

#12

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# The Progressive Post

## SOCIAL, FISCAL & CLIMATE JUSTICE: the right-left cleavage is still alive!

Featuring  
contributions from :

Laurent Berger  
Włodzimierz Cimoszewicz  
Wolfgang Engler  
Geert Mak  
Luuk van Middelaar  
Frances O'Grady  
David Sassoli  
Maria Skóra  
Joseph Stiglitz  
...

### SPECIAL COVERAGE

2019 EUROPEAN ELECTIONS  
LESSONS TO BE LEARNT

#### NEXT LEFT

30 years after the fall  
of the Berlin Wall

#### NEXT ECONOMY

The future:  
the 4 days working week

#### NEXT SOCIAL

Urgent: social  
infrastructure investments

#### NEXT DEMOCRACY

'Power to the people': Participatory  
Budget & Direct Democracy

#### NEXT ENVIRONMENT

Regulating pesticide use

#### NEXT GLOBAL

Nuclear arms control  
in the era of Trump

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# The Progressive Post

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# *Social, fiscal and climate justice: the right-left cleavage is still alive!*

*by Maria Joao Rodrigues,  
FEPS President*

The European project can only have a future if it overcomes the status quo imposed by conservatives and neo-liberals and if it refuses to fall into the trap proposed by national-populists. Regaining control over our lives in a time of globalisation is only possible if we address social, fiscal and climate justice and if we rebuild democratic sovereignty at all levels from local to national and international, with the European clout as a crucial one.

At the same time, the Social Democratic agenda can no longer be implemented in the limits of national borders. If we want to ensure a fairer welfare system in the age of energy transition and digital transformation, we need to build regulation, re-distribution and taxation policies with more European coordination. That's why we cannot escape a debate on social, fiscal and climate justice!

We need to build on the encouraging message coming from the recent European elections for more climate action, social and tax fairness and democracy when we are now defining the starting point and the direction of new legislature in the European Union. Crucial political battles on the way to govern the EU are and will take place: the growth strategy for the next 10 years, its translation into a multiannual financial programme, the new EU Global strategy, the way to deal with Brexit or the implications of no Brexit, the choices on enlargement, the partnership with Africa, the European migration policy, the ways to deepen European integration regarding defence, the Eurozone, taxation or the social dimension.

Against this background, some priorities should deserve particular attention to prepare the EU agenda for the next five years:

- Making Europe the leading case of green and just transition in line with the Sustainable Development Goals
- Defining the European way to drive the digital revolution
- Revamping the education system to prepare citizens for a digital era
- Developing the European Social Pillar to fight old and new social inequalities and raise social investment
- Reshaping the financial and tax systems to support this grand transformation
- Adopting a European budget to prepare for the future and to promote upward economic and social cohesion, including in the Eurozone
- Building up a European migration policy
- Organising a long-standing partnership with Africa for cooperation and development
- Updating the EU Global Strategy to strengthen multilateralism and assert our values
- Asserting a feminist Europe as a game changer in all levels of the political system: local, regional, national and European
- Making the young generations' aspirations our main compass to sail in troubled waters



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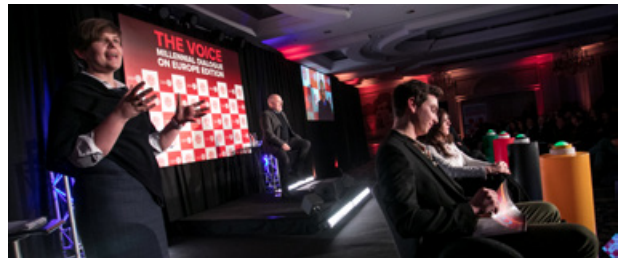
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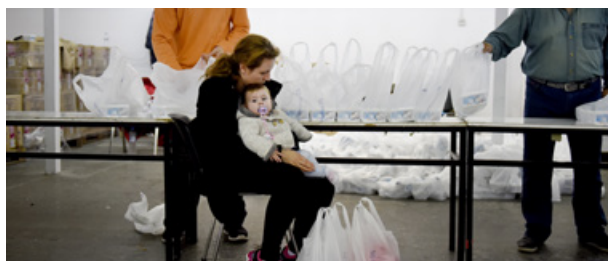


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# EU GOVERNANCE IN THE NEW TERM

by Enrique Barón Crespo

The outcome of the 2019 elections to the European Parliament (EP) has opened a new term in the governance of the European Union with a dramatic package of new appointments for the top responsibilities in the institutional triangle (Parliament, Commission and Council), plus the announced succession at the helm of the European Central Bank at the end of the year.

| 10th July 2019, Brussels: the President of the European Commission Ursula von der Leyen - still as a candidate - was grilled by members of the S&D group in the European Parliament, headed by Iratxe García.

**T**he first fact that stands out in these elections is the increase of around 10 percent in participation. Citizens confirm their growing awareness of the EU as their political space. We are witnessing the consolidation of the EU as a shared civil society, based on the single currency and a European citizenship: steps on the way of creating a true European Demos. The Euro has not been an issue in the campaign because it is widely accepted, and the British participation in the European elections expresses our common endeavour on democracy and its values.

The second fact is that in the confrontation between those who are in favour of the European Union and those who are against it, there is a very clear majority of pro-European forces that have elected David Sassoli as President of the European Parliament. There is also a new Iberian impulse and a growing gender balance, expressed by the election of Iratxe Garcia as S&D leader. The Doomsday of a nationalist and populist wave dismantling the EU has not been confirmed, although we should not underestimate its destructive capacity.

The Spitzenkandidaten system that stipulates that only one of the main candidates of the European party families, and who actually campaigned in these elections, can be elected as President of the Commission, is no matter of course yet. In a parliamentary democracy, the first candidate for the investiture arises from the first political group, but only under the condition to have gathered behind her or him a coalition able to form a majority.

The link between parliamentary elections and the election of the President of the Commission was introduced in the Maastricht Treaty and it has been deepened in the successive treaties. The European Council, taking into account the elections to the EP and acting by a qualified majority, proposes a candidate for the Presidency of the Commission. It cannot ignore the election results. The tension between the two sources of political legitimacy, the direct vote of the citizens to the EP and the vote for their national heads of states and governments, which are members of the European Council, is an important part of the checks and balances of our system. Now, it is time to reflect on how to develop constitutional conventions that will allow a more democratic and efficient system.

A key question is a European electoral law with a right of initiative given to the EP and the reinforcement of the European political parties as transnational bodies. Transnational lists can be a part of this package.

A progressive program for the next Commission was debated by the Socialist Group with Ursula von der Leyen, the new President of the Commission. Her letter to the S&D group leader Garcia reflects her commitment, with the main priorities that have become part of her program:

- a climate neutral Europe, reducing CO<sub>2</sub> emissions by more than 50 percent until 2030
- a more prosperous Europe, with quality jobs, especially for young people, a minimum wage, a European unemployment benefit scheme
- the completion of the Banking Union, taking the UN development goals into account
- a social, fair and equal Europe with full implementation of social rights (fair minimum wage, European child guarantee)
- a EU gender equality strategy with binding equal pay and measures for the fight against gender violence
- the taxation of big companies and a consolidation of the corporate tax base
- upholding the rule of Law,
- a fresh start on migration with a new pact on migration and asylum and a new way of burden sharing and moving forward on legal migration, building strong European borders, with a shared system of search and rescue and dismantling organised crime of trafficking
- an open and fair trade agenda
- a new neighbourhood policy
- a conference on the future of Europe with some key questions: the right of initiative for the EP, full codecision power

with no areas of unanimity and majority voting in external affairs, reinforcing the Community method.

- last but not least: our future relationship with Great Britain.

In all these fields, the new EP must develop and strengthen its role of co-legislator, especially in those related to taxing and budgetary powers, reinforcing the Community method. This means enlarging the field of codecision and fighting veto powers of individual Member States, in addition to being the political public forum of the EU. This would be a decisive step in building an ever-closer union among the peoples of Europe, in the form of a vibrant democracy.



#### > AUTHOR

**Enrique Barón Crespo** is a former President of the European Parliament (1989–1992). He is a politician, an economist, and a lawyer. He's currently the chair of the FEPS Scientific Council





| 3rd July, election of the new President of the European Parliament, David Sassoli in Brussels.

# MAKING THE EUROPEAN PARLIAMENT

## THE GUARANTOR OF THE INDEPENDENCE OF EUROPEAN CITIZENS

*by David Maria Sassoli*

We are in the midst of historic changes: youth unemployment, migration, climate change, the digital revolution, new world balances, which in order to be tackled need new ideas and the courage to know how to combine great wisdom and maximum audacity. But we also need the institutions to take on these challenges, amongst which is the European Parliament. The new President of the European Parliament, David Sassoli argues that in the parliamentary term that is beginning now, the procedures need to be strengthened to make the Parliament the leading player in a full European democracy.



We need to recover the spirit of Ventotene and the pioneering impulse of the Founding Fathers, who were able to put aside the hostilities of war, and to put an end to the failures of nationalism, giving us a project capable of combining peace, democracy, rights, development and equality. In recent months, too many people have bet on the decline of this project, fuelling divisions and conflicts that we thought were a sad reminder of our history. Instead, citizens have shown that they still believe in this extraordinary path, the only one capable of responding to the global challenges we face.

We must have the strength to relaunch our integration process, changing our Union to be able to respond more strongly to the needs of our citizens and to provide real answers to their concerns, to their increasingly widespread sense of dismay. The defence and promotion of our fundamental values of freedom, dignity and solidarity must be pursued every day within and outside the EU.

*The @europarl\_en in the upcoming legislature: coming back to the values of the founding fathers!*  
**David Sassoli, the new @EP\_President**



We often think of the world we live in, of the freedoms we enjoy. But let's say it to ourselves, given that others in the East or West, or in the South, find it hard to recognise, that so many things make us different – not better, simply different – and that we Europeans are proud of our diversity.

Let us repeat this so that it is clear to everyone that no government in Europe can kill, that the value of the person and his dignity are our way of measuring our policies. Let us repeat that nobody in Europe can shut the mouths of opponents, that our governments and the European institutions that represent them are the result of democracy and free elections. Let us repeat that no one can be condemned for their religious, political or philosophical faith. Let us repeat that here in Europe, girls and boys can travel, study and love without constraint. Let us repeat that no European can be humiliated or marginalised because of his or her sexual orientation. Let us repeat that in the European area, in different ways, social protection is part of our identity. Let us repeat that the defence of the life of anyone in danger is a duty established by our Treaties and by the international Conventions that we have signed.

Our social market economy model must be relaunched. Our economic rules must be able to combine growth, social protection and respect for the environment. We must equip ourselves with appropriate instruments to combat poverty, give our young

people prospects, relaunch sustainable investments and strengthen the process of convergence between our regions and territories.

The digital revolution is profoundly changing our lifestyles, our way of producing and consuming. We need rules that combine technological progress, business development and the protection of workers and people.

Climate change exposes us to enormous risks. We need investment in clean technologies to respond to the millions of young people who have taken to the streets, and some who have even come to this Chamber, to remind us that there is no other planet. We must also work towards ever greater gender equality and an ever more prominent role for women at the top of politics, the economy and social affairs.

We, as the European Union, are not an accident of history. We are the children and grandchildren of those who managed to find the antidote to that nationalist degeneration that poisoned our history. If we are European, it is also because we love our different countries. But nationalism that becomes ideology and idolatry produces viruses that stir up instincts of superiority and produce destructive conflicts.

We need a vision, and that is why we need politics. We need European parties that are



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increasingly capable of being the backbone of our democracy. But we must give them new tools. The ones we have are insufficient. This parliamentary term will have to strengthen the procedures for making Parliament the leading player in a full European democracy.

*Making the @europarl\_en the leading player in a full European democracy -*  
**David Sassoli,**  
*the new @EP\_President*



But we are not starting from scratch, we are not born out of nothing. Europe is founded on its institutions, which, although imperfect and in need of reform, have guaranteed us our freedoms and our independence. With our institutions, we will be able to respond to all those who are committed to dividing us. The European Parliament will be the guarantor of the independence of European citizens! That is why we need reforms, greater transparency and innovation.



#### > AUTHOR

**David Maria Sassoli** is the new President of the European Parliament, member of the Group of the Progressive Alliance of Socialists and Democrats (S&D) and Partito Democratico (PD) in Italy. He's a former journalist.





# "The question about Europe is: will this ship be repaired in the middle of the storm?"

Interview with **Geert Mak**, by Olaf Bruns

## **Geert Mak**

is a self-taught historian and writer. He is one of the most successful non-fiction writers in The Netherlands. His books have been translated into more than twenty languages and include *In Europe*, his masterpiece on Europe in the twentieth century. He has won numerous awards in The Netherlands and abroad.

*A way to make sense of the recent European elections is to put them into historical perspective. Geert Mak has investigated social change during the 20th century and various levels: a village in Friesland, in the northern Netherlands, a big city: Amsterdam, but most notably in his Opus Magnus In Europe for which he has travelled the continent criss-cross, during the whole last year of the last century, 1999 investigating the places where the history of the 20th century was made: 'a final inspection of the 20th century'. Now, 20 years later, we are well into the 21st century - reason enough for a historian to start inspecting it.*

**Progressive Post:** *What was the one thing that has really surprised you on these elections?*

**Geert Mak:** I was very happy that so many people went out and voted again! There was a beginning of real European politics on the level of European citizens. And that is really a turnaround because these figures have been going down for so long. But this spring, people were suddenly very interested and very involved - there was a kind of "European coffeehouse".

**PP:** *What has brought about this sudden interest, or this "European coffeehouse", as you say?*

**GM:** We went as Europeans through the last decade from one long crisis to another. Perhaps a lot

of people realised that these are not national problems anymore, but European problems.

**PP:** *One of the first stations on your 1999 journey was Paris, where you have been walking on the traces of the Paris of the early 20th century: a place of openness but also a place of anti-Semitism. When you come to France after these recent European elections, you come to a country where a far-right party has become the first party. Do you see a historical continuity?*

**GM:** Not only in France, but also in Poland and Hungary, there is a very strong anti-Semitic tradition. Europe is full of old ghosts, sometimes they are hidden for a decade, or for a few decades, but then they emerge again.





| We are living in a time with very fast developments, and people cannot handle that. This causes something I call a 'cultural trauma', and that doesn't only happen in mining towns or cities, where the mine suddenly closed.



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This spring, people  
were suddenly very  
interested and very  
involved - there was  
a kind of “European  
coffeehouse”.

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**PP:** *What would you say makes these ghosts hide away - and what brings them back to life?*

**GM:** The important point was the heritage of World War II. For our generation, World War II was always there, often silent, but all our families have suffered. For the younger generations, the distance is growing bigger. And that is also good: that is peace! The Second World War gave politicians the courage to jump over their shadow and that made the European Union possible. It was difficult and complicated, but people wanted to do this, because they didn't want a war, ever again. I've known a few of these elderly statesmen personally, people who never cried, but they did cry when they talked about the beginning of the European Union.

**PP:** *The main lessons to be drawn from the history of the 20th century were of course the two wars, and both wars were*

*fuelled by nationalism. And now it's precisely nationalism that is back again. Therefore: is it only about crisis and economics? Or is there something else going on? 'Culturally', some would say.*

**GM:** There is much more going on than just economics. For a new book, I visited two British cities in the North, a city called Wigan, in England, and a Scottish city, Paisley. Both are very similar: old mining cities, that have a lot of economic problems now. But in Paisley, in Scotland, a big majority voted 'remain' in the EU referendum, and exactly the same kind of city, just a hundred miles south, voted with a big majority for 'leave'. This has everything to do with uncertainty, with the feeling that these people don't belong to the centre of power anymore. The people in Paisley were strongly connected to Edinburgh: they have their own parliament. And the people in Wigan have a parliament that is far, far away: in London. They really



feel alone, alienated, and that is a huge problem in a lot of places of Europe. We are living in a time with very fast developments, and people cannot handle that. This causes something I call a 'cultural trauma', and that doesn't only happen in mining towns or cities, where the mine suddenly closed. It's not only about economics, it impacts the whole of society: people's traditions, their friends, family relations - everything is upside down, just because this mine, which brought everybody together, is gone. You see this cultural trauma everywhere in Europe, also in the countryside. In France for instance, there are regions where most of the shops are closed down now.

*PP: Your first station in Italy during your 1999 trip was Predappio, Mussolini's birthplace, where you discovered a souvenir shop with all kinds of fascist and Nazi paraphernalia: uniforms, swastikas and far right literature. Now, in the European elections, precisely in Predappio, Matteo Salvini's far right Ligue made a stunning result of almost 44 percent! What does a place like Predappio tell us about Italy's recent history?*

**GM:** In Italy, fascism has never been far underground. These kind of souvenir shops in Predappio would have been impossible elsewhere in Europe. But for me, it's not about fascism: Italy was, still in 2014, under Matteo Renzi, a very pro-European country, and within five years this has totally changed. And that has a lot to do with the fact that Italy didn't get assistance during the euro crisis and it was also left alone during the immigrant crisis. So partly of course this extreme right is a typical Italian problem, just like Brexit is a typically British problem. But

it's also a European problem and a symptom of a European problem.

*PP: How can centre-left politics offer an alternative for all these people?*

**GM:** I think the recent elections in Denmark are very interesting. I didn't like that Social Democrats started to embrace right wing anti-immigrant policies. But they did something else too, and I think that explains a large part of their success: they acknowledged that they had made big mistakes in the past, that they went too far with neo-liberalism and they showed themselves again as a party that really wants to protect the working people and the poor. I think a lot of people with lower income have not felt that protection for years and they felt betrayed by their old workers parties.

*PP: What's your view on leadership and its impact on European Union politics?*

**GM:** Leadership is very important, because the European Union needs faces, real faces. Like in national politics, to develop normal and healthy European politics, you need leaders, people you can trust - or even distrust - and talk about. In politics, institutions are very important, and rules are important. But without leaders you only get big buildings and anonymous institutions and that doesn't stir democratic emotions. Democracy is also an emotional thing.

*PP: It feels almost like a cynical moment: Europe has been trying to build this European public space for a long time - and then it comes into being during the crisis.*

**GM:** These things always happen in crisis moments. The European Union, as

“

*Democracy is also an emotional thing. Without leaders, you only get big buildings and anonymous institutions and that doesn't stir democratic emotions.*

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a construction, is very out of balance, especially the euro, but also other parts of the European Union are very vulnerable constructions. And they have to be improved. Otherwise we will not survive as the European Union. But I expect that the moment that this will be improved will once more be when there is a new crisis: around Italy, with the euro for example, or again around the question of immigrants. And then the European Union is forced to make decisions that they didn't want to make in the beginning, but in the crisis, under pressure, they do. And again, the EU moves on a little bit. The question is: will this ship be repaired in the middle of the storm?







# HOUSE of CARDS

by Alain Bloëdt

Like Claire and Frank Underwood, well known to fans of the TV series *House of Cards*, the Franco-German couple, formed by Chancellor Merkel and President Macron, preferred to pursue their own petty domestic interests despite the ecological challenge and the crisis of representative democracy.

*Ursula @vonderleyen's election as President of the @EU\_Commission - thwarting the progressive agenda.*  
Alain Bloëdt @ProgPost\_FEPS



Some historians will probably say that the concept of *spitzenkandidaten* (a German term that refers to the main candidate of the ticket of a given party, who is set to become EU Commission President if that party wins the European elections) created in 2014, caved in even before the campaign began, when in spring 2019, MEPs rejected the ambitious idea of transnational lists. But, without officialising its final declaration of death

– Social Democrats and Greens in the lead, have not had their last word – did the heads of state and government and the two main brokers of these negotiations – France and Germany – really have to return to the old practices of backroom arrangements, without transparency?

In a context of an embattled European Union, which is still considered distant and technocratic more than 60 years after its

creation, voters nevertheless expressed optimism by turning out more than usual for the elections. However, this revival of citizenship proved insufficient for French President Emmanuel Macron. As he had announced, even before the election: knowing that his European parliamentary group ALDE – from which he has since erased the liberal brand by renaming it ReNew – was not going to win the election, it didn't seem suitable to him to support the *spitzenkandidaten* system.

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*A few months before the celebration of the 30th anniversary of the fall of the Berlin Wall and the 15th anniversary of the Union's enlargement to Central and Eastern European countries, the absence of a representative from these 10 countries among the new occupants of the key EU positions rings hollow.*

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The way was open for negotiations worthy of Roman conclaves!

Angela Merkel, for her part, as she has often done discreetly and effectively over the course of her long political career, tried to solve her domestic problems by shifting them to a European level. Was she convinced by the candidacy of Manfred Weber, a member of the CSU, the Bavarian party that is a complicated partner of her own CDU? It's hard to say. However, at the Congress of the European People's Party in Helsinki in November 2018, she decided to support him at the expense of another candidate, the pro-European, multilingual, highly qualified former Finnish Prime Minister Alexander Stubb, who was severely beaten in his own capital. Then, during the negotiations and the final abandonment of the spitzenkandidaten concept, she also solved another domestic problem at the German Federal Ministry of Defence where the presence of Ursula von der Leyen was becoming more and more difficult to manage due to numerous errors.

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### *The Spitzenkandidaten*

The skilled couple Merkel and Macron offered the good people, who were excluded from the negotiations, a token of satisfaction by naming for the first time two experienced women, Ursula von der Leyen and Christine Lagarde, to lead the EU Commission and the European Central Bank. But what about the others? Among the winners is the unsuccessful Belgian Prime Minister Charles Michel, leading a care-taker government, since his coalition government partner, the Flemish nationalist party NVA, refused in December 2018 to sign the Global Compact for Safe, Orderly and Regular Migration. The crisis was one too much for the coalition and Michel, who, in order to keep his position as Prime Minister, had accepted for four long years without objection that his Secretary of State for Asylum and Migration, Theo Francken, monopolised the debates around the issue of migration to the detriment of fiscal and

environmental issues, and without ever proposing fundamental reforms in this area.

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### *Donald Tusk, without a successor*

During these six-week-long EU negotiations, two other political realities, although for European democracy, seem to have been sidestepped by the European Council and its double-headed Franco-German leadership too: Brexit, on the one hand, and the divide between Eastern and Western Europe, on the other.

A few months before the celebration of the 30th anniversary of the fall of the Berlin Wall and the 15th anniversary of the Union's enlargement to Central and Eastern European countries, the absence of a representative from these 10 countries among the new occupants of the key EU positions rings hollow. Admittedly, Hungary and Poland are currently no easy interlocutors, but they remain a minority among the 12 countries that joined the EU in 2004 and 2007. While the effects of the migration crisis have not yet fully disappeared and economic models sometimes clash between founding countries and those still catching up, the absence of a successor(s) to Donald Tusk as a representative from the East is not the best message sent by the founding countries, which are over-represented with a Belgian, a French, a German and an Italian.

Merkel and Macron however did cave in to a particular Eastern-European demand: as a timely concession to the Visegrad Group and Salvini's Italy, the Chancellor and the President have sacrificed both spitzenkandidaten, Manfred Weber and Frans Timmermans, on the altar of divergent national interests.

Among the excluded aspirants was another major player of this Europe that sometimes wavers but without breaking up: Michel Barnier. Indeed, the Chief European Negotiator, responsible for preparing and

conducting the Brexit negotiations with the United Kingdom, has made a brilliant contribution to keeping the 27 Member States of a European Union united for over three years, despite the fact that further exits were predicted following the British referendum of June 2016.

### *Difference in interpretation*

Beyond these essential political considerations, Emmanuel Macron and Angela Merkel also ignored the green wave that shook their respective countries during the European elections.

The German Greens managed to increase their share from 8.9% in the last federal elections in 2017 to 20.7% in the recent European election and came out for the first time in their history as the second party of the country. The result confirmed - to the detriment of the ruling conservative-Social Democratic coalition - the striking importance of environmental issues in the German public debate. And although Merkel has reacted in the past by starting, for example, the phase-out of nuclear and coal, these issues didn't have any influence on Weber's election-programme as candidate of the European People's Party. A lack of ambition that shows how much the European Conservatives still seem ready to defend the industries tooth and nail.

The French Greens, for their part, undoubtedly obtained a third place in this European election. Although Macron's party was able to attract some well-known environmentalist figures to its list, just as it had been able to seduce many socialists two years earlier, during the French presidential and legislative elections, there was no convincing strategic shift towards ecology. Environmental issues never seemed to be the President's top priority and the doubt about his ecological commitment was reinforced among the French after the resignation of the then Minister for Ecological Transition Nicolas Hulot, a symbol of the fight against climate change.

The Franco-German duo's lack of consistency on ecological issues has fortunately been counterbalanced. Pushed by the Social Democrats, they finally had to put water in their wine and, in exchange for the presidency of the European Commission, conceded some major pledges in the field of law, social and environmental issues. Ursula von der Leyen has thus committed herself to providing ecological pledges within the first 100 days of her mandate and has presented MEPs with more ambitious emission reduction targets than in the past, as well as a Green Deal for Europe project, not to mention projects for sustainable European investment.

Reflecting current European politics, where liberalism has succeeded austerity, the Franco-German couple had a huge influence on choosing the candidates for the EU top jobs, skilfully placing compatriots or allies. Will this offer citizens the strong and ambitious Europe they want? MEPs were disappointed and the complicated election of the new President of the Commission, with the support of the very conservative Polish PiS, Viktor Orbán's Hungarian Fidesz and the Italian Five Star Movement, M5S, does not bode well for a progressive agenda that is essential for a continent with growing inequality and a world where Europe needs to play a key role.

**#HouseofCards, #EU version:**  
*the couple Merkel-Macron put their domestic interests over the climate challenge and the crisis of representative democracy -*  
**Alain Bloëdt**



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# SWEDEN: AN EXAMPLE FOR THE RECOVERED STRENGTH OF NORDIC SOCIAL DEMOCRATS

*by Håkan A Bengtsson*

In the night of the European elections, almost all Swedish parties celebrated. Perhaps they all felt the need to act as winners in front of the TV cameras, but in fact, for some of them there was indeed an increase in their share of the vote. Even the Social Democrats rejoiced, although the result was the worst achieved by the party in any election for more than a century. But the Party could take comfort from the fact that the decline was small (-0,8 percent) and that it is still, by a considerable margin, Sweden's largest party with 23,6 percent of the vote. The trend is mirrored in the other Nordic countries as well.

**T**he EU elections appeared to mirror the current balance of power in Swedish politics. The red-green block (Social Democrats, Greens and Left party) has lost ground primarily during the last decade. But the same is true of the right of centre parties. In contrast the right-wing populist Sweden Democrats have achieved a high level of success. The Sweden Democrats did not perform as well in the EU elections as they did in the General Election in September 2018 but still managed to increase their share of the vote by 5.7 percent to 15.4 percent compared with

2014. The European election confirmed the structural shift to the right in Swedish politics and among the Swedish electorate. It is also reflected in the increase in the number of those who declare themselves to be right-wing since the last election in 2014, while those on the left have decreased.

It is worth noting that there appears to have been a shift in Swedish opinion regarding the EU. Participation in the election increased by almost 5 percent and reached 51 percent. From being one of the countries most critical of the EU, Sweden has become one of

those most in favour. One reason may be that Sweden has performed quite well in terms of economic development. Another might be that Brexit seems to be a problematic political alternative. A substantial majority – 77 percent – consider that Sweden should continue to be a member of the EU. On the other hand, a substantial majority are opposed to the development of the EU into a federal state. Few political parties could be described as 'EU devotees'. The Liberals conducted a very EU-positive campaign, but it failed to pay off: the party just about reached the 4 percent threshold (the



| The Social Democrats highlighted the social dimension, the environment and the struggle against right-wing populism as critical issues in their EU campaign.

minimum required for obtaining an MEP) and maintained its only representative in the European Parliament.

The conservative parties (The Moderates and the Christian Democrats) are opposed to any increase in contributions to fund the EU budget or to extending the EU's power. The Social Democrats have more or less the same position. In general, the Social Democrats have taken a more critical line when it comes to EU policy due principally to the mounting pressure on the Swedish labour market and collective bargaining model, which posted workers constitute to Swedish wage levels in several sectors of the economy.

The Social Democrats highlighted the social dimension, the environment and the struggle against right-wing populism as critical issues in their EU campaign. The Swedish Trade Union Confederation (LO), who supports the Social Democrats, focused on Swedish workers' pay and working conditions under the banner "take back control".

The Swedish Social Democrats have been in power on a national level since 2014 and have governed since 2018 through a minority government in coalition with the Green Party but relying also on support from the two liberal parties and acceptance from the Left Party.

Consequently, the Social Democrats have been forced into numerous compromises which in turn has resulted in considerable internal criticism alleging that the Party has been forced to accept policies which accord badly with social democratic values. Against this background, the European election was no catastrophe for the Party but rather confirmed the status quo. It was feared that the Party would be severely punished for all the compromises it had endorsed with the Liberal parties to stay in power and shut out the far-right Sweden Democrats from political influence. However, the recent election result indicates also that the Social Democrats have failed to reverse the trend that has seen them losing voters in election after election over a considerable period of time.

An interesting pattern which we recognise from several other countries is that the Social Democratic electoral base has changed. During the past half century class voting has gradually declined, even though the class voting pattern has survived much longer in Sweden than in many other European countries. With the entrance of the Sweden Democrats onto the Swedish political stage in the recent decade, even more of the working-class voters have shifted their political allegiance to the right.

Still the Swedish Social Democrats in Sweden are in a strong position - and so they are in the three other Nordic countries. In all four, the Social Democrats are still the biggest party, despite decades of decline. There are a number of possible explanations for this relative strength. The Nordic social welfare and labour market models, which to a large degree are the creation of Social Democracy, have survived the stress of globalisation despite its many challenges. In addition, the Nordic economies recovered rapidly after the financial crisis of 2008. Another

explanation is that there is still a high level of trade union membership among workers and employees.

The Prime Ministers of three Nordic countries are Social Democrats. Mostly, they rely on coalitions or other support agreements with a host of other parties: various left-wing parties, the Greens, centrist parties, parties with roots in the agricultural sphere, a range of liberal and even neoliberal parties.

This is probably a lesson Nordic Social Democrats can teach their other European counterparts: the centre-left's capacity to influence the development of society will be determined by its ability to create and build alliances with other parties. But also, by the question whether the left in general – and the Social Democrats in particular – are capable of setting the agenda, of formulating concrete policy proposals and of answering the big questions of how to organise society in the age of globalisation and after the financial crisis.

It is worth noting that in the general elections in Finland and Denmark, the Social Democrats focused on the environment, welfare and greater social equality. This resonates with the election strategy of the Social Democrats in Sweden. This strategy

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*This is probably a lesson Nordic Social Democrats can teach their other European counterparts: the centre-left's capacity to influence the development of society will be determined by its ability to create and build alliances with other parties.*

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has not succeeded in reversing the negative trend, but it has at least stabilised support for the Party. As always, future success depends on organisation, ideology, and policy.

*The Swedish Social Democrats' recipe: a focus on the social dimension, the environment and the struggle against right-wing populism - @HakanABengtsson*



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# THE IBERIAN DRIVER FOR EUROPEAN SOCIAL DEMOCRACY

by *Javi López*

| If they both won the European election in their respective countries, the Portuguese Prime Minister António Costa (p22) is currently in a clearer situation than Spanish Prime Minister Pedro Sánchez, whose PSOE party gained the most seats in April's national election but fell short of a majority.

Today, the Iberian Peninsula is sending out a message of hope to the rest of the European continent. The Socialist parties that lead the Portuguese and the Spanish governments have both secured a remarkable 33 percent of electoral support in the recent European elections and are in a position to become a reference point for European Social Democracy as a whole.

In Spain, the electoral resurgence of the PSOE (Spanish Socialist Worker's Party) at the hands of Pedro Sánchez deserves a thorough analysis, since the country is today the most populated European country governed by Social Democracy and PSOE has won the four elections held in the spring of 2019: local, regional, general and European.

Pedro Sánchez became President of the Spanish Government in June 2018 thanks to a constructive motion of no-confidence against the previous Prime Minister Mariano Rajoy, after a harsh sentence for corruption which confirmed the existence of systemic irregular funding in the centre-right Spanish Popular Party (PP). The

first successful motion of no-confidence in the four decades of Spanish democracy – a genuine black swan – brought the third Socialist, after Felipe González and José Luis Rodríguez Zapatero, to the Presidency of the Government.

Over the last year, the PSOE has had the chance to roll out a strong 'red', 'purple' and 'green' agenda with a clear pro-European character and in favour of modernisation of the country which largely explains the election results. Pedro Sánchez formed the first Spanish cabinet with a large majority of women, as well as ministers who were highly regarded in society, several of them having substantial experience in Brussels,

such as the Minister of Foreign Affairs, former President of the European Parliament Josep Borrell, and the Minister of Economy, the former Director General at the European Commission Nadia Calviño.

The policies implemented by Sánchez's cabinet over the last year have been aimed at the rebuilding of the welfare state and the

*Spain and Portugal, two beacons of hope for European Social Democracy - @fjavilopez*



modernisation of the economy through a budget proposal that consolidates productive investments and made the largest increase in the minimum wage in the history of democracy (22.3%), increase in paternity leave or increase in spending against gender violence. Other priorities are the fight against corruption, a territorial agenda of dialogue but strong in the defence of the constitutional order and the development of feminist policies in favour of gender equality as well as policies against climate change that ensure the necessary green transition of the country.

The virtue of the political formula of the current PSOE lies in their ability to assimilate and interact with the profound changes experienced by the Spanish political system and

reach agreements with their left (Podemos) but remain true to their traditional role of trustworthy State party. At the same time, they have kept the traditional identity traits of European Social Democracy – redistribution and individual freedoms – while adding to their programme items related to environmentalism and the strong Spanish feminist movement that the new generations across the globe are demanding.



The Portuguese Prime Minister Antonio Costa is following a similar formula: the “Gueringonça government”. The Portuguese government is a minority socialist government that has achieved spectacular results for its country: economic recovery, improvement of salaries and social benefits and reduction of debt and deficit. The solvent government of Antonio Costa has managed to reach agreements in Parliament with the parties on his left with progressive policies while occupying and redrawing the political centre of the country.

Back in Spain, there are two major challenges for Pedro Sánchez and PSOE: the political fragmentation and the establishment of post-election agreements among liberals, conservatives and the far-right, which we have already seen after the 2018 regional elections in Andalusia. Good election results do not guarantee easy governance in a fragmented political system.

At the same time, the post-election agreements at regional and local level have consolidated a block formed by the liberal Ciudadanos, PP and the far-right Vox that maintains a high level of confrontation with Pedro Sánchez’s government and the deterioration of some basic consensuses due to the normalisation of the new far-right party in Spain. This behaviour, especially on the part of Ciudadanos - Macron’s alleged political partners in Madrid - should certainly draw the attention of the whole of Europe.

In a tense and polarised context on account of the conservative forces, the PSOE’s bet for understanding, serenity, and a will to lower the political temperature has strengthened its electoral position. This is not a very common thing nowadays and could set an example for European Social Democracy as a whole.



#### > AUTHOR

**Javi López** has been a Member of the European Parliament since 2014 (S&D Group). He is the Secretary for European Affairs of the PSC - Socialist Party of Catalonia & Presidency Member (PSOE) of PES - Party of the European Socialists. He has a Law Degree from the UPF - Pompeu Fabra University and a Master in Leadership for Political and Social Management at the UAB - Autonomous University of Barcelona. He is also a Member of the Council of ECFR (European Council for Foreign Relations).

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*PSOE has kept the traditional identity traits of European Social Democracy – redistribution and individual freedoms – while adding items related to environmentalism and the strong Spanish feminist movement that the new generations across the globe are demanding.*  
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# THE V4 AFTER THE EP ELECTION: GLASS HALF EMPTY, HALF FULL

by Maria Skóra

The 2019 European Parliament election brought a visible decline in the popularity of the centre-left and relatively good results for all kinds of right-wing populists are unsettling. Fortunately, this tilt to the right is not significant enough to meaningfully affect the functioning of the European Union. Looking at the election results in the Visegrád countries (V4), we see how much they were determined by the dynamics of the domestic political scene.

**T**he left is in decline in East-Central Europe. In Czechia, the Social Democratic Party (ČSSD) received a catastrophic result of less than 4%, falling below the electoral threshold. This not only deprived Czech Social Democrats of all their seats in the EP but also put their governing coalition with the centrist-populist ANO in doubt. At the same time, even Andrej Babis' victory wasn't stunning (21%), and the Czech political scene remains very fragmented, with no distinctive alternative leader.

On the contrary, in Poland and Hungary the governing right-wing parties petrified their poll positions. However, whereas in Poland a deep polarisation is visible, as the united opposition, the so-called European Coalition, won 38.47%, against 45.38% for the governing Law and Justice party (PiS), in Hungary, the hegemony of Fidesz proved untouched, with 52.14% of all ballots cast in their favour and no serious competitor

in sight. In both countries, the once governing Social Democrats (SLD and MSZP, respectively) no longer play a significant role. To improve their chances in May 2019, both parties decided to join forces in broader opposition blocks, either by joining a multi-party coalition (Poland) or seeking alliances with the greens (Hungary).

In Poland, this decision proved to be a strategic masterpiece: the SLD will send five MEPs to Brussels. In Hungary, similar endeavours proved futile: MSZP lost two of three seats, winning only 6.66% of all votes. However, the Socialists & Democrats Group (S&D) will still welcome representatives of other formations from the Visegrád. In Poland, a new left-liberal initiative Wiosna debuted in this EP election by winning three seats in the European Parliament. Four other MEPs will join the S&D Group from Hungary, representing the social-liberal Democratic Coalition (DK), which won 16.18% of all votes.

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*Viktor Orbán and Jarosław Kaczyński's influence at the European level will be limited: Orbán's Fidesz is struggling to remain part of EPP and Kaczyński's PiS is affiliated with the unsuccessful ECR.*

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Of all traditional social-democratic parties in the Visegrád states, only the Slovak Smer-SD managed to independently reach a meaningful result of 15,72%. However, it still lost 8% compared to 2014. Three MEPs from Slovakia will join the S&D Group, losing one seat. Nevertheless, Slovakia still stands out in the Visegrád Group, resisting Euro-sceptic moods. At the same time, voter turnout was the lowest there among all V4 countries: 22,74% as compared to exceeding 40% in both Poland and Hungary and almost 51% on average in the EU.

It seems that in the V4 countries, the traditional left - Social-Democrats - struggle to survive, despite their popularity in the past. Radical or social left (even the most successful Czech communists - KSČM, not to mention the Hungarian Workers Party or grass-root RAZEM in Poland) remain practically insignificant, with hardly any political influence. However, speaking of fringes, the right wing is far more visible in the V4, like the Hungarian Jobbik, the Slovak People's Party Our Slovakia or the nationalist Konfederacja in Poland, for whom the final result of 4,55% was a close call to make it to the EP. Yet, even if they were able to enter elected bodies, be it at a regional, national or European level, it seems that the far right will remain a loud but impactless opposition.

As of political alternatives, the green wave that hit the political scene in Western and Northern Europe does not exist in the V4 states. Green parties are generally marginal there, some not even present in any elected body. Most probable reason for it is of historical nature: When the environmentalist movement was forming in the European core, the South and the East were wrestling with authoritarianism, be it far-right or authoritarian real socialism, respectively.

*V4: the visible decline of the centre-left and good results of right-wing populists are unsettling. @MariaSkora from @DPZ\_Berlin*



Thus, values such as freedom, democracy, human rights were represented and associated by other well-established opposition actors. Also, in times of latter socio-political transformations, the green agenda had to yield to bigger tasks of forming new state institutions, launching functioning economies, resetting social structures.

As of today, it seems the major beacons of pro-European hope in V4 are liberal actors, like newly elected president Zuzana Čaputová and her Progressive Slovakia party, or two surprise wins: Momentum in Hungary and the Pirates in Czechia. In fact, the Czech governing ANO party, which also won the EP election, despite populist tendencies and corruption charges against its leader, remains in the Alliance of Liberals and Democrats for Europe Group (ALDE). Moreover, the great anti-PiS mobilisation in Poland was initiated by the liberals from the Civic Platform (PO) and the Modern Party (Nowoczesna), both joining either EPP or ALDE in Strasbourg. Even the Polish Wiosna and Hungarian Democratic Coalition, although joining the S&D Group, set on a liberal agenda not only regarding values but also some economic issues. It seems that in the eyes of the voters, there is more potential in this "fresh" left wave than in the traditional social democracy.

To sum up, the political scene in the V4 is visibly tilted to the right and polarised, with

two Eurosceptic leaders – Viktor Orbán and Jarosław Kaczyński – cementing their power. Nevertheless, their influence at the European level will be limited: with Fidesz struggling to remain part of the European People's Party (EPP) family and PiS affiliated with the European Conservatives and Reformists (ECR). At the same time, there is a slight refreshing breeze in the V4, with new parties emerging and trying to counterbalance the sinister Euro-sceptic mood. Nevertheless, the left, once so powerful, does not seem able to redefine itself, with their social agenda hijacked by right-wing populists and progressive ideals seemingly more appealing if advocated by new faces.



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## "The technocratic approach is not credible anymore"

Interview with **Luuk van Middelaar**, by **Olaf Bruns**

### **Luuk van Middelaar**

is a political theorist and historian. From 2010 until 2014, he worked as chief speechwriter and advisor to the European Council President Herman Van Rompuy. The author of the prizewinning *The Passage to Europe*, he recently published *Alarums and Excursions*, a ground-breaking account of the Union's crisis politics.

*How do the recent elections to the European Parliament affect the balance of power between the EU institutions? In his recent book *Alarums and Excursions - improvising politics on the European stage*, the Dutch historian Luuk van Middelaar analyses how a decade of crises – from the financial chaos of the euro and the Greek sovereign debt; the conflicts with Russia over Ukraine; unprecedented levels of refugees from across the Mediterranean and the turmoil created by Brexit – have shaped a new way of doing politics on the European stage.*

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*More and more, politics in the EU is being played out on stage, in public view, in the limelight. Historically, a lot of EU politics rather took place backstage.*

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**Progressive Post:** *Your recent book, first published in Dutch under the straightforward title *De nieuwe politiek van Europa* (The new politics of Europe), has in the English translation become *Alarums and Excursions - improvising politics on the European stage*. Admittedly, I had to look up 'Alarums' in the dictionary!*

**Luuk van Middelaar:** I wanted to underline the importance of the theatre and theatricality in politics. One of the key things we've seen in the past years is that more and more, politics in the EU is being played out on stage, in public view, in the limelight. Whereas historically, a lot of EU politics took place more backstage. Then my English publisher came up with this expression 'Alarums and Excursions', which is in fact a stage direction from the Shakespearean theatre, meaning that the

actors have to prepare for imminent action and hectic scenes and perhaps a battle. It evokes that moment right before action which I found appropriate for the 10 years of EU crisis politics, which I try to describe in the book.

**PP:** *And then you open with a quote from somebody who has been on stage a lot: Miles Davis. 'I will play it first and tell you what it is later'.*

**LvM:** With this quote I wanted to underline the other important aspect, that of improvisation: for 10 years, EU leaders and institutions had to rush, improvise and invent things on the spot. Nobody quite knew what they were doing. It was as if we were running breathlessly from one crisis to the next. And I thought, perhaps now, after 10 years, if you start with the financial crisis in 2008, it's time to take a step back and to see what we collectively,





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as the EU, have been doing in this time. Hence this Miles Davis quote: let's now take a look at the improvisation and see if we can make some sense of all of this.

**PP:** *The one actor that was centre stage during these improvisations is the European Council. When analysing how the European Union function, it's often described as being in conflict with a rival actor: the Parliament, which has just been newly elected. Analytically, it's a 'supranational' versus a 'federal' approach. But you distinguish three approaches for the EU construction.*

**LvM:** Indeed. Historically, the first approach which I call the 'backstage approach' was the idea to depoliticise conflicts. It's basically a technocratic-functional approach, where the commission as a technocratic, impartial expert body is centre stage, together with the Court of Justice. The strategy of de-politicisation is pretty much the DNA of the EU. Back in the 1950s, it was obviously a brilliant idea: the founding EU members realised that we, as countries, do not necessarily have conflicts, we rather have problems together. This was the idea of Jean Monnet and Schumann and the founding fathers. And problems, you can solve. Either legally,

or procedurally, to make them disappear or to... - sweep them under the carpet.

What you see then is that there are two rather political approaches of how to do your politics and these could be described as the federalists and the con-federalist approach: the federalist approach embodied institutionally by the European Parliament, representing EU citizens, and the con-federalist approach embodied by the European Council, as the body of national leaders.

And it shows you that these two institutions – Council and Parliament – even if they may be at odds sometimes, also share something: they both thrive under the public eye, they both look for visibility, they look for contact with citizens, unlike the Commission, the Court and the Council of Ministers.

**PP:** *Does the increased participation in the European elections indicate a power shift between these institutions?*

**LvM:** I think the European Parliament is a clear winner of the election and in particular because of the high turnout. In terms of competence, the European Parliament is of course a very powerful parliament. Even if you compare it to many national parliaments, it has nothing to be jealous of. But

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*The nationalists' presence makes the European Parliament a more credible body where all voices, the plurality of public opinion in the EU, is represented and where ideas are fought out, rhetorically and politically.*

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its weak spot has always been to be seen and to be found credible as a public arena, speaking on behalf of all European citizens. And I think that is changing now. The turnout, above the symbolic threshold of 50 percent, is very important and also the fact that there are more diverse voices within that parliament than the old monopoly – or 'duopoly' as some say – of the Christian Democrats, EPP, and the Social Democrats, S&D, which







has been broken down by stronger voices of new players which are also needed for majorities: the Greens the Liberals.

**PP:** *How about the nationalists?*

**LvM:** Even their presence, I would argue – although many in Brussels are worried about them – paradoxically could strengthen the parliament. Why? Because it makes the European Parliament a more credible body where all voices, the plurality of public opinion in the EU, is represented, and where ideas are fought out, rhetorically and politically. And that makes the European Parliament less of a 'Brussels Parliament' and more of a real 'European Parliament'. And it will also make it stronger vis-à-vis the other two institutions.

So, the key question is whether these kind of opposition movements will only make fools of themselves, or play a purely anti-European destruction or 'leave' card – like UKIP, or the previous Front National – or whether more so they want to be a legitimate opposition within the system, saying 'we don't want to destroy it, we want to be part of it and we want to change some of the policies'. And that's an important distinction between these two kinds of opposition.

**PP:** *...because it shifts from an opposition of principle against the whole 'theatre', to becoming an actor on that very stage.*

**LvM:** An actor on the stage and perhaps with a dissonant voice. But not one willing to bring down the whole theatre, and that is the key difference. And it means that again, paradoxically, they may strengthen the legitimacy of the project as a whole, because they're buying into it with their dissonance.



**PP:** *A way to handle dissonant voices on that European stage has always been the technocratic approach: 'You are against this or that part of the European Union: you probably don't understand it'. How do we confront these groups without falling into the trap of the technocratic answer?*

**LvM:** I think this technocratic approach is indeed no longer credible, for all the issues the EU is dealing with today. The same is true for the approach of the moral high ground, which often came second. First people said: 'you don't like it, well, probably you don't understand it and I'll explain it again'. And then they said: 'if you still don't like it, probably you're not a good European!' This was part of a longstanding tendency to put outside the order any critical voice. Voters are becoming a little bit allergic to these approaches now. There must be a possibility to disagree with policies within the system!

What is needed is political narrative of why certain decisions are taken, in the name of a certain view of the future, or appealing to certain values, which can unite a majority of parties and public opinion to follow a certain approach.

And I think that is more important now than in the past. Because even if I'm critical in the book of the technocratic approach, it was

*The high turnout, as well as the new diversity of voices, gives the @Europarl\_EN more credibility - @LuukvMiddelaar*



fair enough for large parts of building an EU market for example. It is rather technical stuff to harmonise, for example VAT rates or to invent rules for food hygiene!

For a lot of the key issues that are dealt with today by European states and institutions together this no longer works: the refugee crisis, the euro, what to do with Russia, with China... – these are fundamental issues, involving not only matters of expertise, but really values. Take the refugee crisis, it's values of solidarity versus perhaps security and identity. For these kind of issues, the technocratic approach is not credible anymore: it is not by bringing together 28 national experts and people from the commission that you can then decide what to do with 1.2 million refugees. There, you need a political story and also political compromise or a way to work with different values to appeal to public opinion to say, OK this is perhaps what we want to do, but this is what we can do and what we will do and where we show that we also have some capacity to act.





| Talking about the life situation of young people and how to improve it was something that Frans Timmermans did well in the debates.

During the campaign for the European elections, in several Member States there was no focus on young people. As parties are cynically busy with vote-maximising, it is hard to blame them: the population of Europe is ageing, and young generations only make up around 26% of the general population. Not only are they less numerous than other generations, but unfortunately they are also less likely to vote in the European elections. But that is also exactly the reason why it is so important for the progressive party family to make an effort to engage the new generations.



# YOUNG PEOPLE ARE INTERESTED IN MORE THAN “YOUTH”

*by Maj Jensen Christensen*

*#EP2019: the S&D parties @  
TheProgressives had a good  
result with some young voters -  
but much needs to be done!  
Maj Jensen @YESocialists*







“  
*We will not be  
 able to do what  
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 We need to regulate  
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 and the huge  
 corporations.*  
 ”

Looking at the detailed analysis of the election results, the S&D Group came out as the winners among the young electorate in the recent European elections. A little more than 20 % of people aged 18-24 voted for the progressive group. This was a little better than the EPP and way better than the Greens, who got less than 16% among the young.

On the basis of those numbers you might say the “fair, free and sustainable Europe”-campaign has been successful among the young, and I could end my piece here. But the S&D is only biggest among the youngest group of the electorate: the “Generation Z”, those between 18 and 25. Among the “Millennials” (aged 25-34) - and every other generation – the EPP came out strongest. On the contrary, the Greens may not be the biggest group among any generation on European level, but it was their strong support among the

younger generation in some Member States that led to their improved results.

However, all these numbers are aggregated projections for Europe as a whole. When going a step further in examining the details, things turn out to be more diverse. The result of 20% of the youngest voters in Europe for the centre-left hides the fact that S&D parties were indeed biggest among young people in the UK, but only received, for example, around 7% of the young votes in Germany, where the Greens’ huge support among the young voters secured their electoral success.

The same goes for the “Fair, free and sustainable Europe”-campaign. It no doubt had an impressive impact in the Netherlands where our common candidate Frans Timmermans was on the ballot himself. But in several other countries “Fair, free and sustainable”

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was not even the slogan of the campaign. In Germany the slogan was “Europe is the answer” (Europa ist die Antwort), in Denmark “Together we fight the fight in Europe” (Sammen tager vi kampen i Europa) and in the UK it read “Transforming Britain and Europe for the many, not the few”.

In several of the national campaign, the focus on young people was absent. If a party is cynically focusing on vote-maximisation (and most parties have to), it is hard to blame it for not focusing much on the young generations: the population of Europe is ageing, and young generations only make up around 26% of the general population. In addition, they are less likely to vote in the European elections than other generations. But perhaps exactly because of this it is so important that the progressive family makes an effort to engage the new generations.

Far too often “connecting with the young people” is limited to having that token-one young person in the panel or that one page on “youth policy” in the political manifesto. But our generations are not just interested in “youth policy”. We are interested in all policies concerning our generation: from the cuts on education to the lack of decent jobs and affordable housing. And also: pension age as well as the amounts. And of course, the climate crisis - the very basis of our future on this earth.

Talking about the life situation of young people and how to improve it was something that Frans Timmermans did well in the debates. He touched on the precarious work situation for many young people and explained that the solution for this problem is systematic and political - not personal.

The same goes for tackling the climate crisis. We will not be able to do what is necessary if we leave it to individual choices. We need to regulate the big industries and the huge corporations.

Looking ahead, beyond the European elections, this is exactly what we need: A strong focus on improving the life-situation, not just for the young but for all. Recent years have seen setbacks in the quality of, security of and access to education, jobs, housing and public service. We don’t want to fight for a status quo, we want improvement. All of this is a job for the newly elected MEPs and the coming Commission. We want a Europe that works for us - and you can make it!



› **AUTHOR**

**Maj Jensen Christensen** is the newly elected Secretary General of the Young European Socialists (YES) - the biggest party political youth organisation in Europe.

# THE EUROPEAN ELECTIONS: A STEP AHEAD FOR WOMEN'S RIGHTS

by Zita Gurmai

In recent years, numerous countries worldwide have witnessed the rise of powerful, transnational movements which campaign against what they call 'gender ideology'. These right-wing, nationalist forces, like Fidesz in Hungary, Vox in Spain, Rassemblement National in France and others have successfully mobilised people against equality issues, such as women's reproductive rights, LGBTIQ+ issues, gender equality policies, sex education, and gender studies as an academic field. This is not a new phenomenon. It is a pattern that was also reflected during the EU elections.

**W**e saw a global network of anti-gay, anti-abortion and anti-feminist activists gathering at 'the World Congress of Families' in March, in Verona, Italy. It is an old strategy: to spread distortion and hatred to reinstall traditional gender roles, male privilege and maintain patriarchy. But women and progressive forces did not remain silent. On the contrary; an increased number of women and men took to the streets to call for safeguarding achieved women's rights and gender equality, and to make sure no pushback is allowed.

In Spain, thousands of women and men marched on 8 March to call for a feminist Europe, a Europe of equality and justice. The fight for women's rights has always been at the core of the socialist movement and thus with the increased anti-gender movement, the European socialists were determined to stand by and with women with a strong #FeministEurope Campaign.

The Party of European Socialists was very clear on this through their three-step approach: first, a strong feminist Manifesto, second, an outspoken feminist common candidate and third, gender-balanced European lists.

This approach was maintained during the debates of the European Campaign; as the feminist PES candidate Frans Timmermans said, "it's not only about the 14 women Commissioners, but about the 250 million women in Europe and what we will do for them".

Unlike the other European parties' common candidates, Frans Timmermans advocated for going beyond a parity European Commission and talked about comprehensive policy proposals which will benefit all women, for example finally closing the gender pay and pension gaps and a European Directive to end gender-based violence. While our common candidate spoke out about a feminist model for Europe, the

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| The women's organisations of the Social Democratic parties need to remain critical, acting as gender equality watchdogs for the parties and within the parties.

media refrained from going beyond the quota discussion. A missed opportunity for a true gender perspective in reporting and analysis from the media. This said, we welcome the work and achievement of the women's rights movement in getting feminism on the European agenda and as a decisive issue for voters.

Moreover, our political family has done well in terms of women's representation on European electoral lists; some of our parties went beyond national legislations by applying zip-lists or quotas. Based on the available data, 41.6% of the candidates for PES member parties were women. This is reflected in the election result of the S&D with 41.8% of the newly elected MEPs being women. While the S&D is above the new European Parliament's average of 39% in terms of women's representation (compared to 36% in 2014), the group dropped from 45% in 2014, falling behind the Greens, GUE and Renew Europe.

It is worth noting that parties with zip list were able to guarantee a high number of women MEPs and that having women head of lists can guarantee that smaller delegations (1 to 3 representatives) have a

good gender-balance. The lack of quotas or women on eligible places gave rise to very poor results in terms of women's representation. Another real achievement for the progressive women's movements is the election of the new President of the Group Iratxe Garcia Perez, a strong feminist fighter.

What do these numbers mean overall? We, the women's organisations of the Social Democratic parties need to remain critical, acting as gender equality watchdogs for the parties and within the parties. We need to be the voice that constantly reminds everyone that gender equality has not been achieved, and will not be achieved without actively promoting and implementing it. Only political will, good policies and long-term effective mechanisms can make it happen.

A more fragmented parliament increases the need to increase our efforts to find a progressive majority in the European Parliament that supports progressive women's rights, preferably with parties that do not compromise on gender equality. The appointments of positions such as Chairs of Committees, Commission portfolios or Presidents of the EU institutions will be closely watched by the feminist movements as we need to

guarantee that a feminist European vision is put into practice after the election. That is what PES Women will do, and will continue to do, until gender equality is a reality.



#### > AUTHOR

**Zita Gurmai** is President of PES Women, which promotes gender equality inside and outside the Party of European Socialists, and Vice-President of FEPS. Former Member of the European Parliament, she has been re-elected, in April 2018, Member of the Hungarian Parliament.



# OUT OF THE DOLDRUMS

by László Andor



The 2019 European Parliament (EP) elections saw Social Democracy falling to a historic low. In the new EP, the share of seats held by Socialist, Social-Democratic and related progressive parties is the lowest ever. Overall electoral support for progressives continues to show a downward trend in Europe, calling for a serious reflection, but without falling into despondency. Keynesian macroeconomic strategy as well as a bolder social policy for the EU is vital - and so is a global progressive agenda.

**D**espite a most dynamic EP election campaign in Spring 2019, in some EU countries Social Democrats appear dispirited, and give the impression of sailing on a stagnant, if not a slowly sinking ship. While showing some strength in the north and the south, the situation of the Social Democrats is nothing less than critical in the two major countries which have been the driving force of European integration for seven decades.

The collapse of the Socialist Party in France leaves a large hole in the map and the disarray into which the German SPD has fallen since the EP elections has become a comparable drama. Among the 'new EU Member States' in the east, Social Democrats are in power in some countries—but not without controversy—and modest improvements in others have not been robust enough to offer solace.

On the positive side is the improved performance of the left in the Iberian Peninsula and a few other parts of the European south, together with the Dutch surge and the return of the centre-left to government in the north. This very mixed overall picture makes a deep reflection necessary, on the role the overlapping EU crises have played in the decline of Social Democracy and the importance of European policy as part of the progressive reconstruction strategy that has to be built now.

Defining a progressive programme at the EU level appears a key task in itself, but also because it frames Member States' policies. Compared to five years ago, that current Social Democrat programme seems better prepared and more cohesive. The endeavour is to make progress in three key areas: reshaping the global order in the interest of sustainability, revamping the Monetary Union to facilitate convergence,

and reinventing a Social Europe to tackle inequality.

For Social Democrats, the constant development of a Social Europe is a core goal—even if some believe the point is to be more liberal than the Liberals or greener than the Greens. It should be clear that absorbing policies championed by Liberals or Greens cannot be a substitute for delivering on key issues, including Keynesian macroeconomic policy. The availability of jobs and the quality of our workplaces today depend on EU regulation, and this has to be updated to ensure that new trends such as digitalisation and robotisation do not undermine the high standards we have achieved. The successes of several legislative cycles at EU level like the 2014 Enforcement Directive on Posted Workers and 2018 revision of the Posted Workers Directive have ended the period when workers coming from other EU Member

States were presented as the main threat to national welfare of other Member States.

Further efforts to stamp out 'social dumping' have to concentrate on such proposals as the co-ordination of minimum wages across countries. Although the EU is not and will not be a welfare state, it has to develop a safety net for the national welfare systems, for example through a reinsurance of national unemployment benefit schemes. Participants of a recent debate in this field have promoted the concept of a 'Social Union'.

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*The positive side is the improved performance of the left in the Iberian Peninsula and a few other parts of the European south, together with the Dutch surge and the return of the centre-left to government in the north.*

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Missing the opportunity of earlier Social-Democratic electoral success to reform the EU financial and economic model leaves a crucial and comprehensive task which no other force is ready or capable to tackle yet. One can, as Joseph Stiglitz does in this number of the Progressive Post, argue for a general rewriting of the rules of the European economy, but there should be no doubt that the reform of the single currency must be at the centre of this effort. If and when the Economic and Monetary Union (EMU) can be relaunched, the most urgent tasks will be the completion of the Banking Union by adding deposit insurance to the existing pillars and the introduction of a genuine fiscal capacity in support of risk-sharing and convergence. Such measures do not require a federal leap or treaty change. Because of the risk of disintegration in case of another economic downturn, EMU reform is vital - but further building-blocks of a new business model should not be forgotten either. In particular, the time has probably come for an effective industrial policy, with new potential for innovation as well as regional development.

Finally, the future of EU integration and, within that, the perspective of a Social Europe also depend on a global progressive agenda. Europeans, more than anybody else, can and must strive to rescue collective action in the world.

The main threat to multilateralism comes from the country which invented the system—the United States of America. The US has been looking for ways to manage its own relative decline and today this has become more disruptive than constructive. It threatens the achievements of the recent past, including in climate policy, nuclear disarmament and economic development. The current juncture calls for a rediscovery of the Social Democratic tradition of global solidarity and the construction of a progressive international agenda. Saving EU integration

and multilateralism from the new authoritarians and nationalists is not about defending the status quo ante, since the laissez faire of transnational finance and the 'race to the bottom' generated by unregulated trade in the past thirty years have contributed to some of the alarming political developments of our time.

A critical assessment of the neoliberal period is a crucial part of progressive reconstruction in economic and social policies, but also regarding the global agenda. There are large constituencies in Europe looking for the political force that insists on the simultaneous pursuit of sustainability and equality. Demonstrating this capacity will bring the wind back into the sails of social democracy.



#### > AUTHOR

**László Andor** is the new FEPS Secretary-General. He is a Hungarian economist, and former EU Commissioner for Employment, Social Affairs and Inclusion (2010-2014).



## "A decade before the Berlin Wall came down, the corrosion of the social welfare state started with the neoliberal turn"

Interview with **Wolfgang Engler**, by **Olaf Bruns**

### **Wolfgang Engler**

is a sociologist and publicist from Dresden who lives in Berlin. From 2005 to 2017 he was the rector of the Academy of Dramatic Arts "Ernst Busch" Berlin. His last book - together with Jana Hensel - "Wer wir sind. Die Erfahrung, ostdeutsch zu sein" ("Who we are. The experience of being East German"), tackles the many open questions of Germany 30 years after the fall of the Berlin Wall.

*The German sociologist Wolfgang Engler examines the question what happened to (Eastern) Germany in the past three decades since the fall of the Berlin Wall from the inside. In his last book – together with the journalist and writer Jana Hensel – 'Wer wir sind. Die Erfahrung, ostdeutsch zu sein' ('Who we are. The experience of being East German'), recounts a particular sense of homelessness in the new, western world. But he also thinks that many of the problems that have arisen along the way can only be understood in the wider context of neoliberalism and deindustrialisation.*

**Progressive Post:** *30 years after the fall of the Berlin Wall – does the thought give you a solemn, or rather an anxious, feeling?*

**Wolfgang Engler:** Both. At the celebrations in November, we'll probably hear again about all the things that have been achieved. And you can't deny it: with regard to apartments, infrastructure, supply systems and also to a number of companies that are thriving, a lot has happened! But often, the problems that also exist are put aside. But perhaps something is changing now. The East is back in the headlines – linked to right-wing extremist demonstrations and acts of violence, but also on the electoral success of the New Right. This has led the East to be perceived as a threat on the one hand, but also: many people are now looking more closely at the background: why are these things

happening? Of course, I do not want to say that I'm grateful to these movements, but perhaps they were necessary to sharpen the general awareness of the problem!

**PP:** *For you, what are the salient features of Germany, 30 years after the fall of the Berlin Wall?*

**WE:** The ambivalence of the developments: The big subjects are the East-West migrations from 1989 to now, with all their disparities. Then again, there are places like Jena, Potsdam, Berlin and Dresden, and a number of other middle cities where the exodus has been successfully halted, where people come back, and which have developed quite well, economically and culturally. However, we still have many regions where the opposite is the case. Where the departures







| Like here in Wismar, many former GDR companies closed after the wall came down. From a total of 150 large companies (more than 5,000 employees), 145 were phased out in the early years after the reunification.'

continue and where the long-term effects of the economic ravage of the early years after the fall of the Wall are still palpable. Today, about 14 million live in the area that used to be the GDR. At the very end of the GDR there were about 17 million!

**PP:** *What were the reasons for society to unravel in this way?*

**WE:** Of course, the entire German unification process, starting from '89, was very much under pressure from the East Germans. Immediately after the fall of the Wall, the exodus from East to West started, there were slogans like 'if the D-Mark does not come to us, we go to the D-Mark', meaning: if the reunification doesn't happen fast, we'll go West. This had to be considered. But in reality, it has led to an overhasty reunification.

Just one example: in the East there were 150 large companies, with 5,000 or more employees. In the years after the unification,

145 of these were phased-out within a very short time. And that also means that the suppliers didn't have work anymore, that the social, cultural and medical infrastructure tied to these large companies in the East were suddenly no longer available. Life was deserted, within two to five years. Elsewhere – in the Ruhr area, in parts of the English Midlands, in the industrial belt in the US – these deindustrialisation processes took several decades to happen! And even today, the wounds do not heal so easily.

**PP:** *Is that the background of the radicalisation of part of the population in Eastern Germany?*

**WE:** I don't think it's an essentially East German or even a German problem. It becomes visible only when one takes a larger view and considers the changes in the early 1980s, a decade before the Wall came down, namely the corrosion of the social welfare state and the turn to neoliberal regimes. This

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*Again, the words of Walter Benjamin apply, who said about the rise of the Nazis in the 1930s: these people help the masses to express themselves, but not to obtain their rights.*

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*In the 1980s, a decade before the Wall came down, the corrosion of the social welfare state started with the neoliberal turn. This has led people everywhere to miss the train and to feel left out. And these people are now looking for ways to politically address their anger and rage.*

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has led people everywhere to miss the train and to feel left out. And these people are now looking for ways to politically address their anger and rage. For a long time, in Eastern Germany, their standard carrier was the Left Party. But in the summer of 2015, with the mass migration, people started feeling that the Left Party had become part of the establishment, that they back the policies of chancellor Angela Merkel. And then they thought: well, let's go for a radical turn! We now entrust our dissatisfaction to those who'll make you feel a bit uncomfortable. Maybe the political class will see us then. And that is exactly what happened!

And when you come to those areas where people feel excluded, they say, 'as long as we've stayed politically moderate, we've heard things like 'everything will be fine, it may take a little longer, there might just be dry spells...'. But now that we are entrusting our political process to the New Right, everyone is interested in us: the journalists come, the social researchers come... - well, it seems that we did everything right! And then it's hard to answer: no, that goes completely the wrong way!

**PP:** *Are these really essentially movements of people who feel excluded? Losers of the economic development, of globalisation?*

**WE:** No. If examine the supporters and support networks of the New Right, not only

in the East of Germany, it becomes clear that these are not just the so-called losers of globalisation, but that these networks reach deeply into the middle of the society. The precarious alone would neither bear the phenomenon nor would they allow it to be explained.

Research has shown that in Dresden many people who participate in the far-right demonstrations are well-educated, earning an average wage, or even slightly more, sometimes even academics. The middle of society is much more vulnerable than the West!

**PP:** *What causes this particular vulnerability of the middle of society, or the middle class, in the East?*

**WE:** There are many who have a good job, a good education and earn decent money, but, because of the different developments of the East, even now, after three decades, haven't even remotely been able to accumulate the same economic resources - savings, home ownership etc. - as comparable people in the West. And these people are extremely vulnerable when something unforeseen happens, when they lose their job or apartment. Normally, as middle class, people have an economic buffer, which allows them to envisage a new situation for a moment. Here in the East, people are much more unprotected towards change, because they can't





rely on those resources. And then an eviction from an apartment for the landlord's personal use is often already enough for someone to slip very quickly from the middle of society to the bottom.

And when this centre of society, the anchor of stability, comes under such massive pressure, when the people lose their homes or jobs in droves - then they

**PP:** *Is that the 'Great Offense' you write about in your recent book?*

**WE:** It's linked. By the 'Great Offense', I mean the irritating experience that millions of East Germans had in the period 1990-1992: on the one hand, through the 1989 reversal, they achieved, in political terms, pretty much everything they wanted: civil rights, individual freedoms, freedom of assembly, freedom of travel, etc. But at the precise moment when they had reached this goal, for millions of people suddenly the social and economic network fell apart. And this twofold experience, that they have achieved a gain in political self-determination, on the one hand, but a dramatic loss of economic self-determination on the other, destabilises society up until today.

Read the full article online  
[www.progressivepost.eu](http://www.progressivepost.eu)



## SOCIAL IMPACTS OF TRANSITION

EASTERN EUROPE:

A MULTIPLE TRANSITION CRISIS

The post-communist transition is often viewed as an economic success story in the West – even though with difficulties. Many in the East, however, have painful memories. In a number of countries, authoritarian nationalist governments have come to power, promising to right the perceived wrongs of the transition period.



> **AUTHOR**

**Mitchell A. Orenstein** is a Professor of Russian and East European Studies at the University of Pennsylvania and a Senior Fellow at the Foreign Policy Research Institute.



## HUNGARIAN DEMOCRACY FROM BEST IN CLASS TO FAILING GRADE?

In 1989, Hungarians saw democracy as an enormous hope for an open and free society. 30 years on, Hungary is an officially 'illiberal state' based on nationalism and corruption. The opposition is fragmented, the society is divided along political, economic and geographic lines. The progressive left doesn't have any answers.



> **AUTHOR**

**Péter Niedermüller** is a Member of the European Parliament, treasurer and Vice-President of the Progressive Alliance of Socialist and Democrats. He is a member of the Committee on Civil Liberties, Justice and Home Affairs (LIBE), where he is engaged in issues of human rights, fundamental rights, rule of law and migration, a member of the Delegation for relations with Israel, and the Special Committee on Terrorism.

# FROM OPEN DOORS TO A CLOSED SOCIETY

*by Włodzimierz Cimoszewicz*

On June 4, 1989 – on the same day that students died in Tiananmen Square – parliamentary elections were held in Poland. For the first time, real opposition candidates were allowed to participate. The resulting opposition-led government opened the door to historical changes in the country and beyond. The 2004 accession to the European Union caused waves of optimism and faith in a good future. Today however, a deeply divided Poland is struggling to cope with the social challenges and changes of the past decades. The current government presents a real threat to democracy.

**A**fter several waves of strikes, the government had negotiated the organisation of the 1989 elections with the trade union *Solidarność* (Solidarity) that had led the protests. For the first time in the Soviet camp, a government negotiated with the opposition and agreed on the possibility of its representatives joining the parliament. The trade union participated in the elections and received 35% of the votes. The Solidarity-led coalition government emanating from these elections opened the door to historical changes in Poland – and beyond.

The country decided on radical political and economic changes. The economic situation was dire, and people were willing to accept anything. Expectations were high and naive. Almost nobody realised the inevitable social costs that were to come.

Politically, the system was democratised without any troubles. The economic therapy, however, quickly began to bring painful

results in the form of a decreased GDP and hugely increased unemployment. The privatisation of the state sector took people by surprise, but at the same time, in a very short time, two million small private companies were established. Poland turned decisively to the West and consistently strived to join NATO and the EU in following years.

In 2019, we have been a member of the military alliance for 20 years and a member of the European Union for 15. In both cases, membership is supported by a majority of the population. The economy has not been in recession for 30 years, the unemployment rate of roughly 6% is very low, and people's prosperity has grown significantly. For the longest time, the Polish transformation seemed an undisputed success story.

Suddenly, however, in recent years, the situation has changed dramatically. Four years ago, a large part of voters believed in the slogan "Poland in Ruins" and handed political power to the radical right-wing 'Law

and Justice' party (PiS). Ever since, election after election, the PiS remains strong and the democratic opposition is in trouble.

The reformers of previous governments failed to notice at the right time that the state had become rich enough to intensify help for the poorer citizens. Populism, demagoguery, intolerance and xenophobia have found their place. The undoubted error of the previous pro-European governments was the lack of any noticeable and credible programme for the country, and especially for the young and well-educated generation, leading to an alienation of these groups of voters. Poland is today an internally crippled country, deeply divided between the city and the countryside, between the higher and lower educated, the more and less religious, the rich and poor.

Polls indicate that democracy, the rule of law and individual freedoms, are important to about 30-40% of the population, but they seem not to matter much to another, equally





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| June 4th 2016, Demonstration in Cracow to celebrate the anniversary of the first free election in 1989 in Poland.

large part of society. At the same time, politics has lost its importance in the eyes of half of society that is doing well, oblivious to the danger of political regression. Politicians from the centre and the left, who ruled most of the time after 1989, either left or ceased to be convincing for the majority. They also lost their previous enthusiasm and strong motivation to act. The conservative right on the other side, has managed to activate a previously silent part of society.

In the European elections, participation has doubled – but voters provided another victory to the ruling party. This new victory is largely the consequences of costly social transfers, the use of public television for unprecedented government propaganda – defending the Catholic Church, however embattled in paedophilia scandals it might be – and an aggressive anti-LGBT rhetoric. The numerous scandals undermining the credibility of the rulers however, and their evident lack of professionalism in creating laws and conducting foreign policy, have not affected in any noticeable way voters' support for the 'Law and Justice' party.

In Poland – as elsewhere – the wider context of deep global geopolitical, technological and cultural changes matters too. The pace,

complexity and scale of these changes have created a sense of uncertainty and confusion. The psychological effect of long-term changes seems to have pushed many citizens to mythologise the past, instead of embracing a future that seems increasingly uncertain.

Many have problems with adapting to the new way of life and end up seeking security in the identification with a sense of community. And that's what the demagogues happily provide – but it's a community of the crowd, rather than the community of a democratic society. Added to the attempts to manipulate democratic societies from the outside – with money and internet activity – the risk of for democracy and European integration appears to be very high.

30 years after the first free elections and 15 years after the historic enlargement of the European Union, causing waves of optimism and faith in a good future, we now face the necessity of a much more active defence of the European Union itself, but even more of the values and principles upon which it was built.

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*Many have ended up seeking security in the identification with a sense of community. And that's what the demagogues happily provide – but it's a community of the crowd, rather than the community of a democratic society.*

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> **AUTHOR**

**Włodzimierz Cimoszewicz** was the Prime Minister of Poland from 1996 to late 1997, the Foreign Minister (2001–2005) and the speaker of the lower chamber of the Polish parliament from January to October 2005.

# CONTINUING THE FIGHT FOR SHORTER WORKING TIME

by Frances O'Grady



Working time has always been a key battleground for working people and their trade unions. Now, as technology and the platform economy increasingly eat into workers' personal time, a shorter working week is again necessary. A four-day week, without loss of pay, is one of our ambitions!

**T**he demand for the ten- and then the eight-hour day was one of the international labour movement's first campaigns, proposed at the International Workers Congress in Germany in 1866. In 1919, the Hours of Work (Industry) Convention was the first convention adopted by the International Labour Organisation (ILO). More recently, unions across Europe worked together to achieve the 1993 Working Time Directive, establishing safe limits on working hours and giving millions of workers paid holidays for the first time.

The scale of our achievements is clear. Since 1868, when the British Trades Union Congress (TUC) was founded, the average working week in the UK has almost halved, falling from 62 hours to around 32 hours. And in much of northern Europe, strongly organised workforces have achieved even greater gains.

But we shouldn't put a stop to our ambitions here. In this century, technology will

*We need to fight back against employers who want to use new technology to revive age-old forms of exploitation!*  
@FrancesOGrady from @The\_TUC



continue to transform our economies and the way we work. And trade unions believe that workers should get their fair share of the gains, through both higher pay and more time away from work.

At the TUC, we believe that a four-day week – with no loss of pay – should be among our ambitions in the years ahead. Like our predecessors, we want working people to have more time free from the demands of work, more time to spend with loved ones and with their communities.

We know this is popular with workers. When we asked people how they imagine a world in which more efficient production enabled a reduction in working time, a shift to a four-day week was overwhelmingly the most popular choice.

And looking at our history, we should have confidence in the ability of organised labour to work together across borders to change the norms of working time.

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## *Always on demand*

But while technological innovation should be used to liberate people from excess work, in recent years it's seemed to do the opposite. Many employers have used new technologies like smartphones to eat into their workers' personal time.

This is most apparent from the rise of 'on demand' platforms like Uber, which create an expectation that workers always

# FOUR-DAY WEEK ?

be available for work without being paid. Trapped in a cycle of low pay and insecurity, workers are forced to compete for ever-smaller parcels of work.

The courts have repeatedly rejected Uber's claim that they're creating a new form of work. Rather, they're using a new technology to deny workers their rights, including the right to rest breaks, holidays and to a minimum wage.

Even for workers with secure hours, the boundaries between work and non-work are blurring. According to TUC research, one in seven workers have seen their hours increase thanks to new technology, since they can be reached more easily when they're at home. And research by the Chartered Institute of Personnel and Development in 2017 found that nearly a third of workers felt that having remote access to the workplace stopped them switching off in their personal time. Last year alone, British workers alone put in £32 billion worth of unpaid overtime.

So winning more free time for workers isn't the only challenge we face. We must also safeguard the time that's already been won. Because let's be clear: if an employer takes a worker's time without paying for it, that's theft.

## Industrial disruption

We're living in a period of rapid industrial disruption. The UK government estimates

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*If an employer takes  
a worker's time  
without paying  
for it, that's theft.*

”

that robots and autonomous systems could deliver a £200bn boost to output, and similar increases in productivity are on their way right across Europe.

But already, super-rich CEOs are trying to hoard those billions, short-changing labour. Amazon's CEO Jeff Bezos is the richest man in the world, but in his warehouses low-paid workers are so exhausted that they're collapsing on the job.

We need to turn the tide and fight back against employers who want to use new technology to revive age-old forms of exploitation.

Stories from across Europe give us grounds for optimism. Union campaigning in Ireland recently delivered a ban on zero-hours contracts. French unions

pioneered collective agreements on the 'right to switch off', now enshrined in a national law that requires companies with 50 employees or more to negotiate the use of communications technology.

Advances like these build on the achievements of the last two centuries. And they remind us that collective action by working people is still the best way to deliver decent pay, more leisure time, higher living standards and better working lives.



### > AUTHOR

**Frances O'Grady** is the General Secretary of the British Trades Union Congress (TUC). She has been an active trade unionist and campaigner all her working life and was employed in a range of jobs from shop work to the voluntary sector. Before the TUC, O'Grady worked for the Transport and General Workers Union.



## NEXT ECONOMY

# TOWARDS A 4-DAY WEEK

Why reduce or reorganise working time?

In order to achieve a better work-life-balance, a social sustainable adaptation to robotisation, a reduction of stress caused by work or by increased productivity.

Initiatives are flourishing in Europe: 35, 32, 28 hours or even a 4-day week are amongst them.

The reduction of working time is also used as a lever to reduce energy consumption, and labour costs to fight unemployment or even to improve well-being.

*Here are some of the experiments carried out around the world.*

## SOURCE

The Shorter Working Week:  
A Radical And Pragmatic Proposal Edited



<https://autonomy.work/>  
by Will Stronge and Aidan Harper 2019



### ♀ REDUCTION IN THE NUMBER OF WEEKS WORKED IN REYKJAVÍK

*From March 2015 to March 2016*  
*Regular working hours /*  
*Week: 40 hours*

The City of Reykjavik conducted a one-year experiment on reducing the number of working weeks in some of the City's public services. Normal working hours were reduced from four to five hours without any reduction in employee productivity.

**Result:** The working week was shortened by four hours, ending on Friday afternoon. The service centre closed at 3.00 a.m. instead of 4.00 a.m. every working day.



### ♀ CWU - ROYAL MAIL, 35-HOUR WEEK

*From 2015 to present day*  
*Regular working hours /*  
*Week: 48 hours*

Faced with automated tasks, Royal Mail workers demanded a shorter work week, so that productivity gains could be shared more equitably between workers and shareholders.

**Result:** In March 2018, the Communications Workers Union (CWU) reached an agreement with Royal Mail to move to a 35-hour work week by 2022.

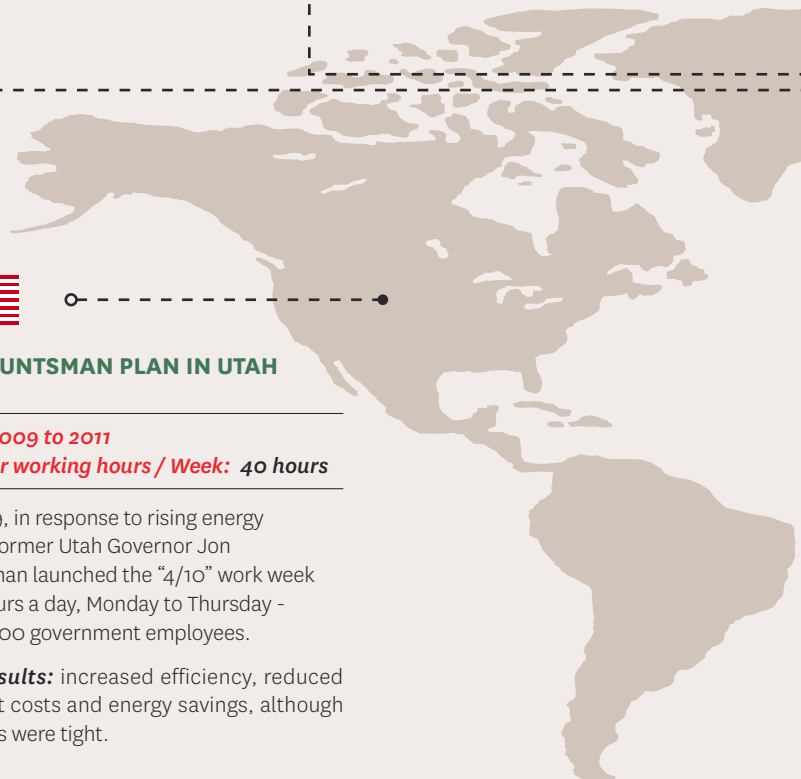


### THE HUNTSMAN PLAN IN UTAH

*From 2009 to 2011*  
*Regular working hours / Week: 40 hours*

In 2009, in response to rising energy costs, former Utah Governor Jon Huntsman launched the "4/10" work week - 10 hours a day, Monday to Thursday - for 17,000 government employees.

**The results:** increased efficiency, reduced indirect costs and energy savings, although budgets were tight.





### THE 35-HOUR WEEK

*From 1998 to present day*  
Regular working hours /  
Week: 35 hours

Implemented in 2000, the measure was made mandatory for all companies from 1 January 2002. The objective is to reduce working time from 39 to 35 hours in order to reduce unemployment. This makes the French economy the first to reduce working time by legal means.

**The results:** shorter working hours, more social welfare, reduced tax contributions, greater flexibility in the organisation of companies and no reduction in wages.



### THE SVARTEDALEN EXPERIMENT

*From 1 February 2015 to December 2016*  
Regular working hours /  
Week: 40 hours

In April 2014, the authorities of the city of Gothenburg launched the 30-hour week for nurses at the Svartedalen retirement home. During 23 months, nurses' working time was reduced to six hours a day. To cope with this reduction in the number of hours, additional employees were recruited for about 15 full-time equivalents. Salaries remained stable and those of new recruits were paid from public funds.

**Results** (conducted via a questionnaire given to residents and employees): improved health of nurses and reduced sick leave. The operation was not extended because it was considered too costly by the state.



### IG METALL AND THE 28-HOUR WEEK

*From January 2018 to present day*  
Regular working hours /  
Week: 40 hours (possibility of 42 hours)

The workers of the IG Metall union - which represents about 3.9 million workers in Germany - went on strike to demand the possibility of reducing their working time to 28 hours per week for up to two years, with the automatic right to return to full-time employment afterwards. Unionists wanted more time to care for their children and sick or elderly parents.

**Results:** Workers eventually obtained a 4.3% wage increase for nearly one million workers. Those who opted for a 28-hour week to care for young people or elderly parents receive an additional allowance of €200 per month from the state. Those who want to take a break from work in high-risk health jobs are compensated with €750 per year.



### VRT

*2016*  
Regular working hours / Week: 40 hours

Faced with a reduction in its public subsidies and a limitation on staff costs, the Flemish public broadcaster VRT (Vlaamse Radio en Televisie) wanted to reduce the number of its 2,200 employees by 350. In order to avoid redundancies, unions then proposed a voluntary work redistribution or work sharing system with a voluntary reduction in working time. The agreement between the unions and management provided for up to 22 additional days of leave for employees who waived their bonuses.

**Results:** Positive impacts on workers' pension rights and "regular" sick leave or annual leave.

# IT'S TIME FOR A 4-DAYS WORKING WEEK!

*by Aidan Harper*

A shorter working week has always been central to the labour movement. With the rapidly approaching tipping point towards climate breakdown and the automation of many work processes, steered by new technologies like AI, the issue is back to the forefront of progressive politics!

**T**he eight-hour day and the two-day weekend have a claim to be the greatest victories of the labour movement. Normalised in the routine of daily life, it is easy to forget just how important they are – they provide us with the time we need to do all the things we consider most important, and with the people who are most important to us.

Prior to this, working hours averaged nearly sixty hours a week. However, the nine-to-five, five-days-a-week model for full-time work is increasingly viewed as broken and outdated. Across Europe, work and time are once again becoming sites of major political contestation and the shape of political debate is beginning to form around a new demand: the demand for a four-day week.

A movement built around working-time reduction is growing across Europe. A survey earlier this year showed that most Europeans support the introduction of a four day working week – and nearly two-thirds of people in the UK, Sweden, and Finland supported the idea. The enthusiasm for the idea

in Britain could be down to the fact that the UK has become a hotbed of activity around shorter hours. The Green Party have already fully committed to the cause by campaigning on the back of a four-day week in the 2017 general election, the Trade Union Congress have said the four-day week should be the aim of the labour movement, and now the Labour Party have launched a review into the shorter working week. Suddenly the four-day week is a common-sense demand.

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## *Climate Breakdown*

The IPCC report from last year reiterated the rapidly approaching tipping points toward climate breakdown. In the US, the Member of the House of Representatives Alexandria Ocasio-Cortez has led the charge for a radically transformative agenda in the form of a Green New Deal. At the New Economics Foundation, we argue that working fewer hours, without necessarily losing pay – such as a four-day or 32 hour week – should be a central part of this.

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*The shorter working week has always been a central aim of the labour movement. After a few decades in a neoliberal wilderness, the issue is back to the forefront of progressive politics.*

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| The industrial union IG Metall reached an agreement with the Südwestmetall employers' federation which gave workers the right to move from a 35 to a 28-hour week

*How to shift our society towards a more sustainable one? A 4 day working week could help!*

*@Aidan\_Harper\_ from  
@NEF &  
@4Day\_Week Campaign*



We know that across our economy as a whole, we need to drastically reduce the environmental impact of how we work and what we consume and that we need to rapidly shift away from energy-intensive activities and goods. There is a close link between high working hours and energy-intensive, environmentally-damaging patterns of consumption. High working hours encourage energy intensive consumption and goods, and favour conspicuous expenditure and non-sustainable lifestyles. A four-day week, combined with other policies which disincentive carbon intensive activities, could help shift our society towards one which engages in more sustainable behaviours.

It is encouraging to see emerging campaigns such as the Green New Deal for Europe include the shorter working week as part of their plan to overhaul the economy so that it places environmental sustainability and social wellbeing at its heart.

## Automation

Another key challenge facing Europe is the impact of automation – which can be viewed both as an opportunity and a threat. If the

owners of capital capture all the benefits of automation, inequality could drastically increase and lead to social and political instability. On the other hand, if the gains of automation were shared evenly, new technologies like AI could lead to higher wages and a shorter working week for all.

Unions are already actively campaigning on this issue – and winning. The Communication Workers Union (CWU) have agreed with Royal Mail to shorten their working week to 35 hours (down from 39) for 134,000 postal workers in a direct response to the mechanisation of the parcel packaging process. They made the case that the benefits of automation should be shared fairly with workers in the form of a shorter working week. Worldwide, other examples exist. (See our map on page 44-45.)

## *Towards the four-day week*

The shorter working week has always been a central aim of the labour movement. After a few decades in a neoliberal wilderness, the issue is back to the forefront of progressive politics. Across Europe, an increasing number of people are beginning to see the four-day working week not only as a

‘nice-to-have’ utopian wish, but as a practical answer to a series of deeply embedded crises in our economy.



### > AUTHOR

**Aidan Harper** is a researcher at the New Economics Foundation. His work includes the relationship between health inequalities and community control, exploring the idea of consumer debt write-off, wellbeing and the future of work, reducing the working week, and exploring new ideas for participatory democracy.



| The Charité Hospital in Berlin is Europe's largest university clinic. In 2015, current public investment in social infrastructure in the EU is estimated at 170 billion euros, an amount at least 20 per cent lower than in 2008.

The Financial Crisis has left EU Member States in dire straits because of the falling tax revenues and the impact of austerity measures in many countries. As a consequence, public investment in social infrastructure has reached a 20-year low. Turning this around however could be the catalyst for the creation of modern welfare in Europe, for a decrease in hardship for the poor, the middle classes and the young. And it would also enhance productivity and growth.

Current public investment in social infrastructure in the EU is estimated at 170 billion euros for 2015, the last year for which we have formalised data, an amount at least 20 per cent lower than in 2008 and clearly insufficient when looking at the minimum infrastructure investment gap in these sectors which is estimated at 100 to 150 billion euros per year, representing a total lack of at least 1.5 trillion euros between 2018 and 2030.

But, given our ageing populations, radical structural changes in labour markets, and opportunities presented via technological innovation and the knowledge society, high-quality large-scale innovative investments in social infrastructure are urgently needed in the EU right now. It is time to turn the tide as many of those facts already have serious and prolonged impacts, particularly on the affordability of health and long-term care and pensions, on the need for child and long-term care as well as for

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*Spain spends €183 per pupil and year, while in the Netherlands this sum is €1,283.*

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# BOOSTING LONG TERM INNOVATIVE INVESTMENT IN SOCIAL INFRASTRUCTURE

## A POSSIBILITY TO MODERNISE SOCIAL MODELS IN EUROPE

by *Lieve Fransen*

life-long education and competence and skills development.

Demand for affordable energy-efficient and accessible housing continues to grow – while incomes grow less than these expenses. This creates a vicious circle in which many people are spending nearly 40 percent of their income for housing, paying unaffordable prices or depending on subsidies to keep their homes warm or cool, while increasing numbers of people wait on never-ending waiting lists for social housing or become homeless.

Affordable, accessible and energy efficient housing has therefore become a major and critical challenge everywhere in Europe and should be addressed urgently. Assessment of allocated resources does of course not say much about whether those resources are used efficiently.

For example, in the health and long-term care sector, the focus is usually on hospitals and institutionalised care, while it is

increasingly recognised that some countries – such as Germany, France, Belgium and Hungary – have an excess of capacity (Germany has 8.2 beds per 1000 inhabitants, the highest number of the OECD countries) and that people in need of long term care clearly prefer to stay in their homes and communities while using connectivity and home services. The long-term care sector in particular is critically under-invested in and often too institutionalised in many regions in Europe. Public spending on long-term care ranges from more than 4% of GDP in the Netherlands to less than 0.5 % in countries like Latvia and Poland.

However slow, there are also positive examples throughout Europe where people-centred community-based care and support services are being developed which better match the evolving and complex needs of the populations.

Capital expenditure in the EU for education was approximately € 65bn in 2015, with the UK, Germany, France and the Netherlands

accounting for around two thirds of the total. This points to a major underinvestment in some of the other countries where the need is even higher. Spain spends €183 per pupil and year, while in the Netherlands this sum is €1,283. On average, public investment dropped in Germany, France, Italy, Spain and Portugal, while the knowledge economy would require important and continuous investment in life-long education.

People's needs are evolving, and they expect the services and infrastructure to become more people-centred, accessible, energy-efficient and affordable.

We cannot risk not making those much-needed investments as it clearly appears that those countries that started a modern approach of investing in their human capital during the whole life course and invest in transforming their social services and social infrastructures fared best during the crisis, while in other countries people suffered.



*How to modernise social models in Europe? Boosting innovative investment in social infrastructure! @LieveFransen*



It is a fallacy to say that investments in human capital are still classified as costs rather than investments and it is not true that social infrastructure investments do not provide the return that other investments provide. In fact, the social infrastructure investments carry a lower risk and can be very attractive as they provide stable predictable returns, if the projects are large enough and resources from different sources are blended.

In our recent report, under the lead of the former President of the European Commission, Romano Prodi, with the support of European long term investors and in close cooperation with the European Commission, we selected three large sectors that are absolutely critical for the wellbeing of Europe's citizens and that require urgent long term investments: health and long term care, education and lifelong learning, and affordable, accessible and energy efficient housing.

The report has helped to prepare the new instrument InvestEU, creating a social investment line in this fund, and providing more resources, guarantees and technical support for the social Infrastructure investment agenda.

We should have the ambition to fill the gap with an additional 170 billion euro per

year. The large majority of social infrastructure is backed by scarce public money and two-thirds of investment is made by local administrations. In many regions however, Europe's social infrastructure gap cannot and will not be closed with local public finance alone - and Europe has a great opportunity now to attract or crowd-in private investment and boosting innovative approaches for social infrastructure and services and to blend resources and bundle projects to create large investment platforms in cities and regions where change and resources are needed most.

Stakeholders and local authorities are to be supported to prepare a pipeline of bankable projects to make this change happen now.

The right conditions will partially be in place once the new Multiannual Financial Framework (MFF) and InvestEU are successfully adopted and operationally launched in 2021 - but there is no time to waste and more can still be done even now.

Across Europe, existing best practice and models should be widely shared - and the Commission could help to develop a

framework to make work in the Member States easier and very quickly increase the number of initiatives that can deliver rapidly at scale.

The Commission, the European Investment Bank and the national and regional promotion banks have already made major efforts - but together we do need to step up the efforts with a sense of urgency and for the longer term.



**> AUTHOR**

**Lieve Fransen** is a Senior policy advisor. Former director in social affairs at the European Commission.



# SOCIAL INVESTMENT FOR THE FULL DEVELOPMENT OF HUMAN DIGNITY

by Giuseppe Provenzano and Andrea Ciarini

The crisis and the paradoxical response of austerity, imposed on the most affected countries, has interrupted a process of economic and social convergence that had barely begun to overcome strong asymmetries. In Europe, the gap has widened between the so-called "virtuous" countries, which despite the crisis still have room for manoeuvre for investment in welfare policies, and countries that have no other prospects than cuts in social spending and benefits.

*The "golden rule" of the social public investment is a battle for the progressive forces, particularly of southern Europe, in the new @Europarl\_EN - Giuseppe Provenzano & Andrea Ciarini*



In Italy, the impact of austerity measures has been particularly heavy, especially at regional and territorial levels, notably in the South, where most of the cuts in public spending have been made.

Italian welfare has reached a major crisis – and it was already burdened by considerable problems before. Above all there is an internal differentiation that is unparalleled on the European scene, and an almost unprecedented reduction in the funds allocated to local authorities.

The same can be said of investment in social infrastructure. In the face of a real collapse in public investment – between €10 billion and €12 billion less between 2007 and 2017 – it was the territorial levels that recorded the strongest spending cuts, as a result of the cut in transfers to local authorities due to balancing the budget.

Over the last ten years, public spending for the Mezzogiorno decreased by 7.5%, while it increased by 0.5% in the rest of Italy. Most importantly, infrastructural investments in the Italian South are less than one fifth of the national total, while in the 1970s, they were almost half. 2017 was the year in which public investment reached an all-time low, particularly in the South. In 2018 and 2019, data could be even more dramatic. This is a serious season of uncertainty for the South.

The growth forecasts, which are expected to recover to pre-crisis levels only in 2028,

*How to use social investment to fully development human dignity?*

**Giuseppe Provenzano  
& Andrea Ciarini**



were already too weak and totally inadequate to cope with the social emergency of poverty, unemployment and retrenchment of services. Now, with the risk of economic stagnation in Italy, the South could fall back into a recessive spiral that would aggravate an already dramatic situation.

In the southern regions, essential levels of assistance are not guaranteed. A situation where less than five out of every hundred children between 0 and 2 years old benefit from childcare services in the South cannot be considered normal – while in the rest of the country the share of kids involved in early childhood education is more than three times higher. Today, in the South and in the inland areas, real citizenship is denied, with social rights being challenged by a public machine unable to channel investment, resources and services to meet people's needs. Public investment still continues to decline, and the current government is moving from the European madness of expansive austerity to the Italian madness of recessive indebtedness to finance current spending, with no policy to promote good, quality work.

But the problem does not only concern Italy. The lack of growth and investment also depends on the "rigorous" interpretations of the treaties that Europe must abandon if it is to trigger a dynamic of convergence between all areas, the only guarantee of stability and sustainability in the medium term for the Economic and Monetary Union.

Far from being conceived as an investment, social spending is now considered legitimate (and desirable) insofar as it is compatible with economic growth levels and tight budgetary constraints. This "orthodox" view of social spending is at odds with the objectives of the European social agenda, which is underpinned by the Social Investment approach (endorsed by a series of formal steps within the European institutions, from the 2012 Social Investment Package to the more recent Pillar of Social Rights).

This "ortodox" logic is particularly in contrast with the growing social needs of the European population, not only as a result of the crisis but also as a result of the major demographic changes affecting all European countries. Think of long-term care, care for the elderly, work-life balance and child care. These are the sectors in which the development of services and the consequent social infrastructure is essential, in order to respond to increasingly complex needs, support active participation in the labour market (especially for women) and also create new jobs.



Welfare services are one of the areas in which employment continues to grow, in a trend that has been uninterrupted for several years. According to Eurostat (Labour Force Survey database), between 2008 and 2018, the loss of employment in Europe (EU 28 average) in the manufacturing sector was 2.9 million units (with a slight recovery in recent years), equal to about 7 percent. Against this decrease, the increase recorded by welfare services (human health and social work activities) was 17% (equal to 3.680 million new employees).

Our concern is how to fuel welfare growth in times of increasing budget constraints. The "golden rule" of the social public investment (i.e. the possibility of separating investment in the objectives of the European social agenda from the calculation of the deficit/GDP) is a battle that will have to characterise the progressive forces, particularly of southern Europe, in the new Parliament.

But other solutions are also needed, with the objective of increasing the volume of resources in favour of social services and infrastructure, without affecting public debt. The recent "Prodi plan on social infrastructure" responds to this objective. The investment gap in the health, education and social housing sectors is estimated at between €100 billion and €150 billion per year.

A major European plan for investment in social infrastructure is needed, with the contribution

of European funds and national funds from national promotion banks and the patient capital of institutional investors such as pension funds and life insurance. In short, a pool of public and private investors oriented towards long-term objectives, with a promotional role for the state and social repercussions capable of responding to social needs and boosting economic growth and employment.

The solution to Italy's structural problems will not come from indiscriminate tax cuts but from the resumption of a development

process. The welfare and social model that we want to build for the future must also be part of this process to all intents and purposes: work and services to ensure the equal enjoyment of citizenship rights and the full development of human dignity.



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For almost two decades, EU institutions have paid lip-service to capacitating welfare provision, from the idea of ‘social policy as a productive factor’ in the 1997 Amsterdam Treaty, to the ‘social investment package’, launched by Commissioner Laszlo Andor in 2013, up unto the principles laid down in the 2017 European Pillar of Social Rights. With the new legislature, it’s time to ratchet up domestic social investment.



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# SOCIAL INVESTMENT IF NOT NOW, WHEN?

*by Anton Hemerijck and Robin Huguenot-Noel*

*How to establish, consolidate and expand #SocialInvestments for future generations? Anton Hemerijck from @EuropeanUni & @r\_huguenotnoel from @GIZ\_gmbh*



**S**ocial investment has been on the EU-agenda for almost two decades. The core diagnosis of the social investment paradigm is that economic internationalisation, technological innovation, demographic ageing, and changing family structures in the post-industrial age increasingly harbour important implications for European welfare state futures. To sustain inclusive welfare provision, social investment scholars argue that social policy in a knowledge economy should increasingly be geared towards citizen 'capacitation'.

Social investment policies aim to sustain the 'carrying capacity' of the welfare state in the knowledge economy and ageing societies. They focus on maximising employment, employability, and productivity to help increase citizens' life-course, well-being and resilience. Social investment is anchored on three complementary objectives: (1) raising and maintaining the 'stock' (or human capital, skills, health of population); (2) facilitating 'flows' between various labour markets and (gendered) life-course transitions; and (3) using 'buffers' for social risk (unemployment, sickness) mitigation





(ed.), 2017, Oxford

Anton Hemerijck's new book puts together contributions from leading figures in the field of social investment to provide a state-of-the-art interdisciplinary and comprehensive view on how social investment is employed today. It's one of the first exercises assessing the welfare states in the new post-crisis austerity context and exploring the potential of a new welfare paradigm based on protecting and capacitating.

through income protection and economic stabilisation. Pursuing these objectives in an integrated fashion is the most effective way to maximise economic and social benefits over the life cycle.

The EU has played a leading role in laying down the theoretical foundations of social investment. In the 1997 Amsterdam Treaty, EU institutions recognised the need to conceive 'social policy as a productive factor' in a knowledge economy. In 2013, Social Affairs Commissioner Laszlo Andor introduced the first 'social investment package', and after long debates within the Juncker Commission, social investment priorities were included in the 2017 European Pillar of Social Rights.

However, the Great Recession has evidenced that social investment reform was put on ice as soon as bad weather was forecast. Thus, over the crisis years, concerns about inequality, poverty and mass (youth-) unemployment, and their negative implications for employment, productivity, growth and equality of opportunity, were relegated to 'auxiliary' status to remain subordinate to the Six-Pack (2011), the Fiscal Compact

(2012) and the Two-Pack (2013), prescribing balanced budgets irrespective of urgent social needs.

Now that the immediate crisis threat has subsided, the EU's austerity reflex should no longer off-hold the long-awaited social investment turn. Important changes in the EU's economic, social and political environment conspire behind a growing case for the EU to embrace social investment beyond two-decade long lip-service, however genuine in substance. This is the moment for the EU to put its money where its mouth is.

The current macroeconomic environment makes a social investment turn cheaper and more urgent at the same time. The historical collapse in interest rates provides EU governments with imminently favourable borrowing conditions – be it in Germany or in Italy. This conjures up a post-crisis opportunity not to be wasted. More concretely, investing in the EU's economic and social resilience now provides a pro-active stabilisation function for national welfare states' carrying capacity in a context where the scope for monetary policy to absorb future shocks is limited.

More and more, the European public expects political forces to invest in their societies by supporting lives worth living. 'Fair Taxation' campaigns have been flying high in recent months but raising more taxes for more redistribution alone won't per se contribute to better lives. Social investment does. Quantitatively, returns may be measured in terms of increased employment and productivity rates, reduction of gender (pay) gaps and poverty rates. Qualitatively, in terms of quality jobs, work-life balance, or progressive skill acquisition.

At a time where an entire generation still views the EU as the austerity headmaster, social investment provides an opportunity for the EU to revive its political capital. High

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*In the rule book of the Stability and Growth Pact, public investments in lifelong education and training in the knowledge economy remain accounted for as wasteful consumptive expenditures.*

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*A 'golden rule': exempting investing in human capital, skills and health from the Eurozone fiscal rules.*

**Anton Hemerijck**  
from @EuropeanUni  
& @r\_huguenotnoel  
from @GIZ\_gmbh



rates of youth unemployment, a still unequal access to childcare, education, training and lifelong learning opportunities, and a high level of poverty and social exclusion rates across the EU are problems that demands effective and legitimate responses. Reviving the EU with an assertive 'social investment pact' (not package) would confront head-on the political vacuum between right-wing populist welfare chauvinism and the ongoing calls for overnight fiscal consolidation that has emerged at the heart of the European project in the aftermath of the crisis.

However, still today, EU fiscal rules fail to allow for productive social policies to be properly accounted for. The British Economist Tony Atkinson used to give the following example: when surgery is needed, timely intervention allows an incapacitated worker to return to work sooner, thereby saving costs over the long term – even if surgery is covered by public funds. This, however, presupposes that we account for such 'public' spending as an investment instead of current spending. Foolishly, in the rule book of the Stability and Growth Pact, public investments in lifelong education and training in the knowledge economy remain accounted for as wasteful consumptive expenditures!

In this context, the EU is faced with two options: First, business as usual. EU Member States may choose to muddle-through with the ideology of the long-term myth of unproductive social spending, instead of adapting to new realities. In this scenario, the EU will

risk not only bearing the expensive economic costs of its blindness, but this would also precipitate a political backlash in undermining the resilience of the European project.

A more constructive option would be for the EU to ratchet up domestic social investment, with rules of the European Monetary Union that allow for exempting human capital 'stock' investments from the Stability and Growth Pact. Concretely, this would take the form of a 'golden rule' exempting human capital 'stock' spending from the Eurozone fiscal rule book for 1,5% of GDP for about a decade, as a flagship initiative of the new Commission. Without a stabilisation budget for the Eurozone, investing in the economic and social resilience of national welfare states is imperative.

As the economist Jean Pisani-Ferry convincingly argued in a recent article: "when Facts change, change the Pact". The time for social investment to be accounted at its just value is now. Today's favourable low interest rate environment should be put to use to establish, consolidate and expand social investments that benefit future generations and consolidate fiscal health in the face of adverse demography.

If not now, when?



**> AUTHOR**

**Anton Hemerijck** is Professor of Political Science and Sociology at the European University Institute in Florence. Trained as an economist at Tilburg University in the Netherlands, he received his doctorate from Oxford University. Between 2014 and 2017, Anton Hemerijck was Centennial Professor of Social Policy at the London School of Economics and Political Science (LSE).



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## NEXT DEMOCRACY

'Power to the people' - Participatory Budget &amp; Direct Democracy



## Lisbon and Grenoble: citizens'

There is a wide range of tools to bring the process of political decision making closer to citizens, from referendum to initiative, from Participatory Budget to Direct Democracy. Two pioneer cities are the Portuguese capital Lisbon, and Grenoble, in

## LISBON: A DECADE OF PARTICIPATORY BUDGET

by Miguel Silva Graça

Amongst the many European cities that have made their experiences with Participatory Budgeting (PB), Lisbon, in 2008, was the first capital city. The experience has shown that PB clearly lead to a better performance of the municipality itself, by providing a better public service and pursuing fairer public policies, and therefore local policies that are more inclusive, sustainable and that promote social and territorial equity.

In the framework of the Lisbon PB, throughout the last 10 years citizens presented more than 6000 proposals. Almost 2000 projects were put to the vote, amongst which 120 gathered public support, corresponding to a total value of investment of more than 33 million euros.

Among the most important projects that were voted and implemented were the "Start Up Lisbon", an SME incubator, "Centro de base Local", a public library, the creative hub "Mouraria", a green corridor, cycling tracks, a public garden and a public climbing wall.

The process is in constant evolution, and the most important recent innovations are

a greater democratisation of the process through its "de-digitisation" — promoting less digital and more face-to-face methods, as well as the involvement of parts of the populations usually excluded from public participation, like young people, seniors and migrants. And also a greater commitment to sustainability through the award of a "Green Seal" to PB projects that contribute to a more environmentally friendly city.

Notably, in the field of sustainability, future activities are currently being prepared, some of which are linked to the Lisbon European Green Capital 2020:

- the "Green" Participatory Budgeting 2020/21 will redirect the existing Lisbon PB exclusively to proposals that contribute to a more sustainable, resilient and environmentally friendly city.
- A Participatory Budgeting for Schools 2020/2021 will give students of five elementary schools in Lisbon the possibility to propose, vote on (and see realised) green ideas for a total amount of €10,000 per school.

- A "Lisbon Climate Citizenship Commitment" Platform that will allow different stakeholders (from companies to citizens) to commit to specific targets, encouraging, for example, companies to promote sustainable mobility schemes for their employees, or citizens to commit to using public transport or not using plastic bags.



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## involvement put to the test

France. While Lisbon works on exploring ever further applications of Participatory Budgeting for a decade already, the attempt to introduce elements of Direct Democracy in Grenoble has proven legally impossible – but also politically difficult.



## GRENOBLE: INITIATIVE AND REFERENDUM IN A HOSTILE CONTEXT

by *Raul Magni Berton*

**T**he most obvious obstacle is the loss of power of political decision-makers: as long as it is only about consultations on limited subjects, elected officials have the last word and the systems of citizens' participation can be designed as an aid to the decision-making process. But a system that allows for binding decisions on all subjects becomes an instrument of contestation or even counter-power.

In Grenoble, this obstacle, however, proved relatively easy to overcome. The coalition, led by the Greens, that had won the majority had done so for the first time. Most newly elected officials were more used to challenging power than to exercising it. Yet, two fears were particularly persistent: first, the fear of being forced, by a vote, not to respect the programme they had announced during the campaign. Some considered this aspect not very threatening, as long as their own voters were willing to take this risk. Others, however, saw this

possibility as a real danger, so they advocated, without success, for the issues of their programme to be excluded from the popular vote. The second fear was that the opposition parties – already largely critical of the new team – would use this tool to delegitimise the majority.

Both fears however proved to be unfounded. On the one hand, the two petitions that were put to vote in this context were intended more to force the majority to respect their programme than to abandon it. On the other hand, the right-wing opposition, which had launched four petitions to challenge the majority previously, withdrew them all when the programme was put in place. The new majority then discovered that by giving the opposition tools to challenge, it made them more responsible: the opposition could no longer challenge everything, otherwise it would be systematically disowned by the voters.



### > AUTHOR

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| Online Participatory Democracy tools allow citizens to easily connect to the debates in their communities.

# LEARNING ABOUT INTENSIFYING DEMOCRACY FROM OTHER CONTINENTS

by Giovanni Allegretti

Involving citizens in choosing policy priorities has proven able to increase their quality of life. When the discussion between institutions and citizens focuses on resources, spaces to discuss different scenarios for increasing wealth and rationalising the expenditures of the places where we live emerge. Participatory Budgeting is a democratic innovation that over the last 30 years has produced strong effects. In the Global South first, but increasingly in Europe, inspiration is coming from elsewhere – notably from Latin America.

**D**emocratic innovations (DI) are a large family of structured practices shaped to directly involve citizens in taking decisions on the places where they live, which often combine bottom-up and top-down approaches, and a strong deliberative approach (to improve the quality of ideas and arguments for defending them) with the goal of creating co-decisional mechanisms, which could try to rebalance some asymmetries of powers in society.

Under this perspective, democratic innovations are hinged on mediation and articulate debates, rather than on reductionisms to mere yes-or-no dualisms. Thus, such processes are very different from the instruments of so-called “direct democracy” (as referenda, acts for revoking political/administrative mandates, etc.) which – not by coincidence – are often mythised by populists for their capacity of banalising and sloganising complex choices, favouring

a shift from democratic cultures to leader-based deviations.

In the end of the '80s (when many dictatorships were being overthrown), especially in Latin America democratic innovations were massively used to reactivate a virtuous circle of mutual trust between citizens and the new re-democratised institutions. In these experiments, it was clear that citizens become quickly intolerant to any participatory exercise

that did not impact substantially on the transformation of their living spaces and habits.

Thus, only when participation as well as the outcomes are real and substantive, all actors get more responsabilised and grow together in a highly pedagogical “learning environment”. This message – reinforced by hundreds of concrete successful experiences, especially at local level – reached Europe around the beginning of millennium and gave birth to a growing amount of DI experiences that have been mushrooming especially since the economic-financial crisis after 2008.

Many studies show positive impacts of DI in different domains of territorial and policy transformations. The virtuous circle activated by the reconstruction of mutual trust that citizens’ participation allows, can constitute an “enabling environment” that facilitates other administrative reforms, which are usually difficult to carry out, but also changes required in our daily lifestyle by sustainability goals, the rationalisation of mobility, the local tax systems, the creation of new public-private-people (PPP) partnerships. It even increases fiscal civism, as some people who did not pay taxes start doing so, once enabled to exert active oversight on how money is spent.

The diffusion of Participatory Budgeting (PB) is a good indicator of DI expansion, which counts on a new class of politicians who imagine another way of conceiving politics, where they govern “with” and not only “for” citizens, serving their constituency in the role of facilitators and support-teachers, rather than substituting citizens in their ability to imagine answers to their problems and forms for shaping their dreams.

In 2010, there were 1,500 cities practicing Participatory Budgeting in the world, with less than 500 in Europe. In 2014, there were 3,000 examples worldwide and almost half of them were in Europe. And in 2018, out of more than 7,700 cases worldwide, there were almost 3,600 European PBs (without

*#ParticipatoryBudgets scaled up from +7,700 cities to national govts! They help to rebuild trust, oversight of public policies & increase transparency – @allegretto70*



counting the hundreds of Russian experiences) Capitals such as Madrid or Paris reserve more than 100 million euros per annum for PB, while smaller resources are invested by Lisbon, Reykjavik, Bratislava, Chisinau, Prague, Milan, recently by Rome, and others.

In Europe we still don’t have cases of national legal frameworks for making PB mandatory at local or regional levels (as in Indonesia, Peru, Dominic Republic, Kenya or South Korea), nor do we have cases like New York, which last November voted in a local referendum for extending PB to the entire city. But in Europe, Participatory Budgeting is scaling up faster than in other continents: some regions or countries adopted policy measures to incentivise PB (as Tuscany, Scotland or Poland), and Portugal, since 2017, devoted governmental funding for creating nation-wide thematic PBs (in sectors like education, science or youth policies).

So, PB is not only going beyond the barriers of local administrations, but is cross-pollinating other institutions, such as schools, university departments, housing or development agencies, and even prisons.

At the same time, in several cities and regions PBs are being coordinated with other tools (as participatory planning, community-based monitoring, citizens observatories, public debate on large infrastructures), often getting inspired (again!) by Latin American examples aimed at creating more effective “participatory systems”, where interconnected but different channels of social dialogue could attract different target groups, and communication technologies could reduce costs of participation both for organisers and participants.

Thirty years of PB experiments show clearly that their high potential for reverting the crisis of representative institutions is still to be fully exploited. Switching the concept of “decision-makers” and restoring trust in institutions, PB has been able to obtain different goals in different realities: from reducing child mortality to increasing transparency of public accounts; from including vulnerable groups in decision-making to increasing the resources of public budgets through a discussion on partnerships and revenues, and not only on expenditures.

The EU can still do a lot for outing democratic innovations central and help to establish a direct dialogue with citizens on very concrete matters. But avoiding the mistakes of the European Citizens Initiative (ECI) is important. With the ECI, the superposition of strong “gatekeepers” allows these gatekeepers to jeopardise all the efforts of citizens at the final stage, or to cherry-pick their ideas. This only frustrates citizens, when they realise that the much-declared centrality of their role in transforming Europe is just a rhetorical artifice for greenwashing the worn-out image of institutions and make technocratic and market-driven choices more ‘acceptable’.



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# EMPIRICAL EFFECTS OF DIRECT DEMOCRACY

by Stefan Voigt

Direct democracy is often discussed from a normative angle: supporters praise its deliberative and participatory qualities whereas critics doubt that the citizens are sufficiently well informed to make far-reaching decisions directly. This contribution analyses direct democracy from an empirical angle: it questions the effects that direct democracy instruments have on a few economic, political and governance outcomes.

*Neither panacea, nor a danger to democracy: the empirical effects of #DirectDemocracy, by Stefan Voigt*



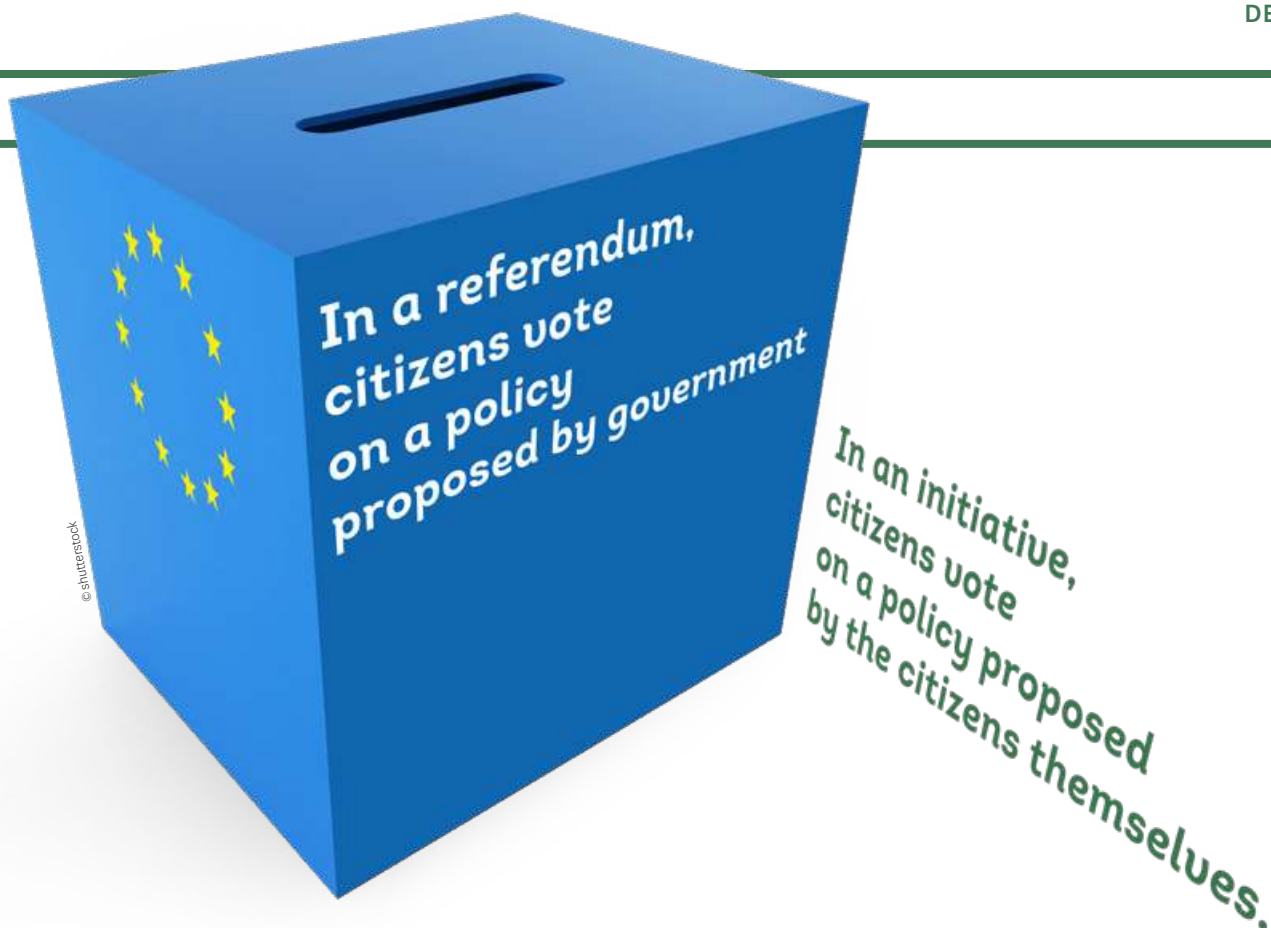
**B**efore being able to analyse the effects of direct democracy, we need to define it. It has been defined as the right of citizens to directly decide on substantive political issues by means of popular votes. We propose to distinguish between referenda and initiatives. In a referendum, citizens are asked to vote on a policy proposed by the government, whereas in an initiative, they vote on a policy proposed by the citizens themselves. Currently, more than 100 constitutions worldwide contain provisions for having a referendum, but less than 40 for initiatives.

In purely representative democracies, citizens get to vote every so many years. They do not get to vote on single policies, but on a whole set of them, usually the policy platforms of competing political parties. This implies that elected politicians have ample

opportunities to disregard the preferences of their voters on many issues. If we think of citizens as the principals and politicians as their agents, then this constitutes a principal-agent problem: the principals have problems making sure that their agents play according to the principals' preferences (and not the agents' own interests). Assuming that politicians dislike being corrected by their voters, they would have more incentives to cater to the preferences of the citizens under direct democracy. We can separate a direct from an indirect effect: If politicians know that citizens might resort to an initiative if they disregard citizen preferences, they have incentives to take citizen preferences into account in all measures. I propose to call this the indirect effect, as no initiative needs to be run for it to be effective. The direct effect would then be the case where an initiative effectively does take place.

Single party governments in representative democracies often have to serve different factions. This often leads to package deals which make the most important voter groups happy to the detriment of unorganised voters, frequently constituting a majority. Package deals with negative overall effects are, of course, even more likely under coalition governments. Direct democracy instruments allow citizens to unbundle such deals and directly vote on specific issues. Anticipating the possibility that their deals might be unbundled by the citizens, political parties can be expected to be more careful when making, for example, welfare-reducing package deals.

Empirical findings show that direct democracy institutions have significant effects on both economic and political outcomes. Four stylised findings are worth emphasising:



First of all, the effects of (mandatory) referenda are very different from the effects of initiatives. Whereas mandatory referenda are correlated with significantly lower overall government spending, initiatives are correlated with significantly higher government spending. We should thus be very careful when talking about direct democracy as different instruments are likely to cause very different outcomes.

Second, initiatives (and referenda) often need to really take place to cause any effect. In other words: the direct effect is stronger than the indirect effect. Direct democracy can have a positive effect on government effectiveness as well as reduce corruption. But just having legislation making the use of direct democracy instruments possible will not suffice: they really need to be used. We can show that each additional referendum

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(as well as each additional initiative) significantly increases government effectiveness and significantly reduces corruption.

Third, direct democracy institutions can be effective in very different environments. It is sometimes assumed that to be effective, direct democracy can only be applied in rich countries or countries that have been democratic for a long time. In our cross-country studies, we refuted these conjectures by splitting our sample in established vs. less-established democracies, rich vs. poor countries and so on. The effects of the actual use of direct democracy instruments on both government spending as well as government deficits actually turned out to be more pronounced in less established democracies.

Fourth, direct democracy institutions are no panacea for higher citizen involvement



## NEXT DEMOCRACY

either. It is sometimes said that direct democracy institutions make citizens more interested in politics, which has the effect of more informed citizens who are more likely to turn out at the voting booth. Unfortunately, we did not find any evidence to support this claim. Rather, citizens express lower trust in both government and political parties. However, these results need to be taken with a grain of salt as the comparability of the procedural variables across countries can be questioned.

*More than 100 countries' constitutions allow referenda, less than 40 popular initiatives. But what are the empirical effects? **Stefan Voigt***



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# DIRECT DEMOCRACY TO EMPOWER PARLIAMENTARISM AND PUBLIC DISCOURSE

*by Ralf-Uwe Beck*

Only with direct democracy as a complement to representative democracy the government power will really come from the people. Direct democracy strengthens representative democracy: it makes it more representative. Direct-democratic procedures encourage public discourse and thus also prevent populism.

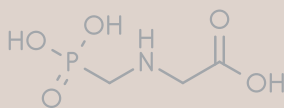


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## NEXT ENVIRONMENT

## Regulating pesticide use

*Definition:*

A **pesticide** is a substance which is used to control organisms that are considered to be harmful (worms, parasites, insect pests, fungi...). The term includes insecticides, fungicides, herbicides and parasiticides.

Today, many studies have shown that these are harmful to our health.



## PESTICIDES: IS THERE SUFFICIENT AWARENESS?

by Karine Jehelmann

Reducing or even banning synthetic pesticides used since the 1930s in global agriculture has become one of the challenges of the 21st century

How can we continue to produce enough crops to feed growing populations without using pesticides that are considered to be harmful to our health and ecosystem? How can we clean up soil that is already contaminated? These are broad issues that are addressed at different levels from one country to another, pitting the advocates of intensive agriculture against those of organic agriculture. A bone of contention between the European Union Member States in the management of this issue, measures are taken regularly, but are they sufficiently monitored? It is not certain.

It is the Member States that authorise products on their territory and ensure compliance with EU rules, in particular concerning the renewal or not of the authorisation of pesticides used. This is based on the recommendations of EFSA (the European Food Safety Authority). The 1991 directive, which is less restrictive, gave way to new legislation in 2009. Its objective was to create a common European legal framework to achieve a sustainable use of pesticides.

Today, the danger of glyphosate, which is most often used as a herbicide, is evident in the news. It is one of the most widespread in the world, present in particular in Roundup produced by the American company Monsanto, which was acquired by the German group Bayer in 2018.

800,000 tonnes of glyphosate are spread worldwide each year. As soon as glyphosate was launched on the market, IARC, the International Agency for Research on Cancer, published a study on its harmful effects on health. And despite a succession of reports to this effect, on 27 November 2017 the Member States announced the renewal of the authorisation of glyphosate. The expiry date of this authorisation is scheduled for 2022.

Following an investigation, the Monsanto Papers, Monsanto was convicted by the American courts for having contributed, through its products, to the development of cancer in a gardener. On 15 January 2019, the Administrative Court of Lyon banned

Roundup Pro 360 on the grounds of the precautionary principle. More and more voices are being raised to put an end to the use of glyphosate and, more broadly, to all pesticides. And finally, on 16 January 2019, the European Parliament called for the improvement of the system for the evaluation and registration of pesticides.

At present, pesticide advocates claim that there is no alternative to pesticides. In response, their critics argue that large-scale marketing of less harmful products is possible.

In addition to glyphosate, the authorisation of which is to be reconsidered in 2022, two other pesticide renewal programmes are being set up between January 2019 and December 2021 and between January 2022 and December 2024. And for the first time in Europe, in July 2019, Austria banned the use of glyphosate on its territory.

# PESTICIDES: REGULATIONS DISCONNECTED FROM ENVIRONMENTAL CHALLENGES

by François Veillerette

The intensive use of pesticides in the European Union has harmful effects on health and the environment. European legislation is based on principles that normally protect us from these impacts, but it is in fact ineffective.

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*Pesticide control in the European Union: legislation that needs to be further strengthened to ensure real protection of people and the environment.*

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In the European Union, nearly 400,000 tonnes of pesticide active ingredients are used each year. Until recently, France was the leading user. Today, French consumption is around 66,000 tonnes and is exceeded by that of Spain, but still ahead of that of Germany and Italy. The French and Spanish records are due in particular to the fact that these countries are important and intensive agricultural producers in Europe.

Countries such as Belgium and the Netherlands head the list of pesticide consumption in relation to agricultural land. These strong uses have consequences on health and the environment: specific pathologies (Parkinson's disease, blood cancers, etc.) on the rise among professional users, biodiversity losses in chemically intensive cultivation areas, environmental pollution (water, soil, air, etc.). Strict supervision of the practices and marketing of these molecules therefore seems essential to limit their impacts. The European Union adopted

a directive in 1991 but it quickly became obsolete in terms of the issues at stake. New legislation was therefore negotiated and adopted in 2009.

This European regulation, which governs the use and marketing of active substances in pesticides, is considered one of the most protective in the world. Thanks to the work of NGOs and some MEPs, it establishes the principle of exclusion, which covers molecules that can be carcinogenic, mutagenic, reprotoxic or disruptive to the endocrine system. In other words, the idea is to start from the precautionary principle to protect people: the legislator decides that because a substance is inherently dangerous it must therefore be excluded without further investigating the risk.

For example, a molecule is classified as a probable carcinogen, according to scientific data, and it therefore represents a danger. Manufacturers give their approval nevertheless. However, it all then depends on



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*The #EU regulation of 2009 on the use and marketing of #Pesticides, one of the most protective in the world.*

*@Veillerette @genefutures*



the level of risk (depending on the type of use, for example, the risk may be reduced). So according to the legislation, there is no need to worry about risk assessment. The substance is dangerous because it is carcinogenic, we do not allow it... it is a real change in concept between risk assessment and danger.

While the principle is essential, its application leaves our organisations very doubtful and critical.

In fact, manufacturers have not failed to put pressure on certain European Union bodies and to use the loopholes and shortcomings

of this regulation to succeed in leaving substances on the market that are considered to be of concern for health and the environment.

Our association, thanks to the work of Pesticides Action Network Europe, has therefore published numerous dossiers that show how the legislation is being circumvented or even disregarded, and this in violation of the legal provisions. One of the most striking examples is the failure to take into account all academic studies or the poor assessment of certain effects of commercial products, particularly chronic effects (over the medium and long term) or certain toxic adjuvants that are not or only slightly assessed (such as POEA - polyoxyethylene amine - which is present in some RoundUp products and of concern to certain researchers).

Many scientists also agree that the effects of mixtures are most certainly underestimated. Much remains to be done to ensure

that people, especially the most vulnerable, are effectively protected from the dangers of pesticides. The solution will require an improvement in the assessment of substances but above all an evolution in agronomic practices that will eventually make it possible to generalise cultivation systems that are not dependent on synthetic chemistry. This is what our organisations are working on, in collaboration with many actors who are aware of the dangers of exposure to these dangerous substances.



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| Nuclear disarmament: the EU is key in breaking the impasse on the Korean Peninsula.

The threat of nuclear proliferation around the globe today is greater than it has been for at least a quarter of a century. Two of the main sources of contagion are in Tehran and Pyongyang, but both cases are products of the wider political environment rather than consequences of domestic politics. The lessons of Iran can provide an opportunity for the EU to play an indispensable ancillary role in breaking the impasse on the Korean Peninsula.

Iran surrendered its nuclear ambitions after long negotiations where perhaps the key player in getting the deal over the line was Federica Mogherini, the EU High Representative Foreign Affairs and Security Policy. The 2015 Joint Comprehensive Plan of Action (JCPOA) blocked off Tehran's route to the production of Highly Enriched Uranium (HEU) as the necessary precursor to building the bomb. The UN lifted sanctions against Iran with the endorsement and guarantees of the UN Security Council (UNSC), and the overlapping E3+3 of China, Russia, the US and France, Germany, and the UK.

It is Donald Trump's abrogation of that deal, signed by President Barack Obama, that threatens to put Tehran back on track to becoming a nuclear weapons power with all the knock-on consequences for regional nuclear proliferation, while for Pyongyang the legacy of Iraq drove North

Korea's Supreme Leader Kim Jong-un to 'go for broke' threatening both Seoul and Tokyo and taking the nuclear road.

On the Korean Peninsula, Kim's determination to develop a nuclear deterrent is a product of paranoia and privation. For Pyongyang, the lesson learned from Iraq, Libya and Syria is that the problem is not having weapons of mass destruction, but rather not having them. Conventional deterrence is no longer an option as they have been more than lapped in the arms race with Seoul's military spending more than the North's total GDP. The reason is simple. While the North spends an enormous portion of its GDP (approximately 25%) on the military, this essentially amounts to a quarter of nothing. Its total spending puts its military might only on par with Australia. It's being outspent by the US, South Korea and Japan by a factor of fifty.

Unlike Washington, the EU's policy towards North Korea has been one of 'critical engagement'. In June 2019, during the Shangri-la Dialogue, Federica Mogherini elucidated and re-affirmed the EU's stance.

She emphasised that sanctions against the North are a means to an end and not an end in themselves, stating that when an agreement is reached and steps implementing the deal begin in parallel, UN sanctions can be mitigated as progress unreels. To achieve such an agreement US-DPRK and North-South talks are of the essence. Without sealing a deal there, there is no foundation on which to build. At this point - and not before - it is in the interest of all to transform the process into a multilateral one. It's confidence and cash that's being sought. Pyongyang wants the robustness and resilience of the JCPOA and Washington wants burden-sharing.

# THE EU AND LIFTING THE SHADOW OF NUCLEAR PROLIFERATION

by Glyn Ford

Kim Jong Un is all too well aware he faces a paradox. While a nuclear deterrent protects from the threat of regime change in the style of Iraq, the resulting sanctions and their economic impact threaten internal stability. Thus, he's prepared to trade away his deterrent for necessary security guarantees. But these need to be more than a piece of paper signed by a sitting President, especially a President who has shown disregard for signed agreements by his predecessors.

This is not to say that such reversals only occurred under Trump. Back in the 1990s, President Bill Clinton signed the Agreed Framework to halt the North's work on nuclear weapons in exchange for two Light Water Reactors costing \$4.5B. When in 2002 President George W. Bush tore up the deal, that was that. What is different with Trump and the JPCOA now is that the rest of the 'guarantors' defended the sanctity of the deal against Washington. Considering this, Pyongyang will be looking for a congruent deal shaped in a similar way by UNSC and the associated Member States.

On Washington's side, they are aware that 'sufficient' conditions, over and above any new investment climate, allowing global multinationals to beat their feet to Pyongyang's doors, will involve the promise of billions in grants to the North as with the Agreed

*Nuclear disarmament: the EU is key in breaking the impasse on the Korean Peninsula. Glyn Ford*



Framework. None of that will come from Washington. That is not Trump's style. Seoul will be expected to pay between two-thirds and three-quarters, with the funding gap filled in cash or kind by other regional actors and the EU, the third largest contributor last time around. In Shangri-la Mogherini reconfirmed the offer of EU expertise and experience. France and the UK both have the skills needed for dismantling weapons and facilities and Brussels – albeit briefly – had the only human rights dialogue with Pyongyang.

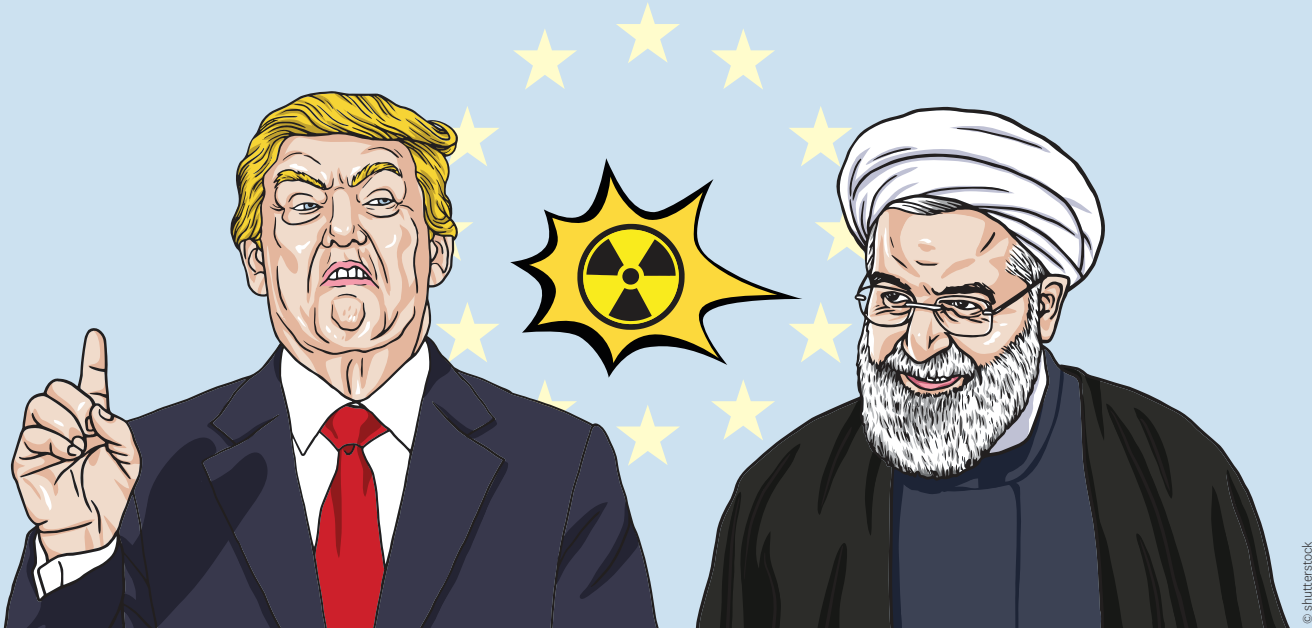
Here is a crucial opportunity the EU must seize if we are serious about halting and reversing the dangers of nuclear proliferation. The Union can be a 'guarantor' of a security agreement, provide practical assistance in the process of verification, inspection and denuclearisation of the North's weapons programme, provide grants and assistance through the European Bank for Reconstruction and Development and now take up any offer to restart the human rights dialogue with Pyongyang through the EU's recently appointed Special Representative Eamon Gilmore. With the

Agreed Framework a quarter of a century ago the EU was little more than a 'cash cow' and that Agreement collapsed under the weight of US domestic politics. The EP warned for the future 'no say, no pay'. Now Brussels can help shape a solution that makes the world a safer place with the first example of a de facto nuclear power surrendering its weapons.



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**Glyn Ford** was a Labour MEP for 25 years from 1984-2009 and during that time the Leader of the British Delegation and Deputy-Leader of the S&D Group. He specialised on the International Trade and Foreign Affairs Committees in East Asia after being a visiting Professor at Tokyo University prior to his election. In 2012 he established a political dialogue with the International Department of Workers' Party of Korea which is still ongoing.



# EUROPE MUST STAND UP FOR ITS CORE SECURITY INTERESTS

*by Leo Hoffmann-Axthelm*

Amid escalating nuclear rhetoric, the Iran Deal and the INF-Treaty have collapsed – and the New START treaty is set to expire next year. The current US policy on nuclear weapons is a provocation to EU security interests: it is time for multilateral approaches to disarmament and arms control.

*How to reduce the numbers of nuclear weapons and the role they play in security doctrines? First step: make them illegal. @leo\_axt from @nuclearban*



**T**he EU is routinely hailed as a civilian superpower and has brandished its credentials as a fellow Nobel Peace Prize laureate by enabling the 2015 deal on Iran's nuclear programme. But as one arms control agreement after the other collapses, it is time for Europe to more clearly analyse its strategic security interests, and to fight for multilateral approaches when it comes to nuclear disarmament.

## Recent developments

The US decision to violate the Iran Deal has led to a worrying escalation. While President Trump based his decision on false claims, some in his administration are laying the groundwork for another intractable war in the Middle East. Quite apart from the human calamity this would bring, it would also be a disaster for the EU, whose



nationalist politicians would gleefully exploit the unprecedented inflow of refugees and decades of instability.

Also in 2018, Trump published his Nuclear Posture Review, which dropped the pretence of nuclear disarmament, committed to producing new mini-nukes which would be easier to use, and expanded the scenarios in which the use of nuclear weapons is foreseen – vastly increasing the likelihood they will be used.

Finally, the INF-Treaty will expire in August, making it legal once more for Russia and the US to station intermediate-range nuclear missiles, which only pose a threat to Europe (they cannot cross the Atlantic).

Along with the hostile rhetoric between Russia, China, North Korea, and the US, this all marks a major escalation of nuclear tensions, with ramped up spending potentially leading to a new arms race.

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### *Europe struggling to find an answer*

How effective has Europe been in pushing back against these security threats? A major charm offensive on the Iran Deal before Trump's unilateral decision to withdraw from the accord yielded nothing. Much talk on global zero was rebuked with the Nuclear Posture Review. And no strategy exists on how to replace the INF-Treaty – in fact, European calls to renew the New START (stipulating a reduction of 50% of the number of strategic nuclear missile launchers), the last remaining arms control agreement between the US and Russia set to expire in 2021, have fallen on deaf ears.

At the same time, the US requires Europe's solidarity when it comes to defending its weapons of mass destruction in diplomatic forums. In a leaked paper, the US mission

to NATO demanded that all European allies should boycott the Treaty on the Prohibition of Nuclear Weapons, explaining that such a treaty would call into question the legitimacy of relying on the threat of using nuclear weapons for our security. This effectively means the US opposes a prohibition of nuclear weapons, because it would be effective.

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*A handful of states is procrastinating on their disarmament commitments, investing billions in their arsenals and playing for time for as long as we will allow, jeopardising our security interests.*  
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States like Germany, Belgium, the Netherlands and Italy are set to spend hundreds of millions upgrading their warplanes so as to continue hosting newly modernised US nuclear weapons on their territory, claiming this gives them a “seat at the table” when the US sets nuclear policy for NATO. Far from granting any influence on nuclear policy, these weapons make us one of the first targets for complete obliteration if US-Russian tensions escalate.

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### *The weapons are the problem*

Europe must urgently change strategy. Not because of Trump – his tweets threatening to kill millions of innocent civilians may be more bombastic but are actually a fair description of the concept of nuclear deterrence. Trump is not the problem – the weapons are. It's naïve to believe humans can handle nuclear weapons without them ever being used, whether by one of hundreds of serious accidents, or by design.

Luckily, 122 states have already taken action – and in 2017 adopted a new Treaty prohibiting nuclear weapons under international law. Currently, foreign ministries are coming up with excuses not to sign the treaty. But as studies from the Harvard International Human Rights Clinic and numerous other institutes have shown, there are no legal obstacles to NATO members signing a ban on nuclear weapons, and plenty of precedents within NATO for states opting out from some policies, such as extended nuclear deterrence. Signing this treaty is the most visible and effective tool for European states to make it clear that we will never accept nuclear weapons being used in our name, and to ensure we will cease to be a target.

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### *Overcoming resistance within the EU*

MPs can hold their government to account when foreign ministers claim to pursue a nuclear weapon-free world, but in fact actively oppose and boycott their prohibition. When the UN Treaty on the Prohibition of Nuclear Weapons (TPNW) was negotiated in 2017, on the initiative of countries like Austria, Ireland, Mexico and South Africa, the EU institutions were deadlocked by French and UK vetoes. But the European Parliament mustered a broad majority from all party groups except the far-right, calling on all EU

states to support the ban treaty, a position it has reiterated since.

The fact that only six out of 28 EU members participated in those negotiations was a blow to the credibility of the EU as a champion of human rights and multilateral approaches. It has become undeniable that the issue of nuclear weapons cannot be left to the nuclear-armed.

A handful of states is procrastinating on their disarmament commitments, investing billions in their arsenals and playing for time for as long as we will allow, jeopardising our security interests.

If we want to reduce the numbers and role nuclear weapons play in security doctrines, the first step is to agree to make them illegal. Only then can we hope to gather the political will required to overcome the many obstacles on the way towards global zero.



> **AUTHOR**

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Read the full article online  
[www.progressivepost.eu](http://www.progressivepost.eu)



## NUCLEAR ARMS: SAVING THE INTERNATIONAL RULES-BASED SYSTEM



> **AUTHOR**

**Kate Hudson** British left-wing political activist and academic. She has been General Secretary of Campaign for Nuclear Disarmament (CND) since 2010, having served as chair since 2003. She first became active in the peace movement in the early 1980s in the big upsurge of activity against cruise missiles.



## SAVING NUCLEAR DISARMAMENT IN THE TIME SYSTEM OF TRUMP



> **AUTHOR**

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| During the 2017 presidential campaign, Emmanuel Macron presented himself as the main bulwark against the far right, embodied by Marine Le Pen.

# THE DECEPTIVE OPPOSITION BETWEEN NATIONALISTS AND PROGRESSIVES

*by Anne-Claire Defossez and Didier Fassin*

Thinking he could replay the scenario of his 2017 presidential campaign, during which he had presented himself as a bulwark against the far right, the French President Emmanuel Macron made the alternative between progressives and nationalists the central issue in the European elections. But is his authoritarian neoliberalism so far removed from the positions of those he claims to fight? And does overcoming the opposition between right and left not lead to the abandonment of democracy?

**D**uring the 2017 presidential campaign, Emmanuel Macron presented himself as above the right-left opposition, declaring it obsolete. He presented himself as the main defence against the far right, embodied by Marine Le Pen. This tactic worked so well that it received the support of many socialist leaders, such as former Prime Minister Manuel Valls, and even communists, such as former secretary-general of the party, Robert Hue. As we know, Macron won the second round by a wide margin, with two thirds of the votes. But also with a record abstention rate. For the 2019 European elections, the French President wanted to play the same card again. With a weakened right and a divided left, his party, La République en Marche, had as its main opponent the Rassemblement National, which polls showed to be neck and neck in the months leading up to the vote.

In July 2018, he declared to the French MPs and senators gathered in congress in Versailles that “the real border that runs across Europe today is the one that separates nationalists from progressives”. He clarified this in his letter to the citizens of Europe by contrasting the threat of “nationalist withdrawal” promoted by “exploiters of anger” with the hope of “European humanism” that would foster the “standards of progress”. This is a double rhetorical, if not ideological, shift from the discourse that

*In a society where inequalities are increasing, announcing the twilight of the left is very exaggerated. Didier Fassin and Anne-Claire Defossez @the\_IAS*



“  
*Emmanuel Macron’s  
progressivism seems  
to be nothing more  
than the disguise  
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authoritarian  
neoliberalism.*”  
”

brought him to power. On the one hand, it replaces the initial idea of the man of providence standing above the parties with that of the politician engaged in the fray to fight sovereignists and populists. On the other hand, the political vision of the new world against the old gives way to a moral distinction between values of the future and illusions of the past, and ultimately between good and evil.

If we can understand what the nationalism of Salvini, Orban, Kaczynski, Wilders and Le Pen corresponds to, we need to ask ourselves what characterises Emmanuel Macron’s self-styled “progressivism”. Two years after his accession to power, two lines of action can be identified through the policy he is pursuing at national level. One is clearly neoliberal, both in tax reform and labour deregulation, as well as in the reduction of social benefits and the privatisation of public assets. The other has increasingly emerged as authoritarian with the use of decrees to enforce important legislation to the detriment of parliamentary debate, the

adoption of security laws incorporating the main measures of a state of emergency, the harsh repression of street demonstrations and repeated violence against foreigners. Far from being unprecedented, this combination is a modern version of Thatcherism and is clearly on the right of the political spectrum.

The French President is trying to present his vision more positively, which two of his former advisors have summarised in a book, “Le progrès ne tombe pas du ciel” [Progress does not fall from the sky] by Ismaël Emelien and David Amiel, who received his blessing. They argue that progressivism is based on an individualistic conception of society that must give everyone the opportunity to achieve their full potential. Emmanuel Macron’s praise of the “lead climbers” and his remark to a job-seeker that it would be enough to “cross the street” to find work reflect this conception. It implies a direct relationship between power and citizen s, without the intervention of intermediate bodies, and between power and employees, without union mediation. However, it does not exclude the consolidation of a national community and even the promotion of patriotism.

In addition to the fact that Emmanuel Macron’s progressivism seems to be nothing more than the disguise of a deliberately authoritarian neoliberalism, the division he proposes between his camp and that of the nationalists, far from being a central opposition at European level, is for now only a secondary one. Indeed, the two coalitions that dominate the European Parliament are the conservative European People’s Party and the Progressive Alliance of Socialists and Democrats, which relegate the liberal group, which La République en Marche has joined, as well as the Greens and the various nationalist groups, which may not even manage to join forces, to the second level.



There is also some irony in the fact that one of the French President's main partners in his alliance is the Dutch Prime Minister, Mark Rutte. During Rutte's first term in office, he governed with the support of the far-right 'Party for Freedom'. It is also ironic that the head of the list of La République en Marche, Nathalie Loiseau, presented herself on a union list when she was a student that was composed of members of the main far-right group at the time.

If Emmanuel Macron's tactics have once again succeeded at the French level by placing his party and the Rassemblement National in direct competition with each other, it is less because his analysis of ideological relations is correct than because the political configuration specific to France is favourable to him: the right has become weaker by seeking to imitate the far right and the left has marginalised itself through its wrangling and divisions. But these tactics have their limits at the European level, which shows that the balance of power between a moderate right-wing and a social-democratic left is undeniably still in place. France is an exception in this respect, but Emmanuel Macron does not seem to have understood this.

The short-sighted analyses which, following his election, had diagnosed, as he himself did, the twilight of the right-left opposition are not only inaccurate - they are also dangerous. The progressive-nationalist opposition, as far as it exists, consists of a Manichean division between progress and withdrawal, good and evil. It is a vertical and exclusive moral distinction: who would want to be on the side of withdrawal and evil? In this sense, it is anti-democratic. The opposition between right and left, however, is political, horizontal and inclusive. It calls on everyone to choose between two models of

society: one dominated by the market economy and border protection, the other more concerned with social justice and the integration of foreigners. The French President's policy is now in line with the first model, but his rhetoric about the end of traditional parties aims to conceal this with a head-to-head confrontation between the right and far right.

Even if weakened, the left reminds us by its very existence that a society is made up of relationships of power and domination and that, in a society where inequalities are increasing, the announcement of the left's death is very exaggerated.

*The progressivism of #EmmanuelMacron in the face of the #nationalists: a misleading illusion* **Didier Fassin and Anne-Claire Defossez @the\_IAS**



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| The three Nordic Social Democrat Prime Ministers (PM) elected in 2019. From right to left: Antti Juhani Rinne, Finish PM and Party leader since 2014, Mette Frederiksen, Danish PM, Party leader since June 2015 and Stefan Löfven, Swedish PM, Party leader since 2012.

# HORIZONS AND DEMARCATION LINES:

## WHAT ARE THE RELEVANT CLEAVAGES FOR THE NEXT POLITICAL BATTLES?

by *Ania Skrzypek*

From today's perspective, the 1990s may seem like ancient history. The images of the Polish Solidarność trade union rising and the fall of the Berlin Wall remind us of the transition, during which the populations of Central and Eastern Europe chose a democratic path and reunification with the West. Soon after came the excitement of Tony Blair, Gerhard Schröder, and Lionel Jospin's electoral victories, which brought a feeling that times of progress, social justice and the promise of something greater were upon Europe. After decades of divide and the neoliberal project

of Margaret Thatcher and Ronald Reagan, this was a hopeful breakthrough indeed.

A time equivalent to one generation has passed and social democracy finds itself at the crossroads – partially stuck in the nostalgia of the past, and partially anxious about making any alterations to assume a new kind of a future. Indeed, the successes and failures of the Third Way still seem the most divisive lines of the debate on the movement's future. The context however has changed: these are no longer times when victories occurred through

conquering a solidified electoral left and centre. Today, the electorate is volatile, alliances are shifting, and the prophecies about the end of ideologies may have just fulfilled themselves.

As people on the streets and those returning in greater numbers to the polling stations demand a different quality of politics, Social Democrats need to respond to those demands. They should start by shaking off the shadow of previous debates and rejecting certain old and traditional concepts. In that sense, they must accept that they

are up for a new kind of political battle, where the horizons of what is possible has changed and hence the demarcation lines have shifted too.

First, shifting political contexts matter – and possibly more than ever than in the past. Before, people would sign up or vote for a party searching for an explanation and seeking a sense of belonging. Today's most informed citizens in human history rather cast ballots as a short-term investment in those who give a voice to their most relevant concerns in that precise moment. It is more about political agency than about well-established political movements. This explains the victory of the Portuguese PS in 2015, when citizens looked for a feasible way to stop austerity, and the Social Democrats were the party guaranteeing that to happen. The lesson here for Progressives is to move from the logic of the catch-all-party to focussing on the topics that could give them the lead – election per election.

Secondly, no party – traditional or newly established – seems to own an issue by

default anymore. Inequalities for example are addressed across the political spectrum. The way and rationale may differ, but the interest doesn't. Growing awareness of climate change and the worldwide 'Fridays for future' rallies are often used to explain the Greens' recent successes. Although these rallies might have contributed to their success, there is another explanation: the Greens can also be seen as a positive progressive alternative, which is viable because they are already part of the existing political system. They succeed to embody a new kind of politics as well as giving an answer to the climate crisis – but only when no competing party credibly owns the climate issue as well. The unprecedented success of the Spanish PSOE for example is also due to the fact that they managed to reassure voters that they are indeed the party of climate justice – as well as that of egalitarian social progress.

Thirdly, old concepts no longer explain inter-connections between local communities and their attitude towards the rest of the world. A firm believer in international solidarity can be a fierce opponent of the current model of trade agreements and vote centre-left. A globalist can be a devoted patriot, supporting the state as a framework that collects taxes and provides opportunities as well as care through robust welfare policies. In Denmark, for example, Social Democrats ran on a platform that raised eyebrows on their migration policies – but firmly put the welfare state in the focus. In times of change, the understanding of concepts such as internationalism, globalism, patriotism and others need to be updated to be usable in the progressive narrative.

These three observations – that context matters, that nobody owns an issue by default, and that concepts need updating – show why, in an era where democracy is questioned, Progressives need to go beyond their traditional concepts that served them well in previous decades, but are now becoming futile now. But then, does it still make sense to talk of ideologies and the left-right cleavage?

*Updating progressive answers to new realities*  
- @Ania\_Skrzypek



The answer, against all odds, is: absolutely yes! Social cleavages may have shifted or are blurred, citizens however are more than ever keen on being – directly or indirectly – at the heart of the decision-making. That is why they search for politicians, who 'listen and speak their mind'. What is valued is authenticity and a moral compass. That is how the Social Democrats managed to bounce back in places where they were bound to disappear. If additionally they are ready to consolidate a new definition of the centre-left, they may as well be the ones to emerge even stronger in the next chapter of post-post-truth politics.

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**> AUTHOR**

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| Demonstration against France's labor laws, supported by president Emmanuel Macron's government. September 2017 in Paris.

## DEFENDING PROGRESSIVISM: FIGHTING FOR A MORE EQUAL SOCIETY

*by Patrick Diamond*

The French president Emmanuel Macron claims to embody today's progressivism, as opposed to 'nationalism'. The profound difficulty for his concept though is that he lacks both a rigorous analysis of capitalism, and a clear understanding of the enduring importance of nation-states. A new concept of progressivism in Europe has to stand not just for Macron's creed of liberty and internationalism, but a genuine effort to restrain unfettered markets in pursuit of a more equal society.



Since his election as President of France, Emmanuel Macron has been assiduous in laying claim to the language of ‘progressivism’. Macron positions himself as a leader who believes in the great progressive causes of the age – a strong Europe, human rights, individual freedom, personal liberty. At the same time, Macron’s national project is predicated on the rejection of the longstanding Left/Right cleavage in French politics. The President famously broke with the Socialist party to launch his candidacy, despite serving as Minister in a Socialist Government. He believes the challenges facing his country cannot be adequately addressed through the traditional discourse and demands of the Left. Macron’s advisers have been busily engaged in seeking to define a new concept of 21st century progressivism.

It is no secret that centre-left parties over the last decade have faced serious problems, even if there are recent signs of electoral revival in countries from Portugal

and Spain to Finland and Denmark. It is clear that regardless of national circumstances, there is a structural shift underway that is undermining social democracy’s support base. Some question the future viability of the European centre-left project.

Twenty years ago, the Left was ascendant in Europe. Social Democrats were in power in 13 out of 15 states then in the EU. Their ideas set the terms of debate. Not so today. This is a consequence of economic adversity. European economies may have experienced a revival with steady growth and rising living standards. But the great recession has transformed the political economy of western Europe. Economic depressions have historically boosted support for the Right rather than the Left.

In relation to the nation-state, the strategic conundrum for all progressive parties is that they are torn between a world view that emphasises multi-level governance and internationalism, and the magnetic pull of electorates towards enduring ties of nationhood, identity and belonging. It is argued that in a globalising world sovereignty must be pooled to tackle collective challenges – climate change, trade, international crime, terrorism – exemplified by the Left’s defence of the EU. Yet Social Democrats must also acknowledge those anxious voters troubled by the erosion of the nation state’s borders, alongside the cosmopolitanism and diversity that ensues. A renewed emphasis on communal attachments is needed that gives meaning to people’s lives in a world of insecurity and upheaval.

All centre-left parties are confronting a recurring dilemma: their political coalition is fracturing. Macron’s response is to align himself with full-throated liberal internationalism while introducing reforms that he believes are able to deliver faster growth. Post-war Social Democracy was built on buoyant growth – the “golden age” of capitalist expansion from the 1940s to the 1970s created the conditions for increased public spending and redistribution. Yet growth

rates across Europe have declined from 6% in the 1960s to less than 3% since the 1990s. Lower growth rates increase hostility to redistribution among middle-income voters. Higher growth alone will not bridge the political divide.

The challenge for progressives has to go beyond economic reform and liberalisation, as Macron advocates. The task is to forge a new economic model that tackles concentrations of corporate and market power, governing the economy in the public interest. This necessitates proper oversight of public utilities and an economy that gives more workers a stake through profit sharing, a ‘property owning’ democracy, and redistribution of productive assets. If Thomas Piketty is right that returns on capital always outstrip the rate of growth, capitalism must be reformed so wage earners share fully in the economic system.

A new concept of progressivism in Europe has to stand not just for Macron’s creed of liberty and internationalism, but a genuine effort to restrain unfettered markets in pursuit of a more equal society.

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› **AUTHOR**

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# ENDING INEQUALITY BEFORE IT'S TOO LATE

by Marissa Ryan

Inequality is deeply interlocked with the key issues of our time, in Europe and worldwide: poverty, climate change, gender injustice, the rise of right-wing populism and social distress. Rising inequality exacerbates every single one of these issues. Therefore, following the European elections, European leaders must join forces to seriously address inequality if the EU is to remain valuable and trustworthy to its citizens – now and in the future.

**T**he European Union has been experiencing turbulent times. Since the 1980s, economic inequality has been on the rise, and by 2008, a failing economic model resulted in a severe financial crisis. EU governments reacted with measures such as spending cuts and regressive taxes.

While those responsible for the crisis were bailed out, ordinary people continue to pay the price.

Increasingly, laws and policies across the continent benefit the wealthy first, while ordinary citizens across Europe are seeing vital public services and social protections cut. The pillars of Europe's economic development, including progressive spending, taxation and labour rights, continue to be undermined and eroded at the expense of protection of the vulnerable.

There is no doubt that we live in a deeply unequal world. Ten years after the financial crisis, the number of billionaires has nearly doubled. Their wealth increased by 2.5 billion dollars a day between 2017 and 2018, while the wealth

of the poorest half of humanity – 3.8 billion people – fell.

This staggering economic inequality goes hand in hand with pervasive gender inequality. Most of the world's richest people are men. On average, women in the EU are paid 16% less than men. Yet our economic prosperity is dependent on the millions of hours of unrecognised and unpaid care work carried out by women and girls worldwide. If a single company carried out all this work instead, it would have an annual turnover of 10 trillion dollars – 43 times that of Apple!

Over recent months, people across Europe, particularly the youth, have taken to the streets to demand action on the climate crisis. This emergency, too, is driven by inequality: though the poorest people in the world contribute least to emissions, they disproportionately suffer their impact – they are hit first and hit hardest by the climate crisis, both in Europe and across the globe. The devastating destruction and loss of life across Southern Africa recently caused by Cyclone Idai is a heart-breaking testament to this fact.

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*Inequality is not inevitable – it is a political choice and can be overcome by sensible and coherent policy making.*

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The European elections have brought a rise in support for Eurosceptic parties and politicians. The nexus between widening inequality and right-wing populism and nationalism has been widely documented. Last year, the World Bank's Vice President for Europe, Cyril Muller, called on the EU to initiate a new social

contract to tackle inequality and the associated lack of social cohesion.

Without action, faith in the EU's ability to improve the lives of citizens continues to decline. Nevertheless, several member states and a range of politicians openly challenge the Union's fundamental and founding values of human rights, democracy and rule of law. This is most evident in the toxic debate on migration which continues unabashed despite a large decrease in the numbers of people arriving Europe.

Evidence shows that people in unequal societies are generally more stressed, less happy, have higher levels of mental illness and lower levels of trust, and crime rates are higher. Yet rather than address this, many politicians remain determined to blame immigrants, minorities, women and people in poverty.

To restore faith in the European project, a new vision of Europe is necessary. Politicians must come together to develop a plan to create a Europe that works for its citizens. Some of our leaders acknowledge the challenge.

Last September, European Commissioner Pierre Moscovici said that "the European crisis is no more an economic crisis. It is an inequality crisis. It is a political crisis. It is a crisis of delivery. We need to deliver more."

### *Inequality is not inevitable*

Inequality it is a political choice and can be overcome by sensible and coherent policy making. In the next parliamentary term, members of the European Parliament must work to reduce inequality, firstly by ensuring a fair, efficient and transparent tax system. Collecting tax and investing it in quality public services, including healthcare and education, is a crucial tool for governments to reduce the widening gap between rich and poor, and between women and men.

EU governments must tackle the financial secrecy and tax dodging that robs European citizens of adequate social safety nets. They must stop the race to the bottom amongst member states intent on ever-lower corporate tax rates, and end

*What to do about inequality?  
A roadmap for EU leaders by  
@OxfamEU's  
@Marissa\_C\_Ryan*



the increasing use of harmful tax practices. Rules should be passed requiring companies to publish how much they earn, and how much they pay in tax, for every jurisdiction in which they operate.

As automation and the gig economy push people towards precarious working conditions, traditional labour rights must be revisited and strengthened. EU members should initiate fair minimum wages, remove the barriers to equal opportunities for women, and restrict the power of the rich to influence political processes and policies affecting decent work and wages to further their interests.

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Written by  
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*The staggering economic inequality goes hand in hand with pervasive gender inequality. Most of the world's richest people are men.*

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In the longer term, all this will be futile unless EU members implement policies consistent with the objective of the Paris Climate Agreement to limit global warming to 1.5° Celsius, and raise the funds needed to mitigate the climate emergency and adapt to non-avoidable climate change.

The results of a survey across 14 EU member states released recently were chilling: voters across 13 countries said they believe the EU will collapse within 10-20 years; and 3 in every 10 people believed that a war between EU countries could take place in the next decade. Despite this, support for the EU remains at a record high.

If faith in the European project is to be restored, leaders must come together after the European elections and seize the momentum of a new political start to end inequality.



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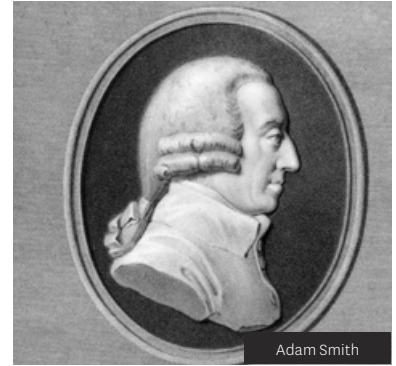


| Classic economists like  
Adam Smith  
and David Ricardo  
simply rejected debt.  
Even Karl Marx called  
public debt the  
'sale of the state'.

# DEBT BRAKES - POLITICAL NARROW- MINDEDNESS AT ITS WORST

*by Heinz-Josef Bontrup*

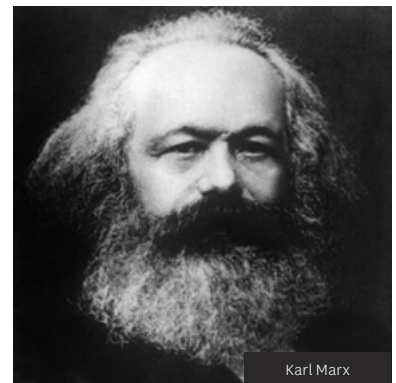
The Maastricht Treaty rules out any deficit of more than three percent. The logic of these numbers, however, has never been scientifically justified. The entire narrow-mindedness of “debt brakes”, or rather “credit brakes”, is easy to see: why have politicians not imposed these credit constraints on private companies in the EU? In order to tackle social problems however, those who do not want national debt need to implement higher taxes or the crucial causes of public debt need to be eliminated: mass unemployment, poverty and redistribution from the bottom to the top.



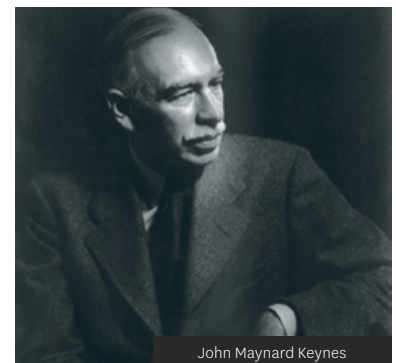
Adam Smith



David Ricardo



Karl Marx



John Maynard Keynes

# DEBT



**W**ith the introduction of the euro, the Maastricht Treaty restricted the state budget deficit of countries that use the euro to 3% and the cumulative national debt to a maximum of 60% of the nominal gross domestic product (GDP). Some countries have pushed the same logic even further: in Germany, in 2016, a debt brake of only 0.35% of GDP was written into the constitution in 2016 - this is even more counterproductive than the 3% of the EU. German federal states, and consequently the municipalities, are no longer allowed to make any debts after 2020. While in reality this will not be economically possible, it will be used in the future as a permanent political threat against government spending policy. By all parties (coalitions)!

However, politics can even refer to the most eminent economists: government debt has always been a controversial topic. Classic economists like Adam Smith and David Ricardo simply rejected it. Even Karl Marx called public debt the "sale of the state". But there have also been dissenting voices, such as the financial scientist Lorenz von Stein, according to whom a state "without public debt either does not care enough about the future, or demands too much from the present generation".

With Sir John Maynard Keynes' "General Theory" of 1936, after World War II, it became a matter of course in economic

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*Paradoxically, the neo-liberals who want radical market-capitalism would have destroyed it by their own false doctrine if it had been used in the crisis.*

theory that the state with its expenditures must not behave parallel to declining private expenses, (parallel policy), but that it rather should behave counter-cyclically in a moment of crisis: government debt becomes necessary – but will be refinanced almost entirely through growth after the crisis.

Keynes has also taught us in this context that the crisis is an inherent part of the capitalist system and that the private sector is completely incapable of getting out of a crisis without public crisis management.

The reason is simple: the market-based capitalist system is, on the basis of the profit rationale, subject to an immanent "rationality trap". In the crisis, entrepreneurs behave profit-rationally by stopping their investments, cutting wages and making lay-offs, creating unemployment and making private households consume less as a result of the crisis.

Consequently, the overall collapse of aggregate demand can only be compensated by debt-financed government demand. A second economic triviality applies here: if no one spends more than they earn, no one can earn more and the economy collapses.

In the 1970s, however, the neoclassical/neoliberal doctrine that had been discarded long ago re-emerged, and it increasingly replaced the pathbreaking welfare-oriented Keynesianism.

Since then, the state and its debts have been discredited with incredibly primitive polemic. In the new neo-liberal mainstream, the state became regarded as the "scrounger" of the private sector. The neo-liberal polemicists do not only count the actual state consumption as part of the public sector, but also social insurances, which do not benefit the public sector but are returned exclusively to the contributors in the form of retirement, health and care benefits as well as unemployment benefits.



According to this doctrine, the state has to keep out of the economy and let the so-called “self-regulating forces of the markets” to their job. State budgets have to be balanced. Neoclassic economists preached this naive idea even at the peak of the global economic crisis of 1929. Where the “politics of the black zero” ended is well known. Imagine if politicians had reacted to the financial and economic crisis in 2007/2008 in such a narrow-minded way - and not in the classic Keynesian way with deficit spending.

This might have been the end of the capitalist system, or at least it would have triggered an economic worst-case scenario. Paradoxically, the neo-liberals who want radical market-capitalism would have destroyed it by their own false doctrine if it had been used in the crisis. But the neo-liberals have not understood this dialectic, and after the “Keynesian rescue” they continued their destructive austerity policy as they did before the crisis.

*The Maastricht Treaty rules out state deficit of more than 3% - the logic of these numbers has never been scientifically justified. Heinz-Josef Bontrup*



However, government debt is not only about short-term crisis management, but also about structurally immanent causes of crises and their elimination in the context of a capitalist system. The main causes of national debt are permanent mass unemployment and broad social poverty.

The resulting social misallocations and costs are left to the state by the failing private sector, and the ruling political class accepts this. In addition, there is a redistribution from labour income to capital income (interest, basic retirement and profits) which is enforced under the fatal neoliberal paradigm – this too is accepted by the ruling neoliberal classes, which is not even willing to tax the higher income and assets adequately, either.

Those who do not want national debt, however, have to implement higher taxes or eliminate the crucial causes of public debt, which are mass unemployment, poverty and redistribution from the bottom to the top. The income and wealth taken from the rich through taxes is then no longer needed by the state as a loan and it no longer has to pay interest to the rich, making them richer and the state poorer. However, this solution is a problem if the ruling politicians do not dare to make the move towards higher taxation and radical punishment of tax criminals or if they, in their majority, represent the interests of the rich and wealthy in the parliaments.



#### > AUTHOR

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# THE EUROZONE CRISIS: AN ACCIDENT WAITING TO HAPPEN

by George Papaconstantinou

The Eurozone crisis was an accident waiting to happen, exposing the design faults of the euro area. Ten years later, much has been achieved, but at a high economic, social and political cost. For Europe to move today to a “post-crisis” phase, we need to think beyond just completing the Economic and Monetary Union (EMU). We need governance reforms for democratic legitimacy, as well as progressive policies addressing disparities, and the sense amongst many Europeans that they cannot find themselves in the European project.

In 2009, Greece shocked Europe and the world when the extent of its fiscal problems was revealed, triggering what is now known as the Eurozone crisis. But the crisis extended much beyond Greece and was in many ways an accident waiting to happen. It took an external shock to reveal the vulnerabilities of the euro area and expose its design faults.

I was the Greek Finance Minister who in 2009 uncovered the country's true fiscal situation and then attempted to navigate an impossible task: help my country redress both its fiscal and external deficits and regain its credibility deficit; and at the same

time cooperate with our initially unwilling European partners to find workable solutions for what was effectively a European and not just a Greek problem. After signing the first bailout, I watched other Greek Finance Ministers subsequently sign two more, with Greece emerging from a terrible decade chastened, only partly reformed, and with deep economic, social and political wounds.

During the same period, Europe has been transformed, partly by the force of historical events, partly by design. And as we look back on this decade, hoping to guide us towards making better policy choices in the present and in the future, it is crucial to get the story of what happened right.

In truth, the nature of the Eurozone crisis was misread for a long time. As the trigger of its acute phase was the Greek fiscal derailment, fiscal issues took precedence over the crisis' real origins in the banking sector, whose liabilities ended up on public balance sheets as governments bailed out the banks or guaranteed deposits. This guided the post-2009 policy response: it focused initially

almost exclusively on fiscal retrenchment and involved excessive austerity, while its systemic nature and the weaknesses of an incomplete European banking union took time to be addressed.

Initially, European policy-makers hesitated and dithered in their response, believing the crisis could be contained to one country. Eventually, they understood its systemic implications and the fire-fighting turned into attempts to repair the institutional infrastructure of the euro area. The crisis did indeed prompt action to safeguard the common currency and remedy its weaknesses. But it has also involved a tremendous and lingering economic and social cost in many EU countries, accompanied by serious political upheaval.

The overall policy response exhibited all the flaws of the existing EU institutional and political architecture. Key decisions were taken under duress, with significant lags compared with market and economic reality. They were typically reactive rather than proactive, prone to reversal, and too costly

*10 years after the crisis: increased inequality, precarity and lack of prospects for many people have not been addressed. The former Greek Finance Minister @gpapak*







© shutterstock

| The price to pay was high: the excessive austerity led to a deeper than necessary recession in many countries, while a line of fracture has emerged in the Eurozone between creditor and debtor countries.

for both borrowers and lenders alike. Major mistakes were made, both economically and politically. It was an expensive and dangerous trial-and-error process.

Ultimately, the will to save the common currency prevailed. The price to pay, however, was high: the excessive austerity led to a deeper than necessary recession in many countries, while a line of fracture has emerged in the Eurozone between creditor and debtor countries. This undermines the functioning of the common currency area and makes it difficult to advance the debate on fair and workable solutions for both the Eurozone and the EU more broadly.

Following the crisis, much has been done to address the initial problems, but the euro area is still fragile. Financially, the “doom loop” between banks and sovereigns is still there, with the redenomination risk not fully eliminated. Economically, the current slow-down illustrates how quickly the outlook can deteriorate. There is not much monetary and fiscal ammunition left to ward off the next recession, and the asymmetry

between successful and struggling countries remains blatant.

Socially, the increased inequality, precarity and lack of prospects for large segments of the population in many EU countries which we saw during the crisis is by no means being addressed. Finally, the political risk is centre stage, with both northern and southern populism now developed - the one thing they have in common is a distaste for Europe.

For Europe to be able to move convincingly to a “post-crisis” phase, a number of issues need to be addressed. These go beyond coming to an agreement on the policy tools necessary to complete the banking union or giving the Eurozone a macroeconomic stabilisation function and a budget – as important as these are. They include governance reforms to address issues of accountability and (lack of) democratic legitimacy in much of current decision-making. Most importantly, they involve progressive policies which address increased economic and social disparities

within and across countries, and a growing sense amongst many Europeans that they cannot find themselves in the European project.



#### > AUTHOR

**George Papaconstantinou** is an economist who has served in government as a Cabinet Minister, a Member of Parliament and an MEP. As Greece's Finance Minister at the outset of the Eurozone crisis, he played a key role in the negotiation of Greece's first support programme.



# United for climate JUSTICE

| Ahead of the United Nations Climate action Summit – the September 23 in New York – the FEPS with the support of the Jean-Jaurès Foundation, the Friedrich Ebert Foundation's New York office, the Max van der Stoep Foundation, the Pablo Iglesias Foundation and the Environment and Development Resource Centre (EDRC) has set up a steering committee in order to reflect on and test ideas of guiding proposals for climate justice.

**T**o deliver on citizens' expectations, the new European Parliament will have to address the issue of justice, which is at the heart of all environmental challenges, especially climate change. Put simply, the impacts of climate change hits those hardest who have least contributed to the problem – whether they are individuals, communities or countries.

In Europe, the share of the top fifth of households in total income (45%) broadly correlates with its share in the carbon footprint (37%). This is also true for the bottom fifth, which have 6% of the total income and 8% of the carbon footprint. This means that even if more well-off European citizens have proportionally less impact on emissions per unit of consumption, overall, they place a much greater weight on the planet than the average population.

The difference is even more pronounced on the global scale. Already in 2015, Oxfam revealed that the world's richest 10% were

accountable for more than 50% of carbon emissions, while the poorest half – 3.5 billion people – were only accountable for 10%.

But in Europe – as in most other parts of the world – not everyone is on an equal footing when faced with environmental hazards or the effects of climate change. According to the European Environment Agency, particularly in urban areas, low-income families tend to live in a less healthy environment and suffer from multiple sources of vulnerability, compared to high-income households.

From poor respiratory health to negative language development, these factors already have a negative impact on childhood development, and on health and life expectancy. But apart from poverty, other dimensions of inequality – including gender, ethnicity and age – are likely to interplay with climate change.

In both the public and private sectors in Europe, for instance, there is a lack of female leadership in areas focusing on climate

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*Not everyone is on an equal footing when faced with environmental hazards or the effects of climate change. Particularly in urban areas, low-income families tend to live in a less healthy environment and suffer from multiple sources of vulnerability.*  
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change, with less than one in five women in high-level positions in related ministries.

Without decisive action, Europe's youth and the next generations risk being left with a crippling ecological debt. Indigenous peoples of Europe, like the Saami, or those living in the outermost regions, might not only lose their livelihood but also their way of life and culture. In the absence of specific adaptation policies in favour of poor people, the increased occurrence of climate-related natural disasters will only make this situation worse.

Poorer people are less well insured than their richer counterparts and are likely to have less coping capacity in the face of major disruptions, like losing their houses. Amongst

# THE NEW EUROPEAN PARLIAMENT: TACKLING THE TRIPLE INJUSTICE OF CLIMATE CHANGE

by Celine Charveriat

The recent election to the European Parliament marked a turning point in the EU's history: for the first time, rising concerns about climate change and environmental degradation became a significant factor in electoral choices. Climate change and social inequality, however, are linked. We are faced with a multiple injustice that results from different levels of contributions to greenhouse gas emissions, the unequal vulnerability to climate change itself, the effects of policies addressing climate change; and the uneven distribution of capacities to adapt and cope.

poorer segments of the population, households with female heads and the elderly are likely to be even more affected.

While the benefits of the sustainability transition are clearly established for society as a whole, the transition will require major public and private investments – at household, company and country level.

This transition will also lead to major economic and social disruption, with an impact on the prices and availability of essential goods and services (food, energy, mobility, lifestyles), on income opportunities (employment, wages and livelihoods), and on the prices housing, among other assets. And as these impacts might be transitory or permanent, there is a risk that the costs and benefits will be unfairly distributed, contributing to a further rise of inequalities.

Climate injustice does not stop at Europe's borders. The world's poorest people are already suffering greatly from the effects of climate change – and they are falling further behind. At the same time, countries most

responsible for the world's emissions and most capable of decarbonising – given their income levels and access to technology – are making less than their fair share of effort.

In fact, while the majority of poorer countries have pledged to fulfil their fair share in climate mitigation, the same has not been true for many of their richer counterparts. According to research based on the Climate Equity Reference project, the EU's current commitment represents only around a fifth of its fair share of efforts, in contrast to China's pledge, which is much closer to its fair share.

Within this context, Europe bears a unique responsibility to bring about climate justice. Firstly, by showing that decarbonisation is possible even while maintaining or increasing the well-being of all its citizens – including the poorest and most vulnerable. The same is true for strengthening social justice. Europe also urgently needs to help other regions of the world achieve sustainable equality, especially in its own neighbourhood and in Africa.

According to the latest UN figures, we have only 11 years left before we face irreparable damage from climate change, so the new European Parliament will need to translate words into action without any delay.



## > AUTHOR

**Celine Charveriat** is the Executive Director of the Institute for European Environmental Policy (IEEP). She is also the Chair of the CAN Europe board and has conducted multiple stakeholder consultations and consensus building exercises within civil society.

# IT'S TIME FOR SYSTEMIC CHANGE

by Saïd El-Khadraoui

The next legislature will be crucial in putting the transition in motion towards a low-carbon and circular economy and socially inclusive society and turn the many challenges into opportunities. There is no 'invisible hand' that will bring us to our destination, that's why the transition will have to be managed with everybody contributing. Multinationals will have to take responsibility and walk the talk.

Europe's social welfare model will not sustain over time if we do not succeed in reinventing the post-war social contract. There is an urgency in rethinking the relationship between those who govern, citizens and, indeed, the private sector, that has a crucial responsibility in achieving Europe's long-term societal objectives.

This is all the more true in a globalised world where profit-shifting by multinationals, tax avoidance and tax competition, and the rise of ever bigger digital companies that pay almost no taxes or social security contributions, undermines not only the financial viability of our social model and governments' capacity to prepare for the future by investing in innovation or in educating and reskilling people.

As this contributes to growing inequalities and unfairness, it also fuels discontent and erodes trust in our democratic system to the benefit of populist movements that promise easy solutions to complex questions. In an ageing Europe, at a time where

the scale and the pace of technological breakthroughs add to the feeling of insecurity, this can become a toxic cocktail that could further divide and weaken Europe.

Global warming and its multi-facet consequences, on the other hand, are an even bigger existential threat to our way of life or, to put it less prosaically, to life on earth more generally. This forces us to fundamentally transform our society and economy over the next decades, sooner rather than later. The longer we wait, the higher the bill. It implies much more than reducing CO<sub>2</sub>-emissions as other environmental challenges such as the dramatic loss of biodiversity and the ever more devouring appetite for virgin raw materials have to be addressed altogether. In a world with a growing population, hoping to climb up the social ladder, this is no small feat.

It's therefore time for systemic change, throughout and across all market sectors and value chains, from product design and business models to service provision and trade. Policymakers will have to rethink taxation,

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*There is no 'invisible hand' that will bring us to our destination: a sustainable economy and socially inclusive society, leaving no one behind. The necessary frameworks and building blocks will have to be designed.*

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budgeting and public procurement. It entails also a change in mind-set and lifestyle: can we achieve a high level of quality of life whilst altering harmful consumption patterns defined by where and how we live, move and eat? It certainly also invites us to redefine progress or success. A state's GDP growth or a company's quarterly profits or market share expansion doesn't tell us a lot about the





readiness to shift towards a climate-neutral and circular economy. Today, no single country has achieved a high human development within planetary boundaries. In the future, all should. The same applies to companies.

The next institutional cycle will be crucial in putting the transition in motion and turn the many challenges into opportunities. There is no 'invisible hand' that will bring us to our destination, a sustainable economy and socially inclusive society, leaving no one behind. The necessary frameworks and building blocks will have to be designed, a wide range of policy tools will have to be activated jointly at different levels, and governance models to bring everybody on board will have to be set up. More than others, multinationals will have to take responsibility and walk the talk.

I see three big policy priorities that will help multinationals to become more responsible in view of our challenges.

**First**, it starts with making them pay their fair share of taxes, by agreeing at EU-level on a minimum tax rate and make sure all sectors, including digital companies and platforms, contribute to finance public goods and services.

**Secondly**, EU-guidelines should ensure that social contributions get harmonised

across forms of employment, an increasingly important issue as non-standard work is rising everywhere.

**Thirdly**, the transition towards a sustainable financial system should be accelerated by facilitating the integration of longer-term climate and other sustainability risks and opportunities into investment decisions in order to reorient capital flows and trigger a change in corporate behaviour. We see specialised sustainability rating agencies, index providers and companies themselves creating frameworks to report on social performance and environmental impact alongside the business results. The key challenge, however, is that the criteria used and the underlying data are rarely aligned, which detracts from comparability, creating confusion and affecting the credibility of such schemes. The new European Commission should therefore propose a Sustainable Finance action plan 2.0 to address these barriers, help to define what is green or sustainable and what is not, and further connect the world of finance to the sustainable one.

In addition, our efforts to be more strategic when it comes to industrial policy should be geared towards a low-carbon and circular future. Indeed, let us reflect on how our research and innovation funds, our investment policies and trade instruments can

help our companies become stronger and adapt to changing circumstances, whilst we should develop further anticipatory policies that help regions, industrial sectors and individuals to adapt. Altogether these could be the building blocks for a new 'deal', 'social contract' or 'Sustainability Pact' that gives clarity to our citizens about the direction of travel, and fosters trust and confidence again in our future.



**> AUTHOR**

**Saïd El-Khadraoui** is an adviser at the European Political Strategy Centre. Prior to this, he was a Member of the European Parliament from 2003 to 2014, where he was coordinator and spokesperson for the Group of the Alliance of Socialists and Democrats in the Transport Committee and substitute Member of the Committee on Economic and Monetary Affairs.

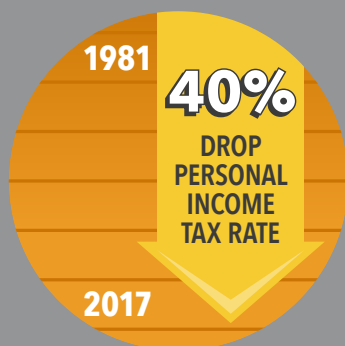
Disclaimer: The views expressed in this article are those of the author and do not necessarily correspond to those of the European Commission

# GLOBAL TAX INJUSTICE: WHAT ARE THE SOLUTIONS?

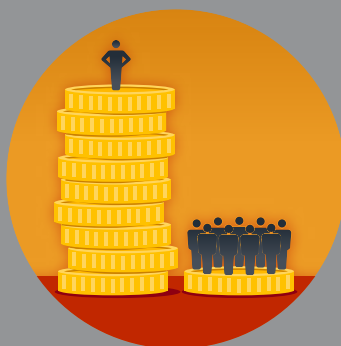
*by Antonio Gambini*

Since the early 1980s, the incomes of the richest, but also corporate profits have benefited from increasingly favourable tax rates. In addition, legally and/or illegally, these incomes and profits are moved offshore to further escape taxation. But solutions do exist.

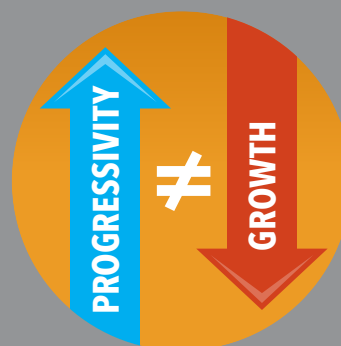




Top income tax rate in advanced economies has fallen by 40%



The top 10% holds an average of 50% of the wealth in OECD countries



Little evidence that increasing progressivity reduces growth

Source: IMF infographics

In advanced economies (OECD members), the top marginal personal income tax rate - the tax rate at which any additional income will be taxed - fell by an average of 40% between 1981 and 2017. According to the IMF, this is linked to the increase in inequality (50 percent of the wealth held by the richest 10 percent), but it has not contributed in any way to overall economic growth.

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*Over the past 30 years, net profits reported by the world's largest companies have more than tripled in real terms, from €1,5 trillion in 1980 to €6,3 trillion in 2013.*

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In October 2017, the International Monetary Fund, the most powerful international public financial institution, the central bank of central banks, renowned for its neo-liberal orthodoxy, published a report denouncing the fact that the rich are paying less and less tax, thus causing an increase in inequality.

According to the calculations of the economist Gabriel Zucman, no less than 10% of the world's wealth is fraudulently hidden in tax havens by the richest people, resulting in a loss of tax revenue of \$120 billion (€105 billion) from the richest 0.01% of the population and another \$200 billion (€175 billion) from the richest 1%.

The growing tax injustice is not limited to the taxation of individuals, it also concerns companies. Over the past 30 years, net profits reported by the world's biggest companies have more than tripled in real terms, from \$2 trillion (€1,5 trillion) in 1980 to \$7.2 trillion (€6,3 trillion) in 2013. However, the taxation

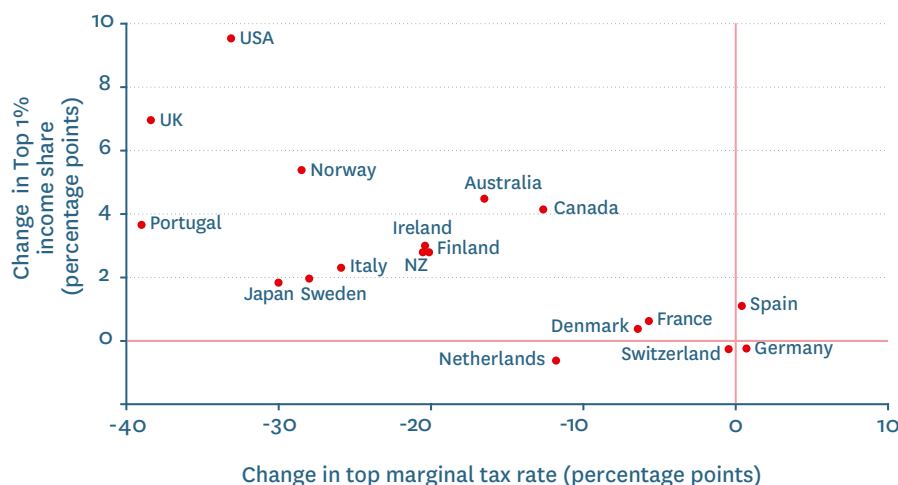
of corporate profits, the main form of corporate taxation, has followed a significant downward trend. The global average rate thus fell from over 40% in 1980 to less than 25% in 2015. If the trend continues at the same pace, the global average is expected to reach 0% in 2052.

According to Zucman, 40% of the profits of multinationals are artificially moved to tax havens. This undoubtedly explains the exorbitant profitability rates (calculated as a percentage of the wages) reported by multinational subsidiaries in some countries, which contrasts with the much more normal profit rates recorded by purely national firms.

*Less and less tax paid by the rich = an increase in inequality. @antoniojgambini from @cncd111111*



Changes in top marginal tax rates and top income shares in rich countries since the 1970s



The evolution has led to an increase in inequality. The table compares the figures for the decrease in the top marginal rate with the increase in the income share received by the richest one percent.

Source : Alvaredo F., Chancel L., Piketty T., Saez E., Zucman G., "World Inequality Report 2018"

This massive tax optimisation practice has a cost that the IMF estimates at \$600 billion per year (including \$200 billion (€175 billion) for developing countries) in lost tax revenue.

This tax injustice is one of the driving forces behind the increase in global inequality, as well as one of the results of the increase in more regressive and unfair forms of taxation. Consumers are particularly disadvantaged. VAT - a form of regressive tax because it taxes households on their consumption - favours households that are able to save and invest. With the expansion of VAT, poorer households are disadvantaged because they are forced to spend most of their income on consumption. Over the past 50 years, VAT-charging countries have increased from 10 to 166 (including most developing countries). Average rates in richer countries (OECD) reached a historical high of 19.2% in 2015 (the latest year for which figures are available).

### *However, solutions do exist.*

In terms of the evolution of official rates, there is no magic international solution, it is simply a matter of finding the courage and political determination to demand a more progressive tax system.

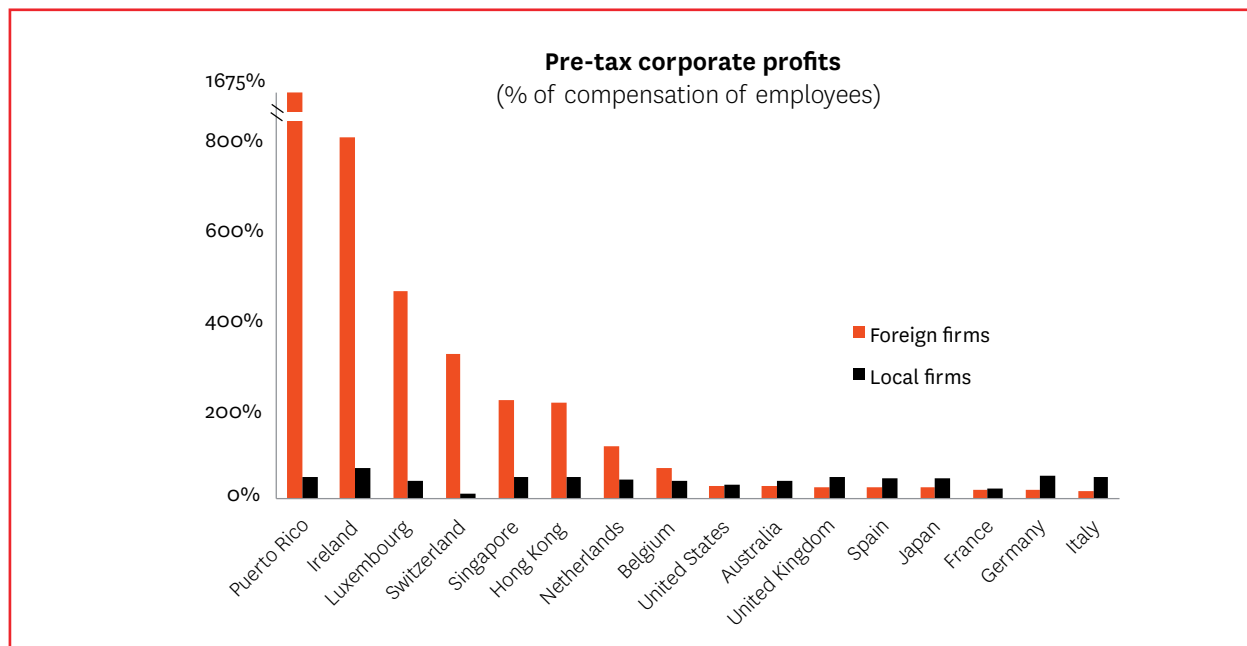
As for the massive use of tax havens by wealthier people to avoid taxes, the aim is to continue building the global network for the automatic exchange of information initiated by the OECD. Considering, however, that major tax evaders now systematically pass through trusts and shell companies, progress must also be made towards a global register of financial assets, which can be modelled on the public register of companies' beneficial owners set up by the European Union's anti-money laundering legislation.

By contrast, the OECD's works on corporate tax optimisation (the Base Erosion and Profit Shifting Project BEPS plan) has produced very limited results, as the IMF observes: "the space in which to shift profits remains substantial, and unlikely to decrease".

It is therefore urgent to trigger a Copernican revolution in the taxation of multinationals. In the alternative "unitary taxation" model, the tax starting point is the consolidated profit of the entire group, which is much more difficult to manipulate than the profits declared by the subsidiaries. This then has to be distributed as a taxable base between the various countries of establishment, on the basis of objective factors such as sales volumes and the number of employees.

In the United States, for example, the taxation of corporate profits by the federal states does not depend on the profits reported by subsidiaries located in the state in question, but on the distribution of the group's profits





Torslov, T., Wier, L. & Zucman, G., "The missing profits of nations", July 2018

throughout the country and sometimes even around the world. This is called "unitary taxation".

Arguing a risk of double taxation, several American companies tried to challenge this unitary taxation in court and replace it with the taxation of separate entities (the system in force in Europe and the rest of the world). But the Supreme Court consistently rejected their arguments, on the grounds that the system of separate entities was too "subject to manipulation" and unable to accurately represent "the numerous, subtle and largely non-measurable transfers of values that take place between the components of a single company".

On 25 October 2016, the European Commission proposed "a major reform of corporate tax in the Union". This is a package of proposals, the key element of which is the CCCTB (Common Consolidated Corporate Tax Base). Mandatory for all companies with

*#TaxHavens: a loss of tax revenue of €105 billion from for the richest 0.01% of the population and another €175 billion from for the richest 1%.  
@antoniojgambini  
from @cncd11111*



a consolidated turnover of more than €750 million and optional for others, this new regime would lead to a real unitary taxation of multinationals in Europe.

This is a reform that must be achieved in Europe and throughout the world.



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**Antonio Gambini** has a law degree from the 'Université Libre de Bruxelles' and has worked in the European Parliament, for MEPs Olga Zrihen and Benoît Hamon and for the IEV (the Belgian PS study centre). Since 2010, he has been working as a research and advocacy officer on issues of development financing and international tax justice at the CNCD-11.11.11, the umbrella organisation of Belgian Francophone international solidarity NGOs.

# REFORMING TAX POLICY: A EUROPEAN FIGHT!

by Joseph Stiglitz, Margit Schratzenstaller and David Rinaldi



*Written by Joseph Stiglitz and a team of high-level scholars and politicians from all over Europe, this bold plan tackles the doctrinaire market fundamentalism that has characterised much of European economic and social policy for the last quarter century. It explicitly rejects the doctrine of austerity that defined the European Union's response to the 2008 financial crisis and recession in favor of supporting aggregate demand, pro-growth monetary policy, and public investment in the infrastructure and industries of the future.*

**T**he right-wing governments in Italy and Austria, for instance, had promised to their electorate to lower taxes but forgot to convey that lowering them the way they planned would imply a less fair sharing of the taxation burden within their country and a crystallisation of the imbalances among EU countries.

We, however, argue that European countries should revisit both old credos and more recent assumptions about what makes for a good tax system.

The sheer magnitude of taxation in Europe – it averages 35% of GDP – demands that we take this question very seriously. Designed badly, taxes can distort otherwise productive forces and lead to inefficient outcomes and drive ever-greater inequality. Designed well, tax policies can encourage a sustainable environment and investment and discourage harmful behaviour (like speculation, pollution or smoking). Simplistic slogans in favour of fewer taxes obscures the real choices that a European country faces in the 21st century.

In several Member States, parties have campaigned for “no new taxes” and for lowering the tax burden. They neglect the fact, however, that to improve the tax system at home, there is a European angle to address. A better slogan would be “smarter taxes”. A strategy is needed, that combines a domestic dimension, with taxes that help to make the economy more social and environment-friendly, and an EU-dimension, to ensure that tax policy is compatible with a well-functioning EU single market.

*Smart taxation: making the economy more social and environment-friendly*  
**@JosephESTiglitz,**  
**Margit Schratzenstaller &**  
**@Rinaldi\_David**



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*In a partly integrated  
 system such as the  
 EU, the freedom of  
 establishment translates  
 into the possibility  
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 is most convenient.*  
 ”

A well-functioning dynamic economy in the 21st century requires heavy public investments—not just in infrastructure, but in basic research and technology (if one wants to be part of the global innovation economy), in education and training and active labour markets (if one wants to have a productive labour force, quickly adapting to changing market conditions), in social protection (if one wants to be sure that no one is left behind).

With a little bit of vision and ambition, EU national leaders could campaign for an overhaul of the tax system towards “smarter taxation”—more equitable and more efficient taxes, within a country and between countries. That would imply addressing some of the failures of European economic integration in the sphere of taxation. It also means giving up on the shibboleths that have shaped tax policy for the last third of a century.

Our vision calls, for instance, for developing a tax reform in a direction that is sustainability-oriented, creating incentives to invest

in the green and circular economy as well as in energy-efficient resource-minimising undertakings.

Top income and corporate tax rates have gradually fallen across the EU. Between 1995 and 2018, the average top income tax rates in the 28 EU Member States dropped by about 8%, to 39%. The tax reductions for corporations are even more striking, with the average EU corporate tax rate dropping from 35% in the mid-1990s to 22%.

A principal reason for the reduction in business taxation is related to the unwillingness of EU leaders to address taxation at EU level. EU Member States still compete with their neighbours by lowering the corporate tax to attract the tax base, instead of using community methods to make sure that businesses pay their fair share of taxes. In such a partly integrated system, the freedom of establishment across Europe translates into the possibility for multinational corporations to declare taxes where it is most convenient—where taxes are the lowest or where they can craft the best deals (as

Between  
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39%

Apple did with Ireland). This puts small and medium-sized companies at a decided disadvantage. Tax competition has been weakening Europe and its economy, and yet today, there is little momentum to curb it, let alone to eliminate it.

If governments around the EU want to be serious about lowering the tax burden on their people and on their companies, they should first and foremost demand reforms within the EU. Companies in Austria pay a statutory tax of 25%, whilst neighbouring Hungary has set the corporate tax rate at 9%. It is Ireland however, with its 12.5% of statutory corporate tax, resulting in an effective tax rate for multinationals not higher than 4%, that illustrates the essential problem. In 2014, Apple paid taxes of just .005% of its claimed profits in Ireland—and much of those profits should rightly have been booked elsewhere in Europe, including Italy and Austria. But Ireland is not alone: Luxembourg too is a corporate tax haven, as income is shifted there, through for instance royalties on intellectual property,

and then taxed at less than 6%. According to a study of the European Parliamentary Research Service, yearly average corporate tax losses caused by profit shifting in the period 2009 to 2013 amounted to more than €70 billion for EU Member States. Why accept such distortions, such inequities, within the EU internal market?

It is not necessary to harmonise fully corporate tax to deal with such problems. EU countries could agree on a range of rates that still leaves freedom to Member States or they could simply introduce an EU-wide minimum corporate tax of 20%, for example. It would be a farsighted step. Rather than compete against one another for corporate business, European countries could and should stand together to make sure that tax revenues on the profits of multinationals are duly collected, especially in this moment where substantial investment is needed to address the digital and ecological transition.

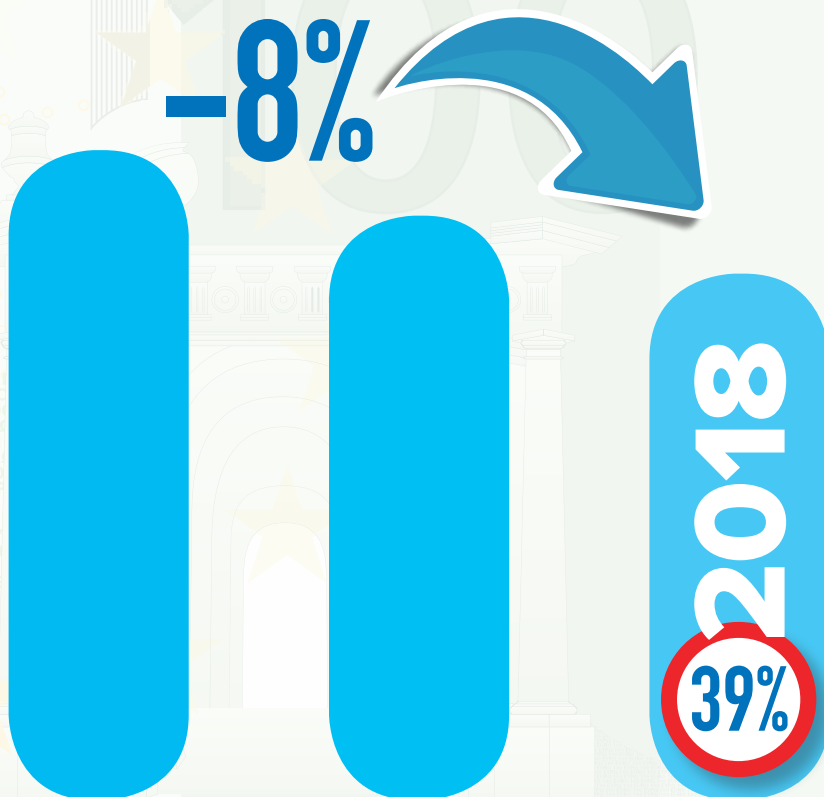
*How to use taxation to put solidarity and the environment centre-stage?*

**@JosephEstiglitz,**  
**Margit Schratzenstaller &**  
**@Rinaldi\_David**



The OECD initiative on profit shifting, while a step in the right direction, does not go far enough. This is the time to finalise the common European initiatives against profit shifting that the European Commission has been pursuing for some time now. In particular, the EU should introduce a harmonised corporate tax base which would be allocated based on an apportionment formula, and country-by-country reporting by multinationals.





Another area of action worth pursuing, both at EU and national levels, is capital gains, i.e. the increases in the value of assets. In practically all EU countries, capital is taxed more favourably than labour. On average, interest income is taxed at comparatively low rates, at 23 percent. In some countries (Belgium,

Cyprus, Croatia, Luxembourg, and Slovakia) capital gains are completely exempt from taxation. Since capital is a more important source of income for the wealthy, this favourable tax treatment of capital reduces the overall progressivity of income taxation and creates distortion among EU countries in investment allocation.

As the EU's power structure of this new legislature is shaping up, it is important that national representatives understand that much of what they can do for their country in the field of taxation has to be done in Europe. And not necessarily in "Brussels", but rather in The Hague, Luxembourg City, Dublin and La Valletta.



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**Joseph Stiglitz** Nobel Laureate in Economics



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# WHY IRELAND'S LOW TAX POLICY HAS SURVIVED FOR SO LONG

by David Jacobson

| The EU Commission found that Apple had received a special treatment from the Irish government and ordered the company to pay some €13 billion.

Ireland has had an industrial policy based on low corporate tax. This was first applied only to Multinational Enterprises (MNEs). Later, on the insistence of the EU, it was applied across the board. But MNEs were still able to exploit some tax provisions that enabled them to have significant advantages over indigenous firms. Also, there is a race to the bottom, led by Ireland, that reduced the global tax payments of MNEs, sometimes to zero. Ireland will have to change!

**S**ince independence, industrial policy in Ireland has undergone two main significant changes. First, in the period after the stock market crash of 1929, along with many other countries, Ireland introduced protectionist policies. High tariffs, quantitative restrictions and prohibitions on foreign ownership of manufacturing were all aimed at forcing the pace of indigenous industrialisation. This had limited success. It was followed in the late 1950s and early 1960s by the second

broad transformation in industrial development strategy when free trade began to be introduced and tax incentives offered to foreign owned firms that invested in Ireland.

With a relatively less developed economy and being an early mover in the introduction of low or zero corporate tax for multinationals (MNEs), Irish governments faced little or no international opposition to its strategy. The only problem for corporate tax following Ireland's entry into the then European

Community was that the tax treatment of foreign enterprises was different from the tax treatment of indigenous enterprises. This was finally resolved under EU rules when, in 1998, instead of 10 per cent for multinationals and much higher rates for indigenous firms, Ireland introduced an across-the-board corporate tax rate of 12.5 per cent.

However, various tax provisions were still available to be exploited by MNEs that were not as readily available to Irish enterprises.

MNEs, for example, could switch profits from high to low tax regimes, and particularly where this related to intellectual property this has had a huge impact on the global tax payment of MNEs. In addition, some MNEs (including in particular Apple) have set up subsidiaries that have no declared tax residency. As a result, they have been able to pay no tax at all. The EU Competition Commissioner, Margrethe Vestager, found that Apple had received special treatment from the Irish government and ordered the company to pay some €13 billion. Both Apple and the Irish government have appealed against this ruling on the grounds that Apple behaved in accordance with Irish tax law, exploiting provisions that were available to all companies and that therefore Apple was not in receipt of any special state aid. The consideration of the appeal will take some time and will be significant for the future of corporate tax policy, and not just in Ireland.

There has been deep commitment on the part of all Irish governments since the late 1950s to support for foreign investment, and for the utilisation of tax and other means in the

*Irish low tax policy for  
Multinational Enterprises –  
Ireland will have to change!  
@DavidJacobson48*



pursuit of this policy. The Irish government joining Apple in the appeal against the EU Commission's decision to force Apple to pay the huge fine is just one example of this commitment. After all, why would any government turn down a sudden gift of €13 billion, more than 20 percent of GNP? Even opposition parties, including those of the left, have continued to support the low tax policies and the encouragement of foreign investment.

Given the likelihood that a tipping point is being reached where EU policy is changing towards a more common approach to corporate tax, where the OECD's Base Erosion Profit Switching programme is gaining support, and where civil society in Europe (and elsewhere) is incensed by the low effective tax payments by MNEs, Ireland among others may have to become more rigorous in its imposition of taxes on foreign companies. In a May 2019 speech at the Harvard Kennedy School and the Irish Tax Institute, the Minister for Finance, Paschal Donohoe, seemed to acknowledge these immanent changes and declared Ireland in favour of the removal of provisions that enable MNEs to avoid paying any tax. At the same time, he strongly supported the idea of tax competition and declared that Ireland will do all it could to defend its 12.5 per cent corporate tax rate.

Why is there such support for low corporate tax in Ireland? Will the Irish government's response be enough? The answer to the first question is that all political parties, including the left, have supported MNEs because they have been perceived as providing

employment, especially high-skilled jobs. Even nationalists support the low tax, seeing foreign opposition to it as an attack on Irish sovereignty.

Will the Irish government's response be enough? Continuing to implement an industrial policy based on low corporate tax is unlikely to succeed in the long run. We have shown in some detail in a book for FEPS (Upsetting the Apple Cart) why more attention has to be paid to indigenous enterprise. Without rejecting foreign investment, in the future, Irish governments will have to support green, Irish investment to a much greater extent than in the past. From an EU perspective the answer to the second question remains to be seen. Will the EU agree on a more common approach to tax rates and tax policies, will it reject tax competition, or will it accept the Irish government's argument that for small, peripheral economies, low tax is a legitimate policy to attract mobile capital?

“

*In the future, Irish  
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”



**> AUTHOR**

**David Jacobson** is Emeritus Professor of economics at Dublin City University Business School. He is the Chair of Commission on Industrial Policy in TASC.


**Laurent Berger**

is the new President of the European Trade Union Confederation (ETUC). He is also the Secretary General of the French Democratic Confederation of Labour (CFDT).

## Strengthening social policies to counter nationalists

Interview with **Laurent Berger**, by **Alain Bloëdt**

*A few weeks after the European elections, the staggering blow of the rise of the right and extreme right is hard to integrate. What are the challenges now waiting for Progressives to regain ground? How do we block the nationalists? Laurent Berger, the new president of the European Trade Union Confederation (ETUC) takes a look at the topics that will need attention in the near future.*

**Progressive Post:** *Have social issues been well represented during the last European elections campaign?*

**Laurent Berger:** For us, there is never enough representation of social issues. But it cannot be said that social issues were totally absent from the campaign, at least in France. They may have been treated superficially. If I caricature, everyone agreed on the issue of the minimum wage. That's good, but how do we get there? The European campaign is always imperfect for a simple reason – Europe is sometimes difficult to explain to citizens, and politicians are mainly tempted to explain that Europe is more the problem than the solution, although I hope they inwardly think so less and less.

**PP:** *What's your take on the results of these European elections?*

**LB:** The results show that in France there is a National Rally in the lead, and elsewhere the populist or far-right parties are very high. Despite everything, the European populist wave that we feared did not happen. These parties are unable to organise themselves in the European Parliament, which is rather good news. However, the current leaders would be well advised to consider that the cannonball is getting closer and closer.

**PP:** *How do we push back these nationalist parties?*

**LB:** There is only one way – to conduct social policies, at the level of women and men, and to ensure that one day, politicians in each country

**#DigitalPlatforms: without collective organisation, it's the law of the jungle. @CfdtBerger**







| The trade union struggle requires a part of utopia, which means pursuing ambitious objectives, and at the same time redoubling efforts and mobilisation to achieve them as quickly as possible.



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political balances will be discussed again with “pivotal forces” as they say, and that new forms of alliance or governance will have to be found between the EPP, the Social Democrats, the Liberals and the Greens. This can be interesting for me as a trade unionist and especially for the Confederation of Trade Unions, because it will allow us to intensify our work with parliamentarians.

**PP:** *Is this reconfiguration of the European Parliament and the emergence of new groups more favourable for the unions?*

speak about the results obtained at the European level rather than the problems caused by Europe.

**PP:** *Your election as President of the European Trade Union Confederation (ETUC) comes at a time when a new European Parliament is being set up. Is this a good moment to start?*

**LB:** In a way, yes. This new European Parliament has many areas to tackle in our field. But it doesn't make it any easier, of course.

**PP:** *Why?*

**LB:** Quite simply because things are never easy in Europe, no more with the old Parliament than with the new one, even if we are going to have a new configuration. Firstly, the populists did not return to Parliament as massively as they had hoped, which is rather good news. Secondly, it is clear that

**LB:** It's hard to say. What is certain is that the ETUC has two major ambitions – to redefine a social contract in Europe, and to be part of a fair ecological transition. The fact that the Greens have acquired such weight in the European Parliament, but also that Social Democratic forces are still present, gives hope that the alliance between these two ambitions can be made a reality.

**PP:** *You are a trade unionist with a powerful voice in France and who already has many issues to deal with at national level. What do you intend to bring to the ETUC?*

**LB:** What I would like is for the ETUC to question itself on the definition of trade unionism in this period of profound transformation that is the 21st century, for us to project ourselves into the future forms of the ETUC, for us to strengthen the link with affiliated organisations, and for the ETUC to

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*The ETUC has two main ambitions: to redefine a social contract in Europe and to be part of a fair ecological transition.*

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become part of the daily campaigning life of our respective members. Today, being an ETUC affiliate too often means going to meetings in Brussels and pretty much forgetting everything once you get home. I therefore want to strengthen the link and support initiatives, two of which are very close to my heart. The first is to be able to bring to life at the European level what we have done at the French level in terms of the social pact of ecological transition, with our Power of Living Pact agreed with NGOs and associations – which can be relatively easily transferred to the European level.

**PP:** *What is the second initiative?*

**LB:** The second is to put the question of the content and organisation of work back at the heart of trade union concerns and the European debate. This ambition will require a discussion of workers' power. I really

want to ensure that we look beyond the news, to position the ETUC in the European landscape.

**PP:** *In two years' time, you will complete your term as President. What will be your criteria to measure if you have succeeded?*

**LB:** If the ETUC is still united, if we have debates that go to the heart of employees' concerns (which will not prevent us from having debates on how to respond to the Commission or Parliament on certain issues), and if we quite simply have new members joining us.

**PP:** *At the end of the European Trade Union Congress in Vienna, you said that European trade unionism was at a crossroads. What do you mean by that?*

**LB:** I believe that trade unionism needs to reinvent itself, as do almost all institutions, at least in France and Europe. If I say that trade unionism is at a crossroads, it is because I am totally convinced that society, and especially the working world, cannot do without trade unionism, but that trade unionism cannot operate in the same way as before either.

**PP:** *What are the options for change?*

**LB:** Trade unionism must understand how the recruitment of new members is now taking place, how to get young people more interested, including through the

logic of causes, how to make the balance of power weigh, by exercising it differently than through demonstrations, thanks to alliances and the quality of our proposals. This is where we are at a crossroads: either we continue on our quiet little path, and we will all go to the end of our mandates, but towards a declining trade unionism, or we give the necessary energy to renew trade unionism and its practices. This is what we have tried to do within the CFDT in France and it has borne fruit. It takes a lot of energy internally to question what you are and what you want to do, but it is absolutely necessary.

**PP:** *Do you think that the ETUC, like other national trade unions, has become too institutional and has forgotten other positions?*

**LB:** I think a form of institutionalisation is looming over trade unionism everywhere. It is by acknowledging that we should spend

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*Our ambition is to put the question of the content and organisation of work back at the heart of trade union concerns and the European debate. This ambition will require a substantial discussion of the workers' power.*  
”

much more time in contact with workers and respond to their daily concerns that we have allowed internal developments at the CFDT. This institutional function must be continued while going beyond it in order to build an ETUC that is much more in line with workers' concerns. This applies to the ETUC but also to affiliated organisations.

**PP:** *How do we achieve that?*

**LB:** We must be concrete, talk about real situations experienced by workers whose diversity is extreme – between a French worker in a sector that is doing well and has a good collective agreement and a worker from Romania, the situation is different. We must therefore foster cooperation, make major demands (minimum wage, unemployment benefits, etc.), but also obtain results that are the same for women and men, which we are perfectly capable of doing.



| The ETUC team at their Congress on 24 May 2019. Luca Visentini re-elected Secretary General, Laurent Berger elected President.

**PP:** *Minimum wage, tax harmonisation... - will we see progress in this area in our lifetime in this Europe?*

**LB:** I don't believe that the minimum wage in Europe is a fantasy that current workers will never see. The trade union struggle requires a part of utopia, which means pursuing ambitious objectives, and at the same time redoubling efforts and mobilisation to achieve them as quickly as possible.

**PP:** *Today, how can we convince a worker, especially new workers on digital industrial platforms, to join a union?*

**LB:** It is a reflection and an action that the CFDT is starting to carry out. We start by convincing him that he is economically and socially dependent. It is no longer a subordinate relationship as in employee time, but

a very strong form of dependence. Secondly, we convince him that he is entitled to social security coverage similar to that of employees. Working conditions, the right to training, minimum income, social protection – these are the things he is entitled to as a worker.

**PP:** *Is that enough?*

**LB:** I would add that without collective organisation, it is the law of the jungle. This is true in the world of traditional work, with employees, but it is even more so when your "boss" is virtual. The platform would like to make you work as much as possible without granting you any rights. Trade unionism must offer services, a platform for demands, which gives these workers a sense of belonging so that they can join trade union organisations. This is what the CFDT is gradually building, with announcements to be made this autumn.

*#MinimumWage #EU - it's not a fantasy that current workers will never see @CfdtBerger*



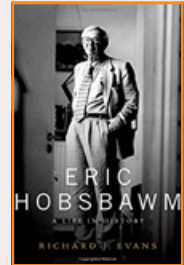


## TO READ

***The Far Right Today****by Cas Mudde**Wiley, September 2019*

The far right has taken centre-stage again. 'The EU', Cas Mudde, the leading expert on global far-right extremism, writes in his new book, is considered 'a threat to national sovereignty' by far-right leaders. Several EU countries are ruled by far-right leaders, but most of them – while still euro-sceptic – no longer advocate for their countries to leave the block. Instead, boosted by their growing electoral successes and political relevance, they want to change the EU their way, branding themselves as a "bulwark of Christianity" (PiS leader Jarosław Kaczyński in Poland) and "the future of Europe" (Fidesz leader Viktor Orbán in Hungary).

In this timely book, Mudde provides a concise overview of the fourth wave of post-war far right politics worldwide. What defines this current far-right renaissance, Mudde argues, is its mainstreaming and normalisation within the contemporary political landscape, in Europe and elsewhere. Challenging common wisdom on the relationship between conventional and far-right politics, Mudde offers an insightful picture of one of the key political challenges of our time.

***Eric Hobsbawm: A Life in History****by Richard J Evans**Oxford University Press, April 2019*

Just vis-à-vis the massive bronze bust of Karl Marx in Highgate Cemetery, London, stands a sober gravestone, inscribed simply "Eric Hobsbawm, Historian, 1917-2012" – the most succinct illustration of a man who, as Richard Evans writes in this new biography, "had been the best-known and widely-read historian in the world".

During the "the short 20th century" (a term he coined), Hobsbawm has been seen marching against Hitler in Berlin in 1933, rallying for the Popular Front in Paris in 1936, visiting an anarchist-run village in Catalonia at the start of the Spanish Civil War that same year, and, in 1962, acting as a translator for Che Guevara in Cuba.

But more than that, he was a historian of the rise of industrial capitalism, socialism and nationalism. A life-long Marxist, his convictions lead his interests: his best-known works include his trilogy about the "long 19th century", The Age of Extremes on the 20th century, and an edited volume that introduced the influential idea of "invented traditions".

Using exclusive and unrestricted access to unpublished material, fellow historian Evans offers a vital insight into one of the most influential intellectual figures of the twentieth century.

***Who Killed My Father****by Édouard Louis**Harvill Secker, March 2019*

Who Killed My Father is a disturbing account of the ravages of toxic masculinity. But Louis never stops there: with the fire of a writer determined for social justice, and with the compassion of a loving son, the book puts masculinity in its context of class, social poverty and homophobia. There is a kind of privilege that consists of being rather unaffected by politics. This, Louis writes, "is what separates some populations, whose lives are supported, nurtured, protected, from other populations, who are exposed to death, to persecution, to murder". One of the latter

is his father: a factory worker until "one day at work, a storage container fell on him and crushed his back, leaving him bedridden, on morphine for the pain" and unable to work.

The book's title is not a question. Louis addresses the list of those he considers responsible for the destruction of his father's body, and pending death: politicians who have passed reforms impacting the poor. Specifically, he blames one by one the last four French Presidents, up to the current one: Emmanuel Macron.





## TO READ

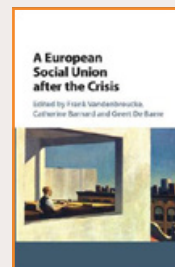
***Mistaken Identity –  
Race and Age in the Age of Trump****by Asad Haider*

Verso Books 2018



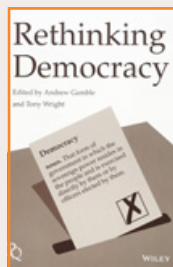
Half biographical memoir, half political and theoretical analysis, Haider's account begins by recounting the author's experience as a boy of Pakistani origins growing up in the United States after 9/11, repeatedly facing Islamophobia. As a sixth grader, Haider accidentally finds the work of Huey P. Newton, co-founder of the Black Panther Party. The book follows the author's subsequent political evolution as he develops the view that an emancipatory politics can be neither exclusively class nor identity-based. Rather, the author argues, the Left must overcome its divisions and support an intersectional approach to inequality and justice that

builds widening circles of solidarity. This requires rejecting the contemporary understanding of identity politics, which he interprets as a retreat to demands for individual recognition. Examining namely an uprising in colonial Virginia, Occupy Wall Street and Black Lives Matter, the book reflects its American context. Moreover, the author's language indicates his immersion in Marxism and in the black radical tradition. The result is fundamental reading for any progressives interested in developing policies, narratives and a vision that equally speak forcefully to multiple groups of voters.

***A European Social Union  
after the Crisis****by Frank Vandenbroucke,  
Catherine Barnard and Geert De Baere*Cambridge University Press,  
December 2018

A European Social Union after the Crisis is an exciting selection of academic papers that are a must-read in the times of forming of a new European Commission and the battle around the leadership of the Committee on Employment and Social Affairs in the European Parliament. This impressive volume contains the summary of research of 25 renowned scholars and policy practitioners, whose reflections span over 500 pages and four chapters: Solidarity and Legitimacy; Themes of European Governance; Legal and Institutional Challenges; Politics. The publication proposes concrete ways on how to move from the vague and elusive

notion of Social Europe towards a new concept of a European Social Union. This doesn't aspire to make the EU a welfare state, but to create the environment, to provide clear objectives, standards and means for the Member States' own welfare systems to flourish.

***Rethinking  
Democracy****by By Andrew Gamble and  
Tony Wright*Wiley/ The Political  
Quarterly, January 2019

Rethinking Democracy is a collection of 11 articles that provide an exciting panorama of analyses of the state of democracy and of the ideas of what to do to preserve, promote and deepen it. As the editors underline, the contributors were at liberty to choose the angles for their respective inputs, which translated into a wide variety of themes and approaches. The underlying organising message remains that democracy is never a finished process and should never be taken for granted. The contributors argue that it finds itself in a crisis. They discard

the simple remedies and look at ways to address the corrosion of representative democracy, expansion of the digital revolution onto deliberative processes and changing patterns of participation. Among many valuable recommendations, they say that imagination and institutional creativity are a good place to start in order to move away from the current predicament.



## TO THINK

### Electoral reform in Slovenia - how to achieve gender parity of elected MPs.

by Sonja Lokar

Slovenian Daily Dnevnik on April 26, 2019.



The Slovenian Constitutional Court has requested to reform the electoral law for the State Assembly without even mentioning the need for improving equal representation of women in the State Assembly. The article analyses the structural discrimination of female candidates and how to get rid of it by introducing legal measures to ensure gender parity of elected MPs.

### A Comparative Analysis of Elections in the United States and in the EU

by Ben Raffel

EUROCITE



The US, home to about 330 million people and boasting a GDP of around \$21 trillion, forms its federal governments through uniquely long and controversial elections.

The EU, home to 515 million people and generating a GDP of \$19 trillion, creates its governments through an entirely different series of elections that result in coalition makeup changes in Brussels. Both the US and the EU face similar issues

within their respective electorates, while their differences in election protocol reveal varied results for new governments.

### The banker and the citizen: Europe in the face of financial crises

by Michael Vincent

Fondation Jean-Jaurès



Ten years after the subprime crisis, and with the euro celebrating its 20th anniversary, are the mechanisms put in place at European level enough to deal with new threats? Regulation is too serious a matter to be left to bankers, lawyers and economists alone and citizens have the right to form their own opinions. By demystifying finance, analysing the most significant events, providing data, testimonies and anecdotes, Michael Vincent

highlights the dynamics that drive the vicious circle, so that all the lessons of the past ten years can be learnt.

### Governance and security in the Sahel: Tackling mobility, demography and Climate Change

by Bernardo Venturi

IAI, NDI, FEPS



This volume analyses the factors related to good governance in the Sahel and it explores how the quality of governance is influenced by and can affect the management of demographic change, climate change and mobility. This research is structured around four main axes: first, analysing the factors underpinning good governance in the Sahel; second, focusing on the governance of mobility, demography and climate to explore

the relationship between governance and these issues; third, examining specific case studies, namely Burkina Faso, Mali and Niger; and finally, addressing the role of key international actors in the region, including the EU. Each chapter also sets out some key progressive policy recommendations for local and international stakeholders.

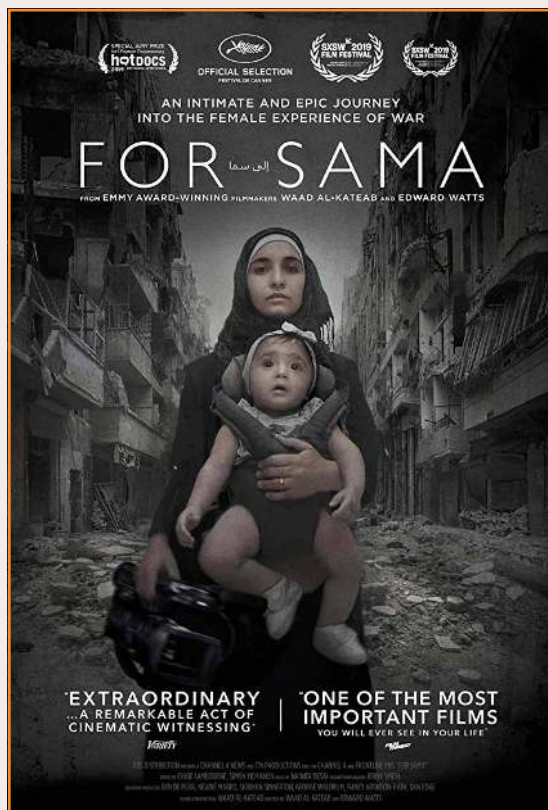


## TO WATCH

*For Sama**a documentary directed by**Waad Al-Kateab and Edward Watts, 2019*

Over five years, Waad Al-Kateab and Edward Watts have been filming the war in Syria every day. The result is a documentary that shows how people live from day to day during a war that seems endless. A collection of testimonies, 300 hours of filmed accounts, is never enough to understand the horror of the victims. Broken people who organise themselves to survive. The director's objective in showing the Syrians' strength is to imagine a better future. A documentary that seeks to reveal humanity through horror, to show the truth of war and of the life that goes on.

It is the story of Syrians that are part of our history. Moving stories of innocent people in times of war. The conflict in Syria has now been going on for eight years. It began during the Arab Spring with demonstrations for more democracy and against the regime of President Bashar al-Assad. The rebellion then took on arms to face repression, particularly within the Free Syrian Army, which was then supplanted in several regions by Islamist groups, including the al-Nusra Front which is recognised as an armed wing of al-Qaeda.

*Inside Europe: Ten Years of Turmoil**a documentary series directed by**Tania Rakhmanova and Tim Stirzaker, 2019*

The two episodes of the documentary tell the story of Europe today. The first part recounts the story of the Greek financial crisis and Brexit. 59 minutes in which to understand the political and human issues affecting Member States of the European Union. Against the backdrop of the Greek financial crisis, the rise of populism becomes clear. The second episode treats the migration emergency. In 2015, the arrival of thousands of refugees on the Greek and Italian coasts put the European Union to the test. Without consulting her

European partners, the German Chancellor Angela Merkel decided to open the borders to more than a million asylum seekers. Other countries refused to do so. A documentary series that, between scenes of riots and political analysis, describes 10 years of successive crises.





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