



Re:new

"PES Council, Warsaw 02-03.12.2010"

PES DEBATE ON PROGRESSIVE SOCIETIES

Building a fair Europe by and for the people

General resolution adopted by the PES Council in Warsaw on 2 December 2010

As a result of the financial crisis, economic, social and political realities in Europe are changing. The neoliberal ideas which have shaped the political debate for the past decades led to a global crisis without precedent. Unemployment and poverty levels continue to rise across the European Union as its member states face enormous deficits following the bail-out of the financial sector, the increase of welfare expenditure and the decrease on tax revenue. Whilst we are committed to fiscal stability, we believe that embracing drastic austerity measures alone will not be enough to enhance growth and job creation. People across Europe are worried about their future prospects. Conservatives have made their proposals clear: cuts and destruction of the welfare state. It is time for us to articulate and communicate an alternative agenda based on fairness, jobs and economic growth.

Despite recent electoral defeats in a number of member states, our political ideas are still gaining ground. Since long before the crisis we have led the battle for market regulation and supervision. We are the party that proposed the European Stability Mechanism and a European Stability Agency as an answer to market instability – 6 months and thousands of job losses later, the EPP have decided to react. We were the party that proposed a Financial Transaction Tax (FTT) – 6 months later it is now at the heart of the political agenda. And we are the ones who see that the limitations of the Stability and Growth Pact, abused by the Conservatives and Neoliberals to slash the welfare state, must be offset with an Employment and Social Progress Pact. On this we are still waiting for a response.

Our way is one based on equal opportunities and fairness. Real fairness. Fairness comes not from everyone protecting their own self-interest – but from everyone contributing, according to their capacity. This is the beacon that lights up the stark differences between our and the Conservative way. **We are committed to a Europe that is built by and for the people.**

Conservatives in Europe are pursuing a hard-line rightwing agenda. The problem is that they dress up this agenda by stealing our vocabulary. This is why 'cuts' becomes 'fairness', 'on your own' becomes 'individual rights' and 'job insecurity' becomes 'flexibility'. But the reality of these cuts and the reality of the erosion of social cohesion are becoming more and more apparent. Our challenge is to make people and voters aware of this before crisis becomes irreversible. At the same time, we see conservative forces in Europe moving to an extreme right vocabulary.

Our ideas are on the table but we often are not winning the elections. We need to address this contradiction. In order to strengthen our political and electoral power, we need to work with more solidarity in a coordinated way to improve our strategies and modernize our parties. In this direction, we took two strong and comprehensible resolutions at the 8th PES Congress, 7-8 December 2009. These resolutions provide the foundation for our future work. Through the resolution "People first: A Progressive European Agenda", we set out our strategic policy priorities until 2014. With the resolution

on “A New Way Forward, A Stronger PES”, we committed ourselves to strengthen the PES, to develop our vision for Progressive Societies in the 21st Century, to enhance the cooperation between our governments and between our member parties, and to reinforce and modernize our political methods and instruments.

Policies for Progressive and Fair Societies

In order to regain power at all levels, the PES is engaged in a process of renewal of our vision of social democracy, setting out modern policy responses and political strategies, based on the idea of a Europe built by and for the people.

In this context, the economic, financial and social crisis shows that there is a political clash of visions over which kind of Europe we want. The PES is fully engaged to win this battle. We have shown that there is another way to the Conservatives’ ‘cuts only’ approach. We have developed a comprehensive strategy which would safeguard the economic recovery. We are protecting people in employment and identifying sustainable jobs to those still excluded from this fragile recovery. This strategy – **“A progressive way out of the economic crisis”** – was adopted by the PES Leaders on 16th June 2010.

The engine for fair growth – PES economic and financial approach

Europe is engaging on the path of drastic austerity within both national and European budget. But excessive austerity does not work. This Conservative policy is sacrificing growth and jobs. EU member states are not gaining independence from market pressure. In the Eurozone in particular, as recent events show, financial market speculation continues to dictate.

The PES has designed a set of economic and financial instruments that would become the engine for fair growth. Within the framework of this strategy, the PES is working actively on the need to raise more fair and sustainable revenue for public actions, for instance by introducing a bank levy, green taxes, a Financial Transaction Tax and creating a European Stability Agency, issuing Eurobonds to fund investments and lower the cost of borrowing for all Member States. This is the most appropriate way to involve the private sector in a fair burden-sharing of the cost of the crisis. These proposals are not about damage control – we promote solutions in order to avoid damages being made in the first place.

In order to circumvent the Conservatives’ political unwillingness for a European FTT, the PES is working on European level, but also on national level to introduce such a tax where appropriate with a clear link to the European level. Furthermore, the PES has presented proposals for a more balanced and social-oriented approach to economic governance, prioritizing job creation and economic growth while recognizing the need for fiscal and budgetary responsibility, including closing the income gap. Moreover, the PES has stressed the need for adequate financing of the Europe 2020 strategy and the new competences of the Lisbon Treaty. The Europe 2020 strategy needs to be used at both European and national level in order to promote growth and jobs. In this respect, the national implementation plans to be launched until April 2011 could be used to create a new balance of growth. The PES also stresses the importance of the economic and social cohesion policy for a balanced and fair development of European territory, growth and jobs, without neglecting regions in transition. The PES will now capitalize on this work and develop a proposal on **a comprehensive sustainable macro-economic model for fair growth**.

The fuel for fair growth – the Employment and Social Progress Pact

The main attention of the EU institutions is on only reducing the expenditure side of the national budgets and strengthening the repressive side of economic governance. The cuts being made are destroying social cohesion. Too little is done to overcome the social crisis, to end inequalities and social exclusion and to move ahead with the social Europe. Due to the financial and economic crisis, today there are 23 million Europeans unemployed and 120 million live at the risk of poverty.

The disadvantaged and the socially excluded are left behind, paying for the crisis caused by conservative and liberal advocates of neo-liberalism and financial market actors. The middle class is

also hit by the radical austerity measures. The wellbeing of the people must be at the heart of European, national and regional policies. This requires a strengthening of social and employment policies and a reinforcing of the European Social Model, underpinned by a progressive economic and financial approach, including raising new revenue. Social cohesion and social progress is good for the people, but also for the economy. The well-being of citizens is an important part of economic recovery.

The PES is therefore asking for a **European Employment and Social Progress Pact** for fair growth, to be negotiated and adopted by EU institutions, national governments and social partners, and involving local and regional authorities. Such a pact must put forward a comprehensive strategy, comprising a list of concrete measures and initiatives to promote: the creation of new sustainable jobs for both women and men; the application of a different growth model, going beyond solely measuring GDP, but also the consideration of environmental and social criteria; the reinforcement of the ESF use within the structural funds for the implementation of social policies; improvement of skills and innovation; the implementation of a European Industrial Policy at the service of human and societal progress; an increase in the quality of jobs and overcoming precariousness, strengthening European and national workers protection rules; stronger, more accessible and affordable public services, including a European framework legislation on services of general interest; a commitment to agree on common goals and standards for national social and educational expenditure as a proportion to the GDP of each country in order to ensure common social progress in Europe; a social progress clause in every piece of European legislation, which should be implemented by the European Commission; protecting and strengthening of social security systems, within the current debate on the future of pensions; protecting and strengthening the European social model, for instance through a European framework directive on minimum income schemes; ensuring decent work in Europe, in particular by strengthening the principle of equal pay for equal work and by fostering co-determination and the rights of collective bargaining to strengthen the European industrial and economic partnership; improving and deepening integration; and providing adequate funding.

As part of the Employment and Social Progress Pact, but also as one of our long-standing core value and priority, we have a strong responsibility to put **gender equality** at the heart of all our policies and emphasising its added-value to our societies. The current European rightwing dominated political context as well as the crisis have established a backlash and threatens decades of progressive women's rights achievements. Gender equality should be an indicator of the well-being of our societies.

Ensuring climate action and green growth

In the week of the Cancun climate conference, Conservative governments in Europe are actively undermining progress on international climate negotiations. The PES is calling on the European Union to unilaterally adopt a 30% emission reduction target, in order to kick-start the negotiations for a binding international climate agreement. The EU must be frontrunner in the international negotiations. To make real progress on a just transition to a carbon-free economy, the EU has a responsibility to be the standard bearer on democratic principle. It must support a fair deal for developing countries. This includes technology transfer and genuine finance assistance.

On the path to a carbon-free economy, we need to define and articulate the new green worker, the concept of green skills and encourage workers to update their competences. Climate change can best be explained by pointing how green policies mean green jobs for both women and men. Investing in **green growth** is a huge opportunity to get our economy back on track, to create new high-quality jobs in Europe, but also to achieve a more fair, green and smart growth. In order to take leadership on this issue, we propose a number of measures and initiatives for the national and regional level to support green growth, including the need for: sustainable, independent and affordable energy, by for instance increasing the renewable energy part in the EU energy mix to 30%; transforming production, e.g. by reducing the use of energy and raw material; ensuring more sustainable consumption, by allowing the use of state aid for increasing energy efficiency of houses; transforming mobility, for example by speeding up the construction of trans-European high-speed rail lines; and improving the financing of green growth, in particular through a financial transaction tax and green taxes.

Cultural misconceptions are no substitutes for economic honesty

Cultural misconceptions around race and immigration should not be substitute for economic honesty. It is normal that fear exists in a time of recession. The rise of the extreme right is in part because the Conservative governments have attempted to hide severe economic measures under the cloak of fear of the 'outsider' or the 'other'. Cuts to pensions, cuts to social benefits, cuts to immigration are all frequently sold by Conservative governments with this rhetoric. We must therefore react and confront the extreme-right. But we, social democrats, also have a responsibility in standing firm and clear on our positions when it comes to discrimination. We need to put forward clear views on inclusive societies that promote active participation of all citizens.

A progressive approach to migration and integration

Today's migration policy in Europe focuses on security and crime rhetoric, leaving little scope for integration and a social inclusive approach. The lack of integration across Europe of non-EU citizens as well as certain ethnic minorities, as has been claimed in the case with the Roma Community, is often used by the Conservatives as an example and reason for limiting migration. In order to tackle this challenge and to shape a true progressive migration and integration policy, the PES is setting up a **Migration and Integration Network**, developing a comprehensive and coherent policy approach putting stronger emphasis on an inclusive integration policy through active participation, such as employment, education, including language, housing, social inclusion and citizenship, respecting fundamental rights and free movement of people in the EU. Therefore, equal access to services and institutions is indispensable. We need to evaluate and build upon different existing integration models, asking for further development of structures, tools for knowledge exchange and policy coordination, and create a European Integration Charter. Also, within the context of external EU policy and development policy, a progressive approach to migration issues, taking into consideration all the above, should be put forward.

Global Progressive Values

The trends that have appeared in the last decade have come into a sharp perspective with the global crisis. First, the crisis has uncovered the unbalanced nature of the world's economy based on trade imbalances and lack of redistribution. Growing inequalities, including between women and men, are the result of global imbalances, externalities of the financial markets, and unsustainable macro-economic models. Second, the imbalance between high- and low-growth economies is increasingly shaping the global distribution of power. A new international role of the emerging economies, notably the BRICs (Brazil, Russia, India, China) or BASIC (Brazil, South Africa, India, China), is accelerating. The third trend is, with a certain degree, the decreasing influence of the EU and the US.

In this context, we, as Europe's socialists, social democrats and progressives, reiterate the need for a strong role of the EU on the international scene and a new macro-economic model. We thus welcome the creation of the **European External Action Service (EEAS)**. With the EEAS, Europe will have better means to exert more influence on the world stage. We support High Representative Catherine Ashton in her effort to strengthen EU's foreign policy. The underlying assumption of our progressive peace policy in the global 21st Century is a wide-ranging concept of peace, security and development. We are in particular committed to stepping up European efforts to support international disarmament, including strengthening international agreements on arms control and non-proliferation. We give full support to the vision of a world without nuclear weapons.

The **EU's strategic partnerships** – with traditional partners, such as the United States, alongside Latin America and the Mediterranean as well as emerging powers including Russia, India, China, Brazil and South Africa – provide a useful instrument for pursuing European objectives and interests. In addition, a new global architecture is needed at a global level to ensure that the relationship between the four pillars that is, trade, labour, finance and the environment, is revised, and also to ensure that Human Rights are at the heart of this framework. This requires new institutionalized links between the WTO, the ILO, the IMF and the World Bank under the umbrella of the UN. We, therefore, welcome the vision paper "For a Global New Deal", elaborated by the Global Progressive Forum, which presents a progressive alternative to today's world.

Peace at our doors is crucial for us. Europe's socialists, social democrats and progressives therefore call for reaching a **just and fair agreement between Israel and the Palestinians**. The Middle East is a region of vital importance and must be at the heart of today's EU foreign policy and its renewed ambitions. We also have to take a more active role in finding solutions for the settlement of the so-called "frozen conflicts", for example in Transnistria, Nagorno-Karabakh, South Ossetia and Abkhazia. At the same time, we continue to pursue an active enlargement and neighborhood policy of the EU. The enlargement of the EU is a success story. We are committed to proceeding with the enlargement policy as integral part of a wider European peace policy. This applies to the countries of the western Balkans, whose European prospects we expressly acknowledged as vital for the stability of the region. We also support a future accession of Turkey to the European Union, once all the necessary criteria are fulfilled.

The global crisis is felt most severely by the poorest in developing countries. At the same time development cooperation budgets are under pressure. We remain convinced that international development goals should be at the heart of EU policies on aid, trade and the reform of global governance and are committed to the Millennium Development Goals. We reconfirm the ODA target agreed by the EU to attribute at least 0.7% of GNI to development policy by 2015.

Modernizing politics

In order for us to reach out to our voters and to communicate our policies, we need modern and strong political tools. Following our decision at the Prague Congress, we set up a **Network on Modernising Politics**. Our aim is to increase the internal democracy of our parties, to involve more members, to come up with innovative activist actions, to adapt our Party structures to the new patterns of the society, to protect the threatened democracy in particularly in terms of media law, and to re-engage with citizens. We are inventing new ways of doing politics, to fight against abstention and to regain the trust of the citizens.

Our strategy to regain power in Europe, on all levels, is underway. Facing today's political challenges will only be successful if we have a coherent approach at local, regional, national and European level. We need to renew our way of working together and strengthen the interface between European and national level. Our campaign for the 2014 European Parliament elections has started. Inspired by our new vision for Progressive Societies, underpinned by concrete policy proposals, we will develop a strong, common election manifesto and an integrated European campaign strategy. In the build up to the 2014 European elections we will make sure that the PES Activists become a highly motivated, highly informed force to bring the campaign into people's lives. To engage our activists, to fuel the debate on our Progressive Societies project and to give input for our policy development, the PES has created the "Re:new" web 2.0 platform and MyPES. These will be platforms that allow a broad, open and bold debate and the PES to deliver online and offline.

We will live up to our commitment of choosing a **PES candidate for the European Commission Presidency** for the 2014 European elections, selected along a democratic and transparent process. By developing this common strategy and this common program, and by choosing a common candidate, we aim at re-engaging with citizens and our voters and make our alternative proposals credible. We also undertake to make use of the new instrument of the European Citizens' Initiative to involve citizens directly in setting the EU agenda, foster political debate at European level and highlight issues which are relevant to people throughout the European Union, by bringing forward the advantages of representative democracy at different levels through this new participatory instrument.

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We are confident that by developing a genuinely distinct vision and policy agenda, and by modernising our way of doing politics, we can appeal to people. In the past we have tried to target our message to the ever shrinking number of voters. This is not the progressive way. The progressive way is to appeal to people first and to convince them to become voters second. By investing in people we will gain voters. Let's build a European Union by and for the people.