The world is experiencing a profound and prolonged global financial and economic crisis. People are suffering the consequences. The crisis has come at a time when our people were already facing rising social inequalities due to a flawed conservative economic paradigm and the historic challenge of dangerous global warming. We want radical reform for a new age of fairness and responsibility. And it is our conviction, as Europe's socialists, social democrats and progressives that to meet our goal of shaping a new globalization of human progress, we must forge a new, progressive European agenda in a strong European Union.

In today's globalised world, no single nation can shape the future for its people. We believe that through cooperation and democratically shared sovereignty, the European Union can give our countries and our people the power we have lost to global forces. We must give the European Union a strong and purposeful, common voice, so that other powers do not decide our futures for us. It is our conviction that we can only achieve progressive, social democratic objectives through decisive action and engagement at the European and global levels. The current crisis is accelerating the emergence of a new global order of regional powers. The election of progressive governments in the US and Japan gives us a unique window of opportunity to pursue a progressive agenda, so we must use it proactively.

The current crises – financial, economic, environmental and social - make it imperative to bring lasting transformational change to our economies and societies. While progressive social democratic, governments have been most proactive in taking strong action to avert an economic depression, we are threatened with many years of sluggish growth if we do not sustain our reform efforts and build a new growth model, based on social justice, equality, knowledge, research and innovation.

We must efficiently manage environmental challenges in order to achieve a sustainable society. We believe that smart, green growth can successfully power our societies into the future, while protecting our planet. But the financial system – so detached from people's needs – must become the servant of the real economy and of our collective interests. The European Union – as the largest economy and single market in the world – has a fundamental responsibility to ensure robust regulation and supervision. It also has the fundamental capacity to drive this new model of sustainable growth – through policies, coordination and resources.

The Party of European Socialists is a major political force, represented in all EU institutions. It is our responsibility and our ambition to propose a new progressive European agenda to exert maximum influence on the next five-year strategy of the European Union and fulfil the vision and proposals of our PES manifesto "People first: A New Direction for Europe", which remains the commitment of and guideline for socialists and social democrats in the coming years.

Our strategic priorities for the European Union

Our priorities for the next five-year strategy of the European Union focus on the main challenges Europe's people are facing. We believe that the new democratic provisions of the Lisbon treaty should now be actively deployed and all governance levels - from the local, regional, national, European to the global – should fully participate in achieving these priorities:

1. To secure a strong recovery and a new sustainable and socially just growth model
2. To achieve fundamental reform of the financial markets to preserve us from future crises and serve the real economy
3. To fight climate change and secure clean energy into the future
4. To promote strong, fair and effective welfare systems in a globalized world: a New Social Europe
5. To pursue gender equality
6. To shape a globalization of human progress and security in a new global order

1. To secure a strong recovery and a new sustainable and socially just growth model

The global economic crisis has destroyed the jobs and diminished the livelihoods of people across Europe. European and international coordination of economic stimulus and financial policies has been fundamental to avert even worse: economic depression. Progressive, social democratic governments have been at the forefront of these coordinated efforts. But other governments have not put fairness sufficiently at the heart of the crisis response.

Sluggish growth could now lead to a lasting decline in people's living standards and new divisions between Member States if we do not take stronger, coordinated action in the European Union and globally. The risk of rising inequalities demands a stronger European cohesion policy and cohesion mechanisms. It is crucial that we act collectively to avert alarming rises in mass unemployment and social inequalities.

We are committed to undertaking a profound reflection on a new paradigm for the future of progressive societies. In the short term, what is urgently needed is a strengthened, progressive recovery plan of stronger coordination and European instruments - with European solidarity at its core - establishing an entry strategy into the labour market, in the sense of a renewed focus on active labour market policies. This entry strategy will have as its primary aim to tackle unemployment, promote reskilling and create the necessary conditions for full employment in Europe's economy. Conservatives and liberals advocate cuts to public economic stimulus and would leave the unemployed jobless, but we believe this would tip our economies back into a deep recession and destroy even more jobs. High public debt is



not the cause but the result of this crisis. As soon as our economies and employment start to grow again, we must begin budget consolidation in a fair and socially just way and guided by the principle that future generations should not bear the burden of today's crisis. Public guarantees and supportive demand policies have saved our economies. So we must sustain these efforts until we're successfully winning the fight against unemployment, otherwise we will pave the way for a long-term recessionary debt crisis and a lasting decline in living standards. When our economies and employment are growing, we can then begin to consolidate public finances. Targeted public investments and incentives for private investment and consumption will safeguard and create jobs. Social policies, especially those on lower incomes, will protect those hardest hit and benefit the overall economic recovery. Education that empowers citizens – based on universal and equal access and opportunities – will also be fundamental for paving the way for progressive societies.

The EU has for too long been mired in a myriad of different and sometimes conflicting policy strategies; the conservatives have allowed a drift to unbalanced and ineffective policies. This stronger, more progressive European recovery plan must pave the way for a new sustainable and socially just growth model. Our mutual interdependence within the European Union means that we cannot effect transformational change in isolation.

While recognising the benefits of globalization, it has also brought about the erosion and massive restructuring of our manufacturing industries and has challenged our industrial base. This has had negative consequences for social cohesion and equality in many of Europe's traditionally industrial cities and regions. We believe there is a future for European industries. But this future must be nurtured through active partnership for renewal amongst governments, public authorities, industry and the social partners at the local, regional, national and European levels. We want Europe's industries to play a central and dynamic role in transforming our economies and developing our regions by fostering world-class innovation and green technologies. Citizens should also be empowered to become active partners in the transformation towards sustainable development. This implies facilitating changes in consumer behaviour.

The time has come to establish an ambitious and progressive EU 2020 strategy for Europe's societies, making economic, social and environmental reform the drivers of a new type of growth. A radical shift towards smart, green growth: coordinated macro-economic policies to amplify our growth potential across Europe; progressive industrial activism, taking green and digital industries into the very mainstream of our societies; making full use of productive social policies to fight poverty, exclusion, inequalities and to serve our vision of progressive societies; a far-reaching shift to sustainable production and consumption; managing demographic challenges effectively; turning a responsible immigration policy into a dynamic factor economically and socially; and, developing an inclusive, knowledge society through coordinated and ambitious lifelong learning, innovation and research policies. This strategy should be based on adequate budgeting, good governance and clear indicators and it should be defined with the cooperation of the Social Partners. These are essentials for a new strategy.

Our 10-year strategy will require the reform of existing and new European policies, as well as coordinated national policies and resources. Economic growth, comprehensive social

protection and cohesion as well as environmental protection must become co-equal targets, in line with the original Lisbon Strategy. The European budget should be refocused on smart green growth and meeting future challenges. Because it is a budget of solidarity, it should serve to improve living standards and foster social cohesion and growth throughout Europe as well as supporting convergence of the least-developed EU regions, not least in the new member states. The financial crisis has placed extraordinary demands on public budgets. Member States should explore reinforced European cooperation to attract international financial capital, for example through Eurobonds. Member States should have the ability to invest in the public sector and employment. The revised Stability and Growth Pact should give maximum flexibility to Member States to make quality public investments.

We believe our new strategy should bind together all stakeholders – at all levels - to invest their efforts together towards its progressive goal: a new, sustainable and socially just growth model for a new age.

2. To achieve fundamental reform of the financial markets, preserving us from future crises and serving the real economy

There can be no lasting recovery or new growth model without fundamental reform of the financial markets. The principle objectives of reforms should be to prevent future financial crises. Robust regulation and supervision must have two goals: to make financial markets serve the real economy and ensure financial stability. Banks have to get back to basics, serving people and businesses. The shadow banking sector must operate according to the same principles and system of regulation.

Conservatives and liberals have only just begun to speak the language of financial regulation in the past year. Their proposals are piecemeal; their commitment to fundamental reform unconvincing. We must act decisively to overcome resistance to regulation. **There can be no room left for regulatory arbitrage. Universal legislation** should cover all financial actors, products and transactions, including hedge funds and private equity funds. **European and international cooperation should put an end to** tax havens and unregulated offshore financial centres. Transparency and accountability must run through the entire financial system. **Transparent, independent, strong and coordinated European, national and international supervision** must be established, with clear competences for monitoring, sanction and intervention at the right levels.

We cannot allow the re-emergence of systemic risk, excessive risk-taking and excessive leverage in the banking and shadow banking sectors. This will demand new mandatory capital requirements, caps on leverage, and tough, new rules on executive pay. Workers' interests must be protected: both their rights in the event of leveraged buy-outs and other such financial takeovers, as well as their pension savings when they are invested on their behalf on the financial markets. Trade unions have an important role to play in safeguarding workers' rights.

Millions of jobs have been lost and companies bankrupted. People in poor, developing countries have been hardest hit, despite their distance from the origins of the crisis. We underline in this respect the importance of our partnerships with the poorest developing countries, such as in Sub-Saharan Africa. We are fully committed to the internationally agreed spending target. This means that the resources for development cooperation work must be continually increased, to reach 0.51% and 0.7% of Gross Domestic Product (GDP) in 2010 and 2015 respectively at EU level. Public budgets have been strained, which will result in tough spending choices in our countries and internationally. Budget cuts would adversely affect public sector workers and people, especially women, as well as the most vulnerable in our societies. The public sector has staved off the worst effects of the financial crisis by supporting the real economy – it must now be part of the recovery efforts. Citizens and businesspeople should not be solely responsible for bearing the weight of these massive costs. The financial sector should share the burden. The European Union should therefore actively pursue a new initiative for a financial transaction tax, contributing to financial stability, by discouraging short-term speculators, and generating new resources for public exchequers to tackle global challenges like climate change.

3. To fight climate change and secure clean energy into the future

Climate change is accelerating at an alarming pace, beyond the worst scientific expectations. The number of weather related natural disasters, such as floods and droughts, has increased rapidly over the last ten years, in particular in developing countries. The world is on course for dangerous global warming – which will irreversibly damage our planet and put humankind at risk – unless we act now. We as Europe's socialists, social democrats and progressives will continue to take the lead in the fight against global warming. We will act to further position our political family as the leading force for a progressive and ambitious climate policy on the European as well as the international level.

The European Union must play a leadership role for a new global climate deal at the UN summit in Copenhagen. The agreement must reflect the historic responsibility of the industrialised world and also the imperative of all countries to act in order to limit average global temperatures to no more than 2C degrees on pre-industrial levels. The PES believes that the minimum target should be a 30% reduction in greenhouse gas emissions by 2020 and 80-95% by 2050, in addition to binding mid-term targets. Global, binding emissions reduction targets are needed for aviation, maritime traffic and agriculture. Vulnerable developing countries should be supported to adapt to the consequences of climate change through capacity building, transfer of knowledge and financing. The mechanisms and financing means must be established, including a global carbon trading system and an adequately resourced global climate fund for mitigation and adaptation across developing countries. Funding for climate change adaptation should be additional to development aid. Innovative financing instruments must be elaborated to meet the scale of investment needs. We believe a new institutional framework is needed to govern, manage and monitor the implementation of an international agreement.

The European Union must place climate change at the centre of its new 10-year development strategy, including in the framework of Structural Funds. It should step up its actions to meet a 30% emissions reduction targets by revising all relevant policies. The European budget should be used in order to establish new, ambitious emissions-reduction and low-carbon growth initiatives. We as Europe's socialists, social democrats and progressives believe that the EU should stick to its 30% emissions reduction target for 2020 independent of whether other developed countries commit themselves to comparable emissions reductions. More measures are needed to pave the way for low-carbon transport systems in Europe. Similarly, we must also reduce emissions in agriculture. The fight against climate change – such as by radically stepping up energy efficiency and the promotion of renewable energy sources – will also serve to secure Europe's energy security by lowering our dependence on external energy sources. It is vital that we develop an effective common European energy policy. Investments in public infrastructure and the expansion of cross-border networks is a precondition for a successful new European energy and climate policy. The success of the European "Climate Awareness Bond" of the European Investment Bank points to the potential of innovative forms of financing for these investments. Therefore, we believe the EU and its Member states should consider the introduction of a specific Green Bond initiative at national level and possibly also at the European level.

The PES supports the principle of environmental taxation that is socially just, allowing necessary and profound changes in our living and transportation patterns. Preserving the climate should become a driver for new, sustainable growth. Technology transfer to the developing world is crucial. All large, polluting sectors, such as aviation or maritime, should be tied into emissions reductions. Deforestation is a central cause of climate change and a threat to humankind. It must be halted and reversed by 2020.

There are no acceptable reasons for a failure to act. The future of humankind depends on it.

4. To promote strong, fair and effective welfare states in a globalized world: a New Social Europe

Europe's welfare states have been fundamental in protecting people from the harshest effects of the financial and economic crisis. But there are now far higher pressures – resulting from mass unemployment and an ageing population - in a context of tighter financial resources. The risk of permanent social divisions and inequalities has grown due to the crisis. European solidarity is essential to prevent these divisions from rising. The fight against inequalities in all its forms is our collective priority for a new Social Europe. We must reshape Europe's welfare states to meet these challenges – providing adequately financed high social standards and protection in the long term – based on proactive European cooperation.

We propose to seek agreement on a European Social Progress Pact, proposing goals and standards for national social, health and education policy to contribute to the fight against poverty and inequalities as well as the social and economic development of the EU. We demand needs-based social welfare benefits for all those who are retired, unemployed or unable to work in all European countries, to guarantee a life of dignity. We propose to include a social progress clause in every piece of European legislation, and to take into account



social and environmental impact assessments when developing European legislation. We propose a European pact on wages, guaranteeing equal pay for equal work and setting out the need for decent minimum wages in all EU member states, agreed either by law or through collective bargaining and applying both to citizens and migrant workers. Social rights include the right to a fair level playing field for workers. We propose to strengthen workers' rights to information and consultation. Employee participation at European and global level is a key issue for the future - a vital element of a more social Europe and a precondition for decent work. We will seek to enhance participation in economic decision-making processes at European level.

The EU should guarantee the primacy of labour law – including collective agreements and workers' rights such as equal pay for equal work – over single market rules.

European policies and resources should be geared towards promoting strong, fair and effective welfare states to deliver for people in a new Social Europe. The PES manifesto presents detailed proposals on how to achieve this goal. There can be no high, stable, quality employment without a well-functioning welfare state – and no sustainable welfare state without high, stable, quality employment. So, we must resolutely fight unemployment through our strengthened recovery plan and entry strategy into the labour market and by proposing a European Employment Pact, with new, short-term and longer-term solutions for high quality employment throughout the life course. Solidarity between generations is essential for the future of our welfare systems. We must ensure full and equal access and opportunities in the labour market for older and younger people as well as for women and for vulnerable and disabled groups. Attention should be paid to facilitating entry into the labour market for young people through equal access to good quality education and large-scale support for internships and apprenticeship programmes with a decent remuneration. The European-wide programme “New skills for New jobs” should ensure a massive re-skilling for new jobs. Schemes should be implemented to enable employers to prevent job cuts, such as through the intelligent combination of working time with training programmes. European employment and social legislation should be strengthened wherever necessary to maintain high standards and a level playing field across the Single Market, for example to ensure mobility does not undermine working standards and wages while it provides fairer chances and more guarantees for both employees and employers. The EU should move to dismantle all the remaining barriers that still prevent free movement of workers. It is also essential that European business and competition rules must not conflict with our ability to deliver public services. Therefore, we believe a European legal framework for strong public services is essential, guaranteeing universal and equal access for citizens, quality, local autonomy and transparency in public services, irrespective of linguistic skills, maintaining their integrity as defined at national level, so that European competition and business rules do not run counter to citizens' rights.

As a strategic tool and programme, the European Social Agenda sets out the objectives on which the Commission will work and the means for implementation in order to reach them. As such, it is an essential instrument, which should be maintained. We therefore need to adopt a Social Agenda for 2010-2015 using a policy mix and defining the instruments to be implemented (legislation, open method of coordination, social dialogue and financial instruments).



We are also committed to ensuring that EU legislation respects citizens' rights as enshrined in the European Convention on Human Rights and in the Charter of Fundamental Rights of the European Union. We want to strengthen anti-discrimination legislation to ensure equal treatment on grounds of gender, race, disability, age, sexual orientation and religion or belief. Efforts should be stepped up in favour of minorities and socially excluded and vulnerable groups in society, including access to public goods such as education.

The financial and economic crisis throws the challenge of building a new Social Europe into stark relief. But we cannot falter. Strong, fair and effective welfare states are fundamental for ensuring a better future for our citizens into the twenty-first century.

5. To pursue gender equality

Our vision of progressive societies is contingent on gender equality. Gender inequalities continue to have deeply negative consequences for the economy, social justice and democracy.

Women still earn, on average, 17.4% less than men for doing the same work; they are much more likely to be unemployed, discouraged from entering the labour market by the lack of decent jobs, or in lower-paid, low-quality or part-time jobs. The financial and economic crisis has highlighted the very low number of women in top decision-making positions in the banking sector and in listed companies. Overall, the result is that women have not been able to contribute fully to generating new prosperity and providing sound stewardship in the economy.

The extent to which gender equality has been achieved varies across Europe. Those European countries which have done most to increase women's rights and opportunities are amongst the leading sustainable societies in Europe with the highest proportion of women in the workforce *and* the highest birth rates.

We believe gender should be mainstreamed throughout all EU policies and instruments, including national and European economic recovery plans. It is urgent for the EU to adopt a European Women's Rights Charter to improve women's rights and opportunities and promote mechanisms to achieve gender equality in all aspects of social, economic and political life. Moreover, this Charter must be carried by a visible, effective, target-driven platform with a sufficient budget to ensure that its content is implemented and respected in all Member States.

Improving paid and shared parental leave rights and pre-school child care and education would benefit labour market participation and economic performance, reduce poverty – thereby alleviating welfare burdens - as well as improve the life chances of children. We must reach the EU Barcelona child care targets. The use of quotas in politics and the private sector should be explored in order to overcome latent discrimination and entrench gender equality.

We will continue to campaign for equal political representation of women and men in all decision-making bodies at European level. In this respect, we are proud that the first EU High Representative for Common Foreign and Security Policy, following the ratification of the Lisbon Treaty; is Catherine Ashton, a woman from our political family.

We welcome the forthcoming Spanish EU Presidency's placing of women's rights at the top of the European agenda. We will promote women's sexual and reproductive health rights throughout the EU. We propose to step up European efforts to eradicate human trafficking and sexual exploitation through closer judicial and police cooperation. We also propose to encourage and support the EU and its Member States in their efforts to stop domestic and gender-specific violence, including that perpetrated against women of ethnic minorities, through all appropriate EU programmes and funds.

We are convinced that pursuing gender equality will bring far-reaching benefits for European societies.

6. To shape a globalization of human progress and security in a new global order

Today's enormous global challenges are deepening inequalities and compromising the ability of developed and developing countries to secure progress for people across the world.

A new global order is emerging of regional powers. The European Union must ensure that other powers do not decide our future for us. We now have a window of opportunity to build strong partnerships with progressive governments, such as the US, Australia, Japan, South Africa and Brazil, to shape together a new globalization of human progress and security. We must also work with renewed purpose to strengthen our relations with the EU's partners across the world.

While conservatives and liberals want people to adapt to globalization, we want to shape it. Together with progressive forces in the world, we want to shape a new age of worldwide human progress. International solidarity is at the heart of our parties. This is reflected in the priorities we set for the EU external agenda. The Lisbon Treaty will equip the EU with a strengthened capacity to enlarge and to act more efficiently in the globalized world: a unified office of EU High Representative for Common Foreign and Security Policy and a President of the European Council to give a stronger and clearer voice globally; the ability to pursue a **more consistent and coherent external action** comprising CFSP, trade, cooperation, humanitarian aid and the external dimension of internal policies such as energy, research, education, employment, gender equality; and, a service of external representation to promote our collective interests in third countries.

We must define a **progressive European external agenda** to shape a new globalization of human progress and security, aimed at ensuring a better future for people and planet into the twenty-first century. This includes ensuring that governments keep their commitments on aid as well as helping developing countries cope with the effects of climate change. Decent

work, environmental protection and the global ability to manage climate change, social justice, gender equality, the fight against poverty, security, peace keeping and peace building, disarmament, financial market reform, upholding international conventions on migration and asylum, fair, free and sustainable trade. These are amongst the ingredients for a better world.

In this framework, it is of crucial importance that the European Union should rethink its policy, among others towards sub-Saharan Africa. The Millennium Development Goals should remain a priority. Therefore, special emphasis should be laid on the development of food-producing agriculture and of basic public services, such as health and education. The European Union should also closely follow the different regional integration processes in Latin America in order to promote its own vision of an integration that is not only economic but also political and social.

The underlying assumption of our progressive peace policy in the global 21st century is a wide-ranging concept of peace, security and development. We know that in the long run, peace can only be achieved with a package of political, economic, cultural and development cooperation measures, with effective multilateralism and an even-handed international economic and legal order. The EU must strengthen its collective efforts to tackle global security challenges with our international partners. In this respect, we fully support the initiative of the US administration in favour of global disarmament. We are committed to stepping up European efforts to support international disarmament, including strengthening international agreements on arms control and non-proliferation, and making the EU Code of Conduct on weapons exports more restrictive and transparent. It is a matter of urgency for us to enter into a new phase of détente policy, and thus once again make treaty-based international arms control and disarmament into a fundamental organisational principle of international relations. We want a world without nuclear weapons. For this purpose, we must engage fully with the rest of the world: extending peace, stability and prosperity in our neighbouring regions through an energetic and expanded neighbourhood policy; deepening transatlantic cooperation with the new US administration; nurturing our strategic partnerships with key global players; vigorously pursuing the reform, representation and development of global governance institutions, building on the new momentum created by the G20 process.

It has been 20 years since the Berlin Wall came down. We cherish this moment. It was the people of Central and Eastern Europe's desire for freedom which made it possible for our continent to be reconciled. The enlargement of the EU is a success story, of great benefit to people in the new and old Member States alike. We are committed to proceeding with European enlargement as an integral part of a wider European peace policy. This applies to the countries of the western Balkans, whose European prospects we expressly acknowledge as vital for the stability of the region. We support an open-ended process of negotiations with Turkey towards EU accession, based on clear criteria, and that both Turkey and the EU should fulfil their respective commitments.

We want all people to live in peaceful, sustainable, free and socially just societies. We promote EU programmes, which support civil society and democracy in countries that are not free. International peace keeping and peace building can be elements for this. When we

have dialogue with authoritarian regimes or dictatorships we always put human rights at the top of our agenda.

The crisis is hitting the poorest countries the hardest. We have a responsibility to act and help improve their situation. Corporate social responsibility, for example fighting child labour and modern slavery are at high priorities for our international agenda. We will promote fair trade and programmes against poverty. In addition, we will support trade unions in their fight for decent work and wages. Lastly, we demand that an end be put to the financial speculation on basic foodstuffs when it threatens to undermine the right to feed oneself.

The European Union must also support the multilateral trading system, to the benefit of developing countries in the WTO Doha Development Round, and to ensure a fairer domestic distribution of the benefits of trade opening, as well as guaranteeing better social and environmental standards.

It is our profound conviction that we must secure a **Global New Deal** for a new global order of social justice, equality, sustainable development and democracy.

