NEXT LEFT

CRISIS AND PROGRESSIVE POLITICS:

How to make hard choices and succeed?

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Foreword

The kick off to this volume of the Next Left book series was a meeting of the Next Left Focus Group in October 2022 in Vienna. More than seven months into the Russian war against Ukraine, the debate about the current state of European politics was multi-layered. The coordinated approach to manage the COVID-19 pandemic has been a reason for hope that the EU might be able to develop into a political union that is capable of tackling the major challenges we are facing. And the coherent action against the unprovoked and unlawful Russian war against Ukraine has been even more of a sign of the common ground of values and interests that the EU and its member states are built on.

The current problems, on the other hand, are enormous. The energy and cost-of-living crises are both additional hardships for many EU citizens and a challenge for European industries. The huge uncertainties that the EU had to cope with over the last couple of years left their marks on the overall attitude of people towards their democracies. In many EU countries, the far right is (re)gaining momentum.

Against this backdrop, the members of the Next Left Focus Group began a debate about what European progressive politics would need in terms of analysis and recommendations to consolidate their programmatic approach in the year before the next EU parliamentary elections. The group came up with four notions that they built their discussions and written contributions around: equality; freedom; democracy; and solidarity – classic social democratic core values, which are building layers over current policy debates in this book.

The first chapter, written by Jane Gingrich, Eunice Goes, Jorge Galindo and Eric Sundström, deals with equality in Europe. The authors outline possible measures that could help to increase equality with traditional and non-traditional progressive policies. The new work

environments and demographic changes, according to the authors, would call for an approach that would "widen a too small blanket", instead of pulling on one corner of the social security blanket, and therefore, uncovering another vulnerable part of society. On one hand, this would mean more public services – free or affordable childcare or more affordable housing would be two examples – funded by more wealth-related taxes. On the other hand, a progressive wage development could be achieved by strengthening industrial relations. The latter might actually be underexposed in current progressive policy debates. Strong collective bargaining regimes, such as those found, for example, in Austria – with a collective bargaining coverage of 98% – don't just guarantee regular and decent pay rises, but also help to achieve good working conditions and other progressive goals.

Some of the authors' suggestions show how difficult it is to find solutions for complex current problems without creating new ones. Their assessment that welfare states with a strong contribution focus, as is the case in insurance-based welfare systems, is, on one hand, understandable, when you consider that modern biographies include fewer stable careers, and therefore, fewer contributions into and less benefits from the social system. Tax-based systems, on the other hand, leave much more discretionary power to governments, when it comes to cutting financial transfers and social security as a whole, which makes the whole welfare system less stable. The question that arises is whether perhaps it is not so much the "institutional machine" that doesn't fit a "new structural reality", but actually the other way around. Couldn't it also be a goal to avoid careers with so much instability and part-time work?

A particularly interesting aspect this chapter points out is the demographic dimension. There is an increasing majority of older voters who might have divergent interests from those of younger voters, both when it comes to economic and social policy, but also when it comes

to matters of identity, European integration and climate change. The authors rightfully point out that a major threat when discussing those diverging interests is erasing the dimension of equity and wealth distribution between classes – the struggle over the "too small blanket" offering once more an excellent metaphor. But still: from an electoral point of view, we might not be able to ignore the divergence the demographic change brings.

One addition from my side: we should not be too concerned about the rising costs of pension systems over the next decades due to demography. This is only a temporary phenomenon, with which a sensible handling of the fiscal implications should be able to cope. In the medium to long term, costs will sink again. From a long-term demographic perspective, there is no need to cut pensions in order to avoid higher debts and secure sustainable budgets.

A matter that might need further discussion is the idea of increasing government subsidies for social security tools that are based on financial market instruments. Governments should not fund financial vehicles, the performance of which depends on the state of financial markets and asset markets. Instead of using taxpayer's money to supplement individual private pension funds, it might be a better contribution to the "predistributive" agenda that the authors suggest, to improve public pension schemes.

The interdependence between security, freedom and democracy is the focus of another chapter of this book, written by Attila Antal, Felix Butzlaff, Patrick Diamond and Anna Pacześniak. The question that is discussed here is how we can assure societal resilience in a future post-war Europe. When in the present debate the headlines are full of the controversies around military support for Ukraine, in the future, we will most likely have to deal with a much more complex set of threats for our security, democracy and freedom, such as disinformation, cyber- and hybrid attacks, espionage and other foreign interventions. The

traditional social democratic discourse about security policy always focuses on the need to assure that the military is a stable part of our democratic frameworks. This approach needs to be applied to the fight against modern security threats.

The suggestion to include civil society organisations that aim to protect societies from the above-mentioned threats is something that deserves further attention in the context of policy development. This approach might provide a chance for progressives to lead a new common effort of combining security and "genuine resilience with democratic principles", as this has already been the case with social democratic military policy in post-World War II Europe.

Rightfully, the authors highlight their growing concern over the erosion of a democratic common ground in the EU. Neoliberal destruction of the economic and social foundation of democracy in the transition of Eastern Europe leads the basis of support for antidemocratic politicians. Especially in Hungary, there is increasing doubt about whether the country is able to re-democratise. This might make it necessary to think about how the EU can act as a fall-back option to maintain democratic standards.

An interesting idea the authors mention is to work on the concept of a "European state of exception" that could be used in future crises, which must have a strong parliamentary element (national and European) that would limit the risk of national governments' imposing authoritarian measures by themselves (see Hungary during COVID-19 and the climate crisis).

The fight for climate protection is mentioned as an example of how social democratic parties struggle with their own willingness and ability to act as progressive opinion leaders in contrast to their voters' will. This might need some further discussion. The past year and the political action that followed the start of the Russian war against Ukraine showed that social democrats actually did have a point in the past when they

said climate policy was not about individual lifestyles and consumption cutting. It is about a large-scale energy transition, a major tax shift and other measures to fight inequality, and about the transformation of our industry. Maybe social democrats were right to protect their (potential) voters from having to bear the weight of climate protection with individual sacrifice, now that we see how big the potential of a common effort is, when those in power choose to move the big wheels.

Last, but not least, there is a chapter that deals with solidarity, written by Carlo D'Ippoliti, Mathieu Fulla, Dimitris Tsarouhas and Konstantin Vössing. The authors define two solidarity lines: interclass solidarity and international solidarity. The latter has posed a challenge for the European social democratic family over many years now. Especially on matters of economic coordination and fiscal policy, and lately the regulation of the energy markets, there have been difficult debates between northern and southern representatives of progressive parties. Therefore, it is particularly important to conduct those debates regularly and with a common effort.

One big question the authors raise is whether a value-based solidarity approach has been taking over an approach that used to appeal to a group interest of voters. They claim that if voters do not vote anymore on the basis of being a worker or a teacher or a Catholic and so on, then social democratic parties should do more than justify their policies with statements that contain claims of how these policies benefit workers, teachers or Catholics.

This debate might stay with us for a longer time, as – like the authors point out as well – social democratic parties still do appeal to the group interest. And as the trade unions are an indispensable part of our political family and hopefully will stay a powerful progressive force, it might actually be the goal of combining the fight for economic and social interests of the working people with a strong value-based approach that sets the ground for a genuine social democracy.

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Thankfully, the Next Left project hasn't ended yet. We are continuing to bring together excellent academics and committed activists and politicians from all over Europe, and sometimes even beyond, to discuss and publish further ideas for a progressive future.

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PROGRESSIVE POLITICS:

HOW TO MAKE HARD CHOICES AND SUCCEED?

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Andreas Schieder, Ania Skrzypek

For the audacity of making progressive choices in current complex, hard times

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Imagine the x-axis of a graph. At one end, there is the statement "Everything is shaped by circumstances"; at the other, it is written "People make history happen". Just for the sake of this exercise, ask yourself a question: where between these two extremities would you place yourself to depict your conviction?

Usually, many respondents choose the centre. This may reflect a moderate approach, but it is also an expression of longing for a certain stability and predictability. To translate this attitude into the world of politics, some would say that trying to seek the middle ground is an expression of confidence that capable leaders (and organisations) can use favourable circumstances and set the course for a new direction. In a nutshell, it takes the right people, at the right time and place, to bring about change. Some others would claim the middle is where the effect of the extremities should and can be tamed by adequate policies. And then the context – with some pressing challenges within it – can be used to unblock some decisions and identify new ways forward. This is the philosophy of the, by now, somewhat overused phrase "never waste a good crisis". In either of the two, the result is about reaching new stability, a new kind of compromise – which then enables desirable progress. But then a valid question is what happens if it becomes impossible – for different reasons – to find and reach that middle ground?

Such a consideration is no longer that hypothetical. For about three decades, the world and, consequently, Europe has been going through a period of almost permanently occurring crises. Each crash magnified the effects of its predecessor. The imbalances created by the neoliberal global order, the crash of 2008, austerity, imploding democracy, the climate emergency, COVID-19 and then the war in

Ukraine with all its implications. Each of these contributed to making reality harder to cope with for everyone. To that end, the crises started being more frequent and more intense. And this left only brief periods that one could hope to use for bouncing back and for recovery. As a result, everyone has become vulnerable and the means to build resilience have become depleted. Against this backdrop, it has been very hard not to feel anxious and disempowered. Either as an individual or as a member of a society and political community.

That anxiety has been further augmented. Firstly, because of *the great unknown*. There has been a sense that things are not going in the right direction, but there has been no obvious course either. To that end, whatever trajectory the world has been on today, the more general anticipation has been that it would likely be disrupted, and the situation could only get worse. Secondly, and consequently, there has been an overwhelming presence of doomsday scenarios. They have been predefining the focus, which has been on the disasters that have happened and may occur, leaving very little space to direct the attention to those many examples of how humanity managed to cope with diverse challenges. Against this backdrop, since many citizens feel that circumstances overwhelm them, and a great many among them seek to line up behind those who loudly oppose the *status quo* and claim to be providing radical solutions. Paradoxically, of course, those anti-systemic forces then thrive mostly in the very context that they promise to break free from.

The complex, difficult circumstances, on one hand, and, on the other, the pressure coming from the forces that, until recently were only at the fringes of the political system, make the space for a more moderate political approach shrink. And it also makes political forces such as centre-left or centre-right appear suspicious: they pledge to offer a way forward, while citizens consider that they had been part of an institutional setup and hadn't prevented one or another crisis from

coming. Consequently, there are two questions here. The first is how to establish a new equilibrium, creating mechanisms to effectively protect people against negative externalities, while implementing the ideas that provide social progress for all. And the second is why that task should be entrusted to social democrats ever again.

This existential framing is intentional here. Looking at the electoral performance of social democrats, the results indicate that now is the moment in time when their decisions will define the faith of the movement for the next decades of this century. It all comes down to willingness, ability and integrity in both making and pursuing hard choices. And this is what this 14th volume of the Next Left books is about.

Politically more became less

Evidently, the task of making choices seems easier when there are only two of a maximum of three roads ahead. If we are to believe Norberto Bobbio and some other authors, whose writings are now considered classical literature, regarding divides within the political spectrum, there was a time in history when at least general demarcation lines could have been drawn between left and right. And these two were adversaries. In such a case, indeed, possible choices could have been narrowed to "either/or". But this is, of course, just a general impression, which could apply potentially only to the two or two-plus partisan systems. Everywhere else, if there were more contenders in the electoral context, the situation would already be less straightforward. With all the systems seeing increasing volatility among voters (among other changes in patterns of political participation), a space for further vote transfer occurred. This enabled the entry of new parties (some of which could barely survive one legislative period) and fragmentation. Since the "new parties" needed to appear as alternatives to the existing ones, many among them chose a path of radicalism and contributed to

polarisation. This new context meant, among others, two things. Firstly, there was almost no possibility to hope for a landslide victory by one party. Secondly, there was a decline in the share of votes for traditional parties. For a very long time, they have had a hard time recognising it and would still be rather tempted to speak about the "reverse of electoral pendulums". But eventually, it became clear that more parties meant less space for the kind of politics that social democrats were accustomed to.

Indeed, the dynamics of the world of politics changed considerably. The growing significance of media, especially audiovisual and then digital ones, meant that the political cycle would shorten, as also its terms would be dictated by what was *news* and *newsworthy*. The issues would emerge as "breaking" quicker than ever before and would instantly become known to many people at once. Hence, there has been increasing pressure on politicians to rapidly react. What seems to have counted more and more was "here and now".

To that end, any idea or action could immediately be tested, thanks to opinion polls. These could either suggest that it was popular and should be pursued or, on the contrary, discredit it right away. The same unofficial power to influence public opinion was gained by "the markets", which one could notice in the post-electoral narrative of media: "let's see how the markets reacted to the outcome". And there was a sense of suspension accompanying these reflections, as if the stock exchange boom or dive could potentially reverse the way people voted in democratic elections.

With that – mediatisation and "market dictate" – politics became preoccupied with short-term perspectives and instant deliverables. The debate about the medium-term or long-term vision was pushed out of the spotlight, and consequently, questions were asked about how far the ideologies would even matter in the 21st century. Such a reduction could never be a sustainable way forward. Especially given that, in the

heat of the moment, answers from different parties could look very much alike and voters started believing that, indeed, politicians were somewhat all the same. To that end, while some decisions were taken quickly to ensure that there was an instant answer to something that was on the trajectory to become a crisis – many of the potential implications would also be unanticipated. Consequently, the "unexpected" grew and the predictability of the parties decreased. The more they tried to be quick to survive "at the top", the less attention they paid to the ideological underpinning of their choices and the less solid was their base.

TINA was about making a choice

The predominant "unexpected" as the characteristic of the developments of the last two to two-and-a-half decades is a certain paradox. The contemporaries are considered to be the most informed society ever. There are sophisticated tools at our disposal to help predict how things may unfold and to anticipate how citizens will *truly* react (and in the long term). And yet, this has been a period marked by continuous shocks. So, even if it is hard to believe those who say post-factum that this or another crisis had, in fact, been foretold, still the question remains why had so few warned about and tried to counteract the crash of 2008? And then, why did the climate situation have to become an "emergency" to make the green economy a top issue for all parties? And why when Europeans say "it's high time to regulate digitalisation" are they, as a matter of fact, already too late? Why hadn't we seen that coming, and why has there been so little in place to cushion the impacts of the different shocks and help us bounce back?

It is possible that this may be because finding the new equilibrium – such as the one described at the beginning of this text – has become

that much more difficult in the meantime. Since the political profiles have blurred, the political systems have altered and short-termism has become dominant in the strategic approach; at the beginning of the new century, traditional parties, such as social democrats, started giving into one more temptation. It was an inclination to "play safe". This meant "to mend rather than manage" or "adjust rather than change".

It may have been a legacy of the 1990s, when so much was said about TINA (there is no alternative) in the context of globalisation. But not in a way that many critics would like to think about that – namely, the philosophy of TINA emerged, and everyone gave into it, accepting that neoliberal globalisation was the only course. Such an understanding would be an illegitimate simplification of what was discussed and decided in the last decade of the previous century. In fact, looking at what social democrats committed themselves to do back in those days – it wasn't at all about seeing TINA as a situation in which you "leant in". Centre-left politicians didn't believe that TINA was about holding back. Many of them shared a view that, while there may have been no way of stopping globalisation, there must have been a way to manage it, and hence, benefit from what it brought along. Subsequently, the sense of determinism was superseded by the confidence that the new world could offer new opportunities for growth, full employment, prosperity and welfare for all. In Europe, they were confident that societies would prove resilient and, with adequate support, be capable of rising to the challenge of the new times. Answers such as "education for all" and "fight against poverty" would guide policies that would lift people and close gaps between different strata. It was a bold claim, underpinned with a sense of purpose and optimism. True, many of the reforms proposed in its spirit were considered *unorthodox* for social democracy, and several had been objected to as driving away from the traditional course. Whatever their qualitative evaluation today, they expressed an

ambition to form the relationships within the capitalist world anew. And, as such, there was an attempt to reach a new equilibrium after the 1970s and 1980s.

Proposing a programmatic shift is never easy, and back then it sparked the internal conflict that has survived until today. This illustrates well its intensity. Keeping that in mind is helpful to understand what happened a decade later, as the political cycle was coming to an end. When conservatives regained a majority in Europe, and when the financial crisis hit, many social democrats felt drained and resorted to different sorts of bitter regrets. Even when in some countries the impact of the financial crisis was, in the end, less dramatic, because progressive governments had managed to set the course for economies well enough to ensure some safety nets. Still, social democrats were looking anxiously at the declining electoral results – at a certain point, being only able to name three out of 28 EU prime ministers among their number. They tried to explain the state of affairs as a consequence of recent choices. But, while they pondered how far these may have been mistakes or even acts of ideological treason, there was not much at that point to hang onto instead. So, shaken to the core, social democrats permitted others to tell them that this wasn't just a crisis but, in fact, their eclipse. They accepted that the welfare state might have been an *unaffordable relic of the past*. And since many among the centre-left parties internalised these thoughts, when they had to face tough choices, they lined up behind austerity measures. These seemed rational, so they gave in and, as a result, gave away an important thing: confidence. They were themselves uncertain whether they could bring a new compromise alongside progressive terms if their policies were sound (especially when it came to a sustainable economy), and if they would still be capable of leading. This was a much greater contribution to the "non-death of neoliberalism" – as framed by Colin Crouch – than anything they had done when in power before.

Accepting austerity was not only a terrible idea, to paraphrase an excellent book by Mark Blyth. It was a disastrous mix. Firstly, as pointed out earlier – to permit oneself to become that insecure and believe their opponents' narratives; secondly, to consider and implement austerity, thinking it may lead anywhere; and thirdly, to allow that set of choices to divide the movement – this was altogether irrational. The outcomes could only be negative for societies that experienced cuts first-hand, and for the parties that stood behind these decisions, including social democracy. The centre-left parties ceased to be seen as *the movement* of welfare states, public services and full employment. At that crucial moment in time, it wasn't that clear externally what they stood for, what the significance of their core values was (if any) for everyday politics and also whom they wanted to represent. This has made them even more vulnerable. Consequently, the more prolonged the crisis was and the more distrusted institutions of representative democracy were, the more unlikely their chances for a comeback have become.

The long two decades

At the dawn of the new century, social democrats either led most of the governments in the EU and in the prospective accessing countries or were the upcoming power there. But then, in the first years of the new millennium, a sharp decline began. The electoral results provided a set of tough lessons and indicated that this wasn't just a phase. The problems were far too profound, especially if one were to see the deterioration of the centre-left in parallel with electoral turnout, which started falling across Europe. There has clearly been a failure of the party-political system that they have been part of.

This was a sign that the distrust went beyond a party or the politicians of that party. On one hand, austerity wasn't really working for anyone; on the other, it wasn't enough to just repeat that there

could be no return to "business as usual". There was a need to do much more to respond to citizens' demands for a decisive change of direction, the urge for which was also reflected in the significant growth of the number of social mobilisations and protest actions, as explained in a book by Isabel Ortiz and her colleagues. Rallies were to a great degree focused on expressing outrage regarding inequalities, which from popular opinion became obscene, immoral and unsustainable. Fighting them was essential to restore hope for social justice and social progress.

Social democrats permitted themselves to cherish a hope that there was a great correlation between those mobilisations and movements, on one hand, and what social democracy has traditionally been about, on the other. They anticipated, therefore, that there would be an electoral shift to the left, which would bring about their revival. They did not assume that a swing to the left wouldn't be, by default, to social democracy. Instead, what was observed was a growth of the more radical left-wing parties in several EU member states. With some exceptions, where the votes were indeed cast for social democrats again, it was for those parties that unequivocally spoke up for austerity policies and wanted to turn the page. The new equilibrium that they had in mind involved a return to the welfare state, as underpinned by the revival of popular belief in public goods and services.

While austerity measures could have been implemented rapidly in the logic of crisis management, reversing their immediate effects would take years. The damage was done. Social democrats returning slowly to power and turning the page, namely, in Portugal or Spain, were very clear about that and seemed to have been better at managing expectations. But, although the situation was dire, and social democrats in governments could neither govern alone nor directly implement their singular agenda, they became appreciated. Because they have been acting in sync with what the centre-left has always held dear in terms

of values. This kind of political integrity improved their appearance as predictable, reliable and consequently trustworthy actors. But though this time they were aspiring to think about not only short but also medium term, there wasn't time to do much of the latter – as another crisis came, following the outbreak of COVID-19.

Beyond anticipation

The pandemic arrived in Europe at a moment when social democrats led or were part of more than one third of the governments in the EU. They proudly held the steers in the north and to a great degree in the south, and they were represented by strong leaders – who were determined to show that they had learned a lesson from the previous crisis. They wanted to govern through tough times, rather than simply manage a crisis. And there was another thing that was important – thanks to leaders such as Saana Marin, Jacinda Ardern and Pedro Sanchez (to name just a few), they regained the image of being solidaristic, compassionate and humane. This was an important qualitative change, helping progressives to move from being perceived as a rather caustic "part of the system" towards being a party that not only propagated but also stood for the slogan "people first".

With the spread of the disease and countries going into lockdown, it turned out that those who had been claiming that social democracy had fulfilled its historical mission and would fade away couldn't have been more wrong. Already the health crisis, which hit first, showed that, instead, there was a necessity to ensure well-funded, modern and accessible public services. There was an understanding of the pivotal role the state plays, as well as a sense of both rights and responsibilities within it. There was a strong revival of confidence in European and international cooperation, which were considered crucial in the battle to overcome COVID-19.

The crisis that the pandemic and preventive measures caused would have always been major. With so many victims, it couldn't have been otherwise. But what was an important factor was that COVID-19 hit under the circumstances of vulnerability, which resulted from the incomplete – at best – recovery from the 2008 crash. So, there was not much that could cushion the impact. The inequalities deepened, the deficiencies were more exposed and the prospects altered. Those better off, who could carry on with their lives with the help of teleworking, were looking at much better prospects than those who became temporarily or long-term unemployed, simply because their jobs ceased to exist in the standstill periods. Those who could help their children with their schoolwork saw them persevere better than those whose domestic circumstances had been precarious to begin with. To that end, those who found themselves on the frontlines of the fight against the pandemic and oversaw providing essentials were frequently already among those who had been underpaid and couldn't enjoy the best possible working conditions.

The pandemic was a traumatic experience indeed. As such, it resonated in several developments that social democrats have only partly found the answers to so far. Firstly, there has been a change in the fabric of societies due to the changed nature of intrapersonal relationships. It partially reversed the trends of *atomisation* and individualisation. Neighbours became aware of one another and one another's needs; communities started consolidating. People felt a need to express appreciation towards one another, even if that was through the small gesture of symbolic applause, which they would do at the end of the day from open windows of their respective apartments. The notion of "we are in this together" was again a tangible concept; this partially explains the mood in Germany ahead of the parliamentary elections and the success of Olaf Scholz's SPD's "respect" agenda. It was intense; it was transformative – but, in order to last, it would

have to be cultivated as societal culture. Hence, the challenge to update the notion of a social contract with clarity about the role of the state, civic rights and mutual responsibilities would be an important consideration.

This connects with the second question, which is the definition of the progressive values that are apt for the new reality. Sustaining the notion of solidarity, equality and freedom will only be possible if one is ready to go beyond *what these ideals are* and describe *what they are not*. This is particularly relevant in the case of freedom, which, for a long time, social democrats have been less preoccupied with than they were with the question of equality and solidarity. Free speech, however, has been what those spreading conspiracy theories or hate have used as an argument to justify their behaviour. Freedom to choose was what those refusing to get themselves vaccinated referred to. Freedom in defining one's lifestyle is the argument that climate change deniers are resorting to, when opposing the diverse aspects of the greening of our economies. The examples could be multiplied here, but the most important conclusion is that there are so many of them – and they are so bold – that social democrats can no longer afford not to address them. Especially, if they want to make sure that *freedom* is not claimed to be a value championed exclusively by the radicals, particularly the right-wing ones.

Thirdly, the crisis has been a multi-layered one and imposed adjustments in the way the labour market functions. It had a great psychological impact, with several issues coming forward, such as what defines employees' autonomy in the workplace, how can the right culture be ensured that allows everyone to disconnect, how can structural changes be balanced and help employees to transition when needed, how can working time be managed anew and provide better regulation to safeguard a work-life balance, and what will be the influence of AI and how can that be turned to everyone's advantage? These are evidently only a few considerations, which indicate how crucial a debate

within social democracy would be regarding the value of labour, work arrangements and well-being. Answering these convincingly is key to ensuring that progressives retain their traditional political competence in a modern way. Going beyond and framing the proposals that anticipate the world of labour in ten or 20 years is needed for them to remain a *workers' and employees' movement* also in the 21st century.

It has never been simply about taking over the green agenda

With the crises taking place one after the other and mutually reinforcing each other's impact, it is close to impossible to set a clear chronology of developments. Still, it would seem that, just before COVID-19, what had been globally at the top of the political agenda was the climate emergency. Firstly, because, indeed, the facts and figures had been growing and were staggering. It was no longer an indication – it was a hard truth – that, unless things changed, there would be a disaster. Secondly, it was made a prime issue by the mobilisation of young people across the globe. Greta Thunberg may have been the face of the protest wave, but arm in arm with her were thousands of her cohorts reminding all that there was no planet B. The scale of the rallies was impressive and to a great degree invigorating, although not perhaps as surprising as one would assume. Surveys have been showing that young people were preoccupied with the state of the environment and health, and in some countries (like Austria), it was a concern that had consistently come first on the list of their worries. Still, after years of complaining about declining political participation and the absence of the youngest voters at polling stations, this was an evident breakthrough.

For progressives, it was the final impulse to embark more decisively on the question of how to ensure a greener, more sustainable future. Not that it had been foreign to their programmes, but, truth be told, it

hadn't been anywhere near the first chapter of their manifestoes for decades. It had been considered a specific area and not a transversal issue, and it had been perceived as not particularly appealing when it came to connecting with *traditional left-wing voters*. This had to change as, aside from the fact that something evidently needed to be done to save the planet, *greening* has clearly been elevated to an equivalent of *modern, responsible and forward-looking*.

Where progressives were right was to see that the situation wasn't about them competing with the greens, but rather internalising the "green issues" – while developing a social democratic set of principles, policy proposals and narrative around it. The exemplary way forward was paved by Frans Timmermans, who championed this portfolio at the European level; by already-mentioned Saana Marin, who made governing through the twin transition the logic of her prime ministership; and by Paul Magnette, whose recent book on "eco-socialism" is particularly instructive on the topic.

In a nutshell, the evolving understanding was that there had been a need to change consumption and production patterns, which would translate into profound changes within the labour market and work regulations, social behaviours and lifestyles. The question that persisted was what these transformations would mean – especially in terms of the winners and losers, the dichotomy of which social democrats remembered too well from the times of discussions regarding globalisation. Though partial, and to some degree mostly managerial, answers had been offered – such as polluters should pay and everyone needs to contribute to changing the way we live – but it would seem that, indeed, more is required for progressive ideas to gain primacy and be the ones framing the transition that goes beyond some emergency adjustment measures.

There are perhaps three angles that the social democrats may focus on. First is the understanding that *greening* has to become a transversal

issue. It is about responsibility and solidarity; it is about production and consumption; it is about shaping the labour market anew; it is about the taxation system, etc.; but, above all, it must be made about social justice and social progress. Ergo it is about taming yet another set of aspects characteristic of the current version of capitalism and the markets. Progressives must be bold in the choices they want to make politically when pursuing the necessary reforms. They must show awareness about whom the transition will benefit right away, and which groups will need help to go through it and thrive. There will be reforms that may undermine the already vulnerable, and protecting and supporting them will require the entire toolbox of adequate measures, ranging from infrastructure and housing to consumer policies.

Secondly, *greening* of the economy must be understood as one of the aspects of multilevel governance. In other words, it must translate into a vision that boosts the economic empowerment of individuals, communities and states, while it also underpins the multilateral order in which all contribute to fighting climate change. This is relevant, as it allows connecting the answers to why we need electric buses with a specific trail of stops that link different communities, why we need trade agreements of a "new generation" and why we have to cooperate to make sure that Europe is not held hostage, for example, when it comes to energy dependency or delivery of so-called "rare earths". The world is interlinked and the experience of what happens in case of disruptions in supply chains remains fresh. So social democrats, as they have always been internationalists, have to provide a vision of how to turn this interconnectedness from a liability into an advantage of modern times.

Thirdly, the climate emergency has been gradually intensifying. And while, five or ten years ago, the political dispute would divide the pro-environmentalists and climate change deniers, today the line of conflict has moved. Certainly, there are still some governments in the EU that try

to trivialise the climate emergency, but, in principle, all the more relevant stakeholders admit it is there. Where they disagree is on the measures, with especially right-wing radicals and extremists fighting against caps (in meat, energy conception, etc.) and resorting to making the right to choose a lifestyle a matter of personal freedom.

This changed context already mattered a great deal in the midst of the pandemic when the paths to "building back better" were pondered and designed (for example, within the Next-Generation EU agenda). But what made the situation more complex, of course, was the consequences of the Russian invasion of Ukraine and its consequences. The gas and energy supplies were interrupted. And with the shortages and anxiety, and then the cost-of-living crisis and global food crisis, arose the question of how far the *green transition* was still feasible and how far it was affordable. This appeared to be a little bit of a déjà vu from 2008, when it was claimed that it was the welfare state that could no longer be *afforded*. And some, also among social democrats, started to consider how flexible they could be in implementing their commitments.

That said, there seems to be a three-fold challenge. Firstly, though these are dire times, it is important to remember that short-term fixes based on taking steps back usually create setbacks with long-lasting consequences. This is a time to persevere with the reformist agenda, and even step up – championing the issue further alongside progressive principles. Secondly, there is a clear need for a centre-left narrative, which will showcase the transversal character of the green transition, and hence, make it sync with the principles that are being applied to set the course for other transformations (such as digitalisation). This is not a task that would fall solely under political communication, because it is about getting ready to face opponents (right-wing radicals) on the new frontline of the battle for safeguarding the planet. It will be far from an easy fight, especially since they will

count on mobilising behind them all the anxious citizens, who already face the risk of falling into energy poverty. The populists' arguments have to be turned around, pointing to the fact that it is not the transition – if shaped as a just one – that pushes people into vulnerability. It is the energy prices, limited access to new technologies, conservatism in looking at the working relationship arrangements and the exclusivity of healthy products (among others) that do. Consequently, thirdly, it would seem that the progressive agenda for the *twin transition* is what can be a connecting point for the European elections. It is where the social democrats can prove why and how European cooperation makes a difference, and why progressive Europe would be an instrument in reshaping the relationships with the capital and markets in the form that they have today.

Progressivism, predictability and positive thinking in uncertain times

Returning to the exercise that was quoted at the very beginning of this article, and re-imagining the x-axis again, one could say that there is a lot that weighs down the end of "circumstances" and possibly many unclarities when it comes to ensuring that there is an equilibrium with the other end that says "people make the history happen". But isn't that precisely the reason why social democrats have to step up, show courage and integrity in making tough choices, and offer the sense that not all is uncertain or disaster prone? Isn't that exactly the time to shake off the insecurity that has grown within the movement about its future whereabouts and replace nostalgia by the confidence that yet again, it will be the centre-left that will break through the deterministic way of thinking?

To be clear, this call for getting a grip is not about disregarding the challenges that surround us. On the contrary, it is about making us all

try harder, get better and aim higher to live up to the expectations and deliver on hopes that are still being entrusted to social democrats in Europe. It is true that there have been tough elections – and to quote recent ones, it is not great to realise that the Czech Social Democratic Party (ČSSD, the oldest party in the Central and Eastern Europe region) is out of the parliament, that the French Socialist Party is in great difficulty, that the Social Democratic Party in Finland improved their results but still lost the elections, that the Swedish Social Democratic Party (SAP) was removed from power, and that the Bulgarian Socialist Party sank yet again in the fifth general election in just two years. This combined with all the shifts in the respective political stages and the rise of right-wing radical and authoritarian forces are reasons for great concern. It goes without saying that the reasons for such developments should be further explored, but while doing so social democrats should not forget that they have also had some great electoral stories and have led some governments that really have managed to make a difference, despite the crises hitting one after the other; they are the second-largest political family in Europe and still hold a number of key positions at the EU and global levels. There is also definitely no shortage of great ideas that can pave the way forward. Hence, the argument here is not about disregarding reality, but about a realistic account that may help boost the very much needed self-confidence.

In that sense, there is a strong point to be made about the attitude and way of thinking. The world is and will continue to transform at an incredible pace. But while some of these changes will result from overall developments and will come about gradually, there will also be abrupt moments – the consequences of which will last a long time. An example of that is the ongoing war following the Russian invasion of Ukraine. The scale of atrocities is unimaginable and, with every day that the military actions continue, it becomes harder to imagine the way to a cease fire and peace. Earlier in the text, several of the consequences were already

mentioned, but there is inevitably much, much more to take note of from humanitarian disasters and individual dramas, through the impacts on Europe and the global level. Much has been done in the first year to showcase that the values on which the EU stands remain valid principles, and the Union will take decisive action in the name of solidarity. That said, the war has changed the EU – and while some aspects of integration have been induced by the need for momentum (such as the last set of the Council's decisions on the arms procurement, which have altered the nature of the EU), there are still several crucial decisions that will need to be taken. For example, how can the EU strengthen, become more resilient and enlarge? How can the EU defend itself, especially against the threats of modern times that come from cyberwar? What will the EU contribution be and how can it be ensured to deliver peace and restore concepts such as multilateralism, diplomacy and the rule of international law? Responding to these will define the course of the next decades and social democrats cannot be hesitant in trying to ensure that the answers are driven by the primacy of progressive ideas.

Naturally, here, one could say that, even if progressives mobilise, they are still not a force that leads in Europe, and hence, even if they make bold choices, they may not be able to deliver on them. Beyond saying that such a risk always exists in politics, one has to argue that because of the experiences of the last two decades, which have been greatly described above, social democrats need to change their way of thinking. Indeed, clear, landslide electoral victories are rare. Whatever is left of the core electorates keeps decomposing. The populist right-wing radicals are on the rise. And there is also a fragmentation on the left. This all makes it more challenging for the traditional centre-left, indeed. But there is nothing preventing social democrats from starting to think about a different kind of logic. And that is that integrity matters, that boldness in choices provides people with clarity, and hence, some degree of predictability that every voter would like to have.

This is why in this cycle of the Next Left we have spent much time looking at the possible choices that social democrats have in ideological and strategic dimensions. We look at the alternatives and what opting for A and disregarding B would mean, potentially, when it comes to political and electoral results. But while there is no way to give guarantees in the complex reality that keeps on changing that one or another decision is bound for success (or failure), the important thing is to focus on the fact that, apart from threats, there are also opportunities, and progressives can be the force to make societies equally benefit from these and prosper. That they know how to ensure the necessary professional cushions against negative externalities. The key here is to draw on the power of conviction in one's principles and to propose a way forward. Because the ability to do as much in these complicated times will resonate. And as much as voters are aware that it is close to impossible to implement all the ambitions set within the electoral race, they need to be able to believe that progressives will still do their utmost to consequently pursue the choices they propose – in whichever framework, from whichever institutional position and in whichever coalition they get the chance to join.

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Jorge Galindo, Jane Gingrich, Eunice Goes,
With the support of Eric Sundström

A more equal Europe is possible!

FOUNDATION FOR EUROPEAN PROGRESSIVE STUDIES
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European politicians across the ideological spectrum have spent the best part of the last two decades discussing the harmful effects of inequality but have done very little about it. Across Europe, inequality has fallen slightly from its peak in 2015 but remains persistently high. The latest Eurostat data show that the EU27 Gini coefficient (the most used inequality measure) was 30.1, well above the EU's target of 27.5 (Eurostat, 2022a; Sustainable Development Solutions Network, 2021). In all EU countries, the income share of the top 10% rose between 1980 and 2017 (Blanchet, Chantel and Gethin, 2019). Moreover, new forms of intergenerational inequality have emerged, as young people in particular face insecurity in both the labour market and in access to benefits. To make matters worse, the EU's role in shaping fiscal, monetary and competition policy limits member states' ability to reduce inequalities and pursue social democratic aims.

Equally concerning, even in the one domain where the EU has strong and direct levers to address inequality – regional policy – its role has weakened. While growth in the poorer regions of Europe outpaced wealthier regions through the 2000s, Blanchet, Chantel and Gethin (2019) show that eastern European citizens still earned 40% less than the average European. And in the post-2010 period, new regional inequalities have begun to emerge. In addition to the divisions between northern, southern and eastern periphery countries, broader secular changes in the knowledge economy create new divides within member states.

These trends are worrying because inequality matters. Alongside its effects on public health, educational attainment, and general security and well-being (Pickett and Wilkinson, 2009), inequality also hurts economic growth and productivity. Economists from the

Organisation for Economic Co-operation and Development (OECD) argue that reducing inequality by one Gini point could translate into an accumulated growth of 0.8% over the following five years (Causa, de Serres and Ruiz, 2014).

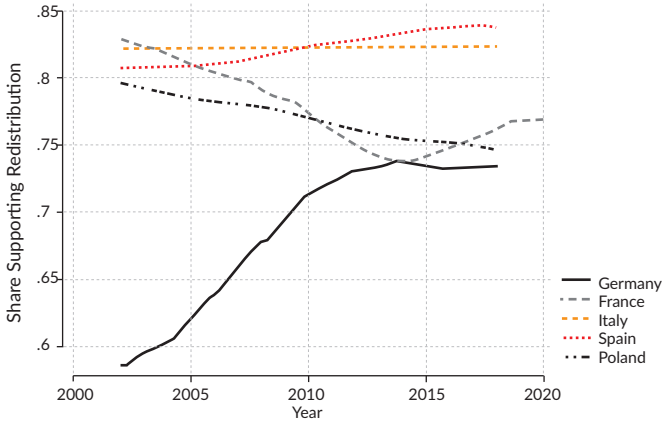
Fighting inequalities has always been a central political priority for European social democrats. However, in the past, the inability to create strong, durable EU-level coalitions to enact reforms hindered this agenda. We argue in this chapter that these constraints are now less pronounced, producing a new window of opportunity for more aggressive action on inequality.

Firstly, the European Commission (EC) has become increasingly willing to place social and economic convergence at the heart of the EU's agenda for the future. Indeed, the President of the EC, Ursula von der Leyen, used her 2022 state of the union address to call for a "union closer to its people in time of need" (von der Leyen, 2022). In November 2022, the EC published its proposals to reform the governance rules of the eurozone with the purpose of "strengthening debt sustainability" and "enabling sustainable and inclusive growth", as well as devolving power to member states (European Commission, 2022). The good news is that the European governments that were more resistant to change have shown a willingness to accept greater flexibility in interpreting the eurozone rules to promote social and economic cohesion across the continent (Sandbu, 2022).

Secondly, most European citizens favour a more egalitarian structure. Survey data from Eurobarometer (2021) show that 71% of Europeans "believe that a lack of social rights is a serious problem right now"; more than half think that promoting decent working conditions in the EU and abroad should be a priority of policymakers (Eurobarometer, 2021), and 88% of Europeans say that a social Europe is important to them personally (Eurobarometer, 2021). Figure 1, drawing on European Social Survey (2022) data, displays public support for redistribution in

the five largest EU states, showing a largely stable or rising trend in support for redistribution. Even in Poland, where support has slightly fallen, more than 75% of respondents support a strong role for the government in redistributing income. This gradual but clear change of direction in the EU and growing public support for egalitarian politics constitute a favourable political development that social democratic parties should explore to its full potential.

Figure 1: Support for Redistribution Policies Across Europe, ESS, 2022



To build on these shifting grounds and create a durable coalition around progressive policy, social democrats must understand its causes. Naturally, inequality is a multidimensional phenomenon (Dauderstädt, 2017a). In this chapter, we investigate three drivers of inequality: weakening protections for workers and unions, creating new *labour market inequalities*; inadequate investments in the skills and capacities of young people, forming new *intergenerational inequalities*;

and changes in the knowledge economy, creating new *regional inequalities*. Far from compensating for these trends, membership of the EU has often contributed to them. The eurozone prioritisation of low inflation, at the expense of other economic goals, has widened economic divergence across member states (Dauderstädbt, 2017b). The straitjacket of the eurozone governance rules is a serious obstacle for member states' investment in skills, infrastructure and strengthening of welfare states. At the same time, the EU has long prioritised economic competitiveness over social cohesion. As Azmanova (2020) pointed out, "the European Charter of Social Rights aims at equalising employment conditions across member states, not at strengthening the social safety net". Attempts to remedy these asymmetries, such as the 2017 European Pillar of Social Rights (EPSR), did not produce binding or enforceable social rights (Schulten and Luebker, 2017).

We argue that addressing labour market, intergenerational and regional inequalities require a revitalised agenda at the EU level. This agenda should address the structural causes of rising inequality – by developing progressive market-shaping "pre-distributive" policies – and creating more EU-level levers for remediating these inequalities – by expanding market-compensating "redistributive" policies. While recognising that many such shifts may be either politically or electorally challenging to endorse, we argue that this agenda is critical to the electoral and political revival of social democracy across Europe.

The following sections of this chapter start by outlining approaches to address inequality at a general level and then turn to explain patterns of inequality in the labour market, across generations and across regions. In each case, the chapter argues that there is a mismatch between EU institutions, the political coalitions that sustain them and progressive solutions, but that a range of public policies which seek to address inequality within and across European countries have the potential to contribute to a more equal Europe.

Minding the gap

A social democratic agenda for greater equality across the life cycle must incorporate both national and EU dimensions. There are wide variations in living standards and equality of opportunities across Europe. Member states need a degree of autonomy to adopt the social and economic policies that better suit their circumstances, political cultures and traditions. However, given the importance of EU integration to national economic and social policy, a progressive agenda must also recognise that the EU plays a crucial role in promoting economic and social equality. European social democrats should rally around a blueprint that seeks to address the growing polarisation of European societies, promotes intergenerational justice across the life cycle and pursues genuine equality of opportunities for all Europeans. To build an agenda that *no European citizen walks alone*, we argue that European social democrats need to adopt predistributive and redistributive policies at both the national and EU levels.

Predistribution – stopping inequality before it starts

A predistributive agenda focuses on the role of the state in shaping markets. Yale academic Jacob Hacker defines "predistribution" as policies that aim to "stop inequality before it starts" (Hacker quoted in Eaton, 2013). Predistributive policies involve both regulatory and investment policies, which Hacker argues entail three central planks: the distribution of economic power; opportunity; and collective organisation (Hacker, 2015).

The first plank focuses on market reforms that can encourage a more equal distribution of economic power. Such policies run from stricter regulation of financial markets and executive pay to strengthening trade unions (Hacker, 2011, 2012). The second plank concentrates on what

Hacker called "expanding equality of opportunity" (2014). This attention includes policies such as expanding preschool education, investment in vocational training and affordable housing, improving working conditions by raising wages, introducing a living wage and improving employment security (Hacker, 2014). The third plank focuses on organising what Hacker called a "countervailing power" to the market (O'Neill, Jackson and Hacker, 2013) and aimed to empower "new forms of work organisations" and to reinvigorate civil society.

A predistributive agenda can be challenging and expensive (Diamond, 2017). However, it has the advantage of addressing head-on the big problems of our time: labour insecurity and precarity; weak opportunities for young people; and regionally uneven access to good-quality jobs. At the EU level, we argue that a predistributive agenda offers flexibility, allowing social democratic governments to select from a varied menu of policy options. Moreover, the market-shaping aspects of the predistributive agenda fit well with the European regulatory and benchmarking instruments.

However, to make EU predistribution effective requires focusing on reversing some of the labour and social policies championed by social democrats at the beginning of the century and targeting the main causes of inequality, namely, wage stagnation; high childcare costs, which mostly penalise female workers; the rise of insecure and precarious work; and pensioner poverty. As such, this agenda requires building on redistributive coalitions, not substituting for them.

Redistribution – compensating for inequality

A social democratic agenda for greater equality will always entail a strong redistributive component. After all, governments need to raise revenues to fund their social, educational and industrial policies; support the most vulnerable, and sustain public services. Doing so

fairly requires more coordination on both tax and spending policy at the EU level.

Nationally, social democrats need to consider increasing income taxes from the top income earners and targeted corporation taxes. However, given the problem of growing wealth inequality, EU coordination around wealth taxes is a central imperative, as suggested by Thomas Piketty (2014). A wealth tax has serious advantages: it can efficiently raise substantial revenue. Indeed, the EU-wide wealth tax proposed by Kapeller et al (2021) could raise up to €224 billion and would affect only 3% of the European population. This form of taxation offers advantages from a political perspective, as wealth taxes are more acceptable to voters than raising taxes on labour (Advani, Chamberlain and Summers, 2020). Lastly, coordination around wealth taxes could reduce competitive dynamics across member states that reduce their efficacy while also creating new resources (at the national or EU level) to fund policy initiatives such as the ones proposed in this chapter.

A European Equality Agenda

Genuinely addressing inequalities through both predistributive and redistributive policies requires social democratic action on European governance. One of the throughlines of the following sections is that to deliver a more equal Europe, social democrats need to prioritise the reform of the Eurozone rules. These rules, as shown by their provisional suspension since the pandemic, de-incentivise long-term investment in education, infrastructure and the economic sectors that will create jobs and contribute to meeting climate targets. More worryingly, those rules have often acted as a constraint to a fiscally expansive agenda, as they have *de facto* prevented the poorer and most unequal countries from catching up with the richer and more equal member-states.

European social democrats should campaign for a reform of the Eurozone governance rules that is conducive to genuine equality. There

is still wide divergence amongst European social democrats about how the Eurozone should be governed. Social democrats in 'frugal' countries have opposed relaxing the rules. Still, they should consider that the monetary union is unbalanced and has constrained public investment in all Eurozone countries, including their own. For that reason, social democrats should capitalize on the EC proposals to enable greater investment and more powers for the national governments whilst remaining committed to debt sustainability. The governments of France, Italy, Spain, Portugal, and even the Netherlands (jointly with the Spanish social democratic government) have made interesting proposals for the reform of the Eurozone, which try to address the asymmetries in economic development and social well-being across Europe whilst keeping sustainable levels of public debt. European social democrats should take those proposals as the starting point for thinking about a more active European social agenda.

Rethinking Labour Market Inequality

In the past decades, we have witnessed profound transformation in the employment patterns in European countries. The deregulation of labour markets introduced in the 1990s has led, as Lopez puts it, 'to the proliferation of 'atypical jobs', the weakening of collective bargaining, the deterioration in working conditions, increased temporary working, and policies of internal wage devaluation' (Lopez, 2017: 21). The rise in the number of workers who are engaged in non-traditional forms of employment like bogus self-employment, fixed-term contracts or marginal part-time work, temporary working, zero-hours contracts and employment through agencies has created greater insecurity. The proliferation of insecure employment, in which employees lack control over their work, is widespread in Europe. However, it varies in extent across the region (Hudson-Sharpe and Runge, 2017: 4). We attribute these shifts to two key transformations: the decline of trade unions and

the erosion of social rights. Addressing these requires building a pre-distributive and redistributive European agenda.

The Role of Trade Unions

Since the nineteenth-century, trade unions performed a key role in European societies: they led successful campaigns in favour of universal suffrage, better working conditions, higher wages, the establishment of state pension systems and the creation of new rights like the right to paid holidays, parental leave and sick pay. They also played a key role in mobilizing industrial workers and developing solidarity networks across European societies. However, trade union membership has declined across the continent nearly everywhere in the last four decades. However, there is great variation in trade union density across Europe. According to the European Observatory of Working Life, Scandinavian countries tend to have very high and stable union density (generally above 60% of the workforce). In comparison, central and eastern European member states have much lower union density (around 10% on average) that is also decreasing (Hudson-Sharpe and Runge, 2017). The European countries with the highest union density tend to be the most equal.

The decline in trade-union density has two basic causes. Firstly, several changes in the structure of labour markets have contributed to the decline of trade unions. These include the transformation of production, the shift towards service industries and the consolidation of new types of work that are not traditionally organised by unions. In 2021, there were 27.6 million self-employed people in the EU (Clark, 2022a), roughly 13-14% of the workforce in the EU27, a very similar point to where things stood ten years ago. However, these figures conceal huge variations in the pattern of self-employment across Europe. If in Norway only 5.3% of the workforce is self-employed, in Greece that figure applies to 27.9% of the workforce (Cedefop, 2020).

This situation matters because insecure workers tend not to join trade unions, leading to substantial gaps in coverage. For instance, the ESS shows substantial variations in trade-union membership across generations in all European countries. On average, only 14% of young workers are union members, while middle-aged and older workers have unionisation rates of 21% and 23%, respectively. The lowest membership rate of young workers is found in Czechia (1.59%), but it is closely followed by Poland (1.6%), Estonia (2.19%) and Italy (2.78%). At the other end of the spectrum, we find high trade-union membership rates in Norway (36.72%), Belgium (40.88%) and Finland (52.94%) (Böhm, 2022). As Jannis Böhm (2022) pointed out, "young workers more often have limited contracts or no contract at all, as well as lower autonomy over their working conditions".

Secondly, declining trade-union membership density is not just a symptom of changing labour markets but also a cause of weakening labour market opportunities. Changes to labour laws and industrial relations based on an ideologically oriented search for labour market flexibility, which started in the 1980s and developed in the 1990s, contributed to a drastic decline in trade-union membership and opened the way to the political onslaught against employment rights.

The correlation between a decline in trade-union density and the consolidation of insecure work and wage stagnation then suggests that a relevant social democratic agenda should centre on the strengthening of trade unions and in the development of wage-setting mechanisms, which can take the shape of co-determination, democracy at work or any other mechanism that best reflects the patterns of industrial relations in the different countries. Social democratic parties should reclaim their role as champions of European workers by promoting trade-union membership, especially among private-sector workers, who are often non-unionised. They can do this by advocating for new institutional mechanisms that enhance the influence of trade unions,

or by supporting and strengthening existing collective bargaining mechanisms (Hudson-Sharpe and Runge, 2017). In addition, they should vocally support and organise joint trade-union campaigns for higher wages, improved working conditions and secure employment, which disproportionately impact younger workers, women and ethnic minorities.

Whilst collective arrangements on wage setting should reflect the historical links that social democratic parties have with trade unions, the substantial differences between member states in trade-union membership, and their track record on employment precarity and inequality, suggest that the EU can have a key role in rebuilding wage-setting institutions. As suggested by Schulten and Luebker (2017), the EU can actively support collective bargaining, by providing extension mechanisms that increase coverage of collective agreements and by developing a European minimum-wage policy that guarantees a decent living wage to all – most naturally respecting the collective bargaining agreements in member states where such systems are in place. But governments and the EU can do more to regulate and, in some cases, ban employment practices that are exploitative and conducive to precarity and insecurity. A renewed and more active engagement with trade unions will not only contribute to more equal economic and social outcomes, but will also help social democratic parties to reconnect with working-class voters and to build a broader electoral coalition.

A European approach

A prerequisite for achieving a strong trade union movement in Europe in the long term is to secure independence from political interference, state funding and control either at member state or EU level. While legislation is key for some national trade unions, other labour market models rely heavily on social dialogue and collective

bargaining for regulating workers' rights and their labour market. Hence, the work to ensure that the EU labour legislation fully respects different labour market models and traditions is a crucial one. Legislation must be drafted in accordance with national law and practice, and sufficient room for manoeuvre must be left to the social partners, by for example the possibility for the social partners at national level to derogate from specific provisions through collective agreements.

The achievement of a more equal Europe depends largely on the choices and decisions of different member states and reflects the different paths that European societies choose to take over time. However, expanding fair labour markets across the EU and ensuring some continent-wide income security requires European action. The EU plays an important role in developing and implementing an agenda which aims to ensure that all Europeans enjoy good living standards and can fulfil their potential as students, workers, pensioners and citizens. Social democratic parties should use their presence in the European Parliament (EP) and European Council to push for an agenda that will deliver greater equality. As outlined above, this requires attention to market structure, particularly support for trade unions and political redistribution.

Promoting greater security in labour markets at the European level calls for the full implementation and further development of the EPSR, which sets 20 key principles designed to serve as benchmarks that guide member states' actions in the social sphere. At present, none of the EPSR values and recommendations are enforceable, weakening their impact and allowing huge variations in employment protection across Europe. In a recent report, the EP documented wide disparities across Europe in regulating the minimum wage. As the report noted, "six member states do not have minimum-wage regulations, and the other 21 appear to have both adequacy and coverage issues that still leave a large share of workers in low-wage status and poverty" (Müller,

Navarra and Jančová, 2022). And as Schulten and Luebker (2017) noted, the recommendations for minimum wages still "reflect a highly critical view of most recent minimum wage increases in many countries" and demand that minimum wage increases should be compatible "with the objectives of job creation and competitiveness and do not hamper the employment opportunities for low-skilled workers".

European social democrats should consider to work towards making the recommendations of the EPSR enforceable. Moreover, social democrats should task the EPSR to identify the best labour market rules, minimum-wage rules and collective bargaining mechanisms in Europe to promote the adaptation of such policies to all member states. The starting point of that agenda may be the transformation of the minimum wage into a living wage, which would be calculated, firstly, in each member state to reflect its particular economic and social circumstances, but using the same set of variables. The end goal should be to define a common European living w age within a particular timeline (the European Social Scoreboard could be used for this purpose), to be met when there will be greater economic and social convergence across the EU27. By then, the European living wage should become a norm and enforceable as the eurozone's public deficit target. A third strand of the EU's approach should focus on tackling employment insecurity and precarity through stringent regulation of insecure forms of employment like zero-hour contracts, along with (as expanded below) an extension of material employment rights, such as the effective right to sick leave, paid holidays and parental leave, to self-employed, agency and temporary workers.

All these measures will be necessary, but not sufficient, to expand income security. To ensure that no one is left alone, social democratic parties need to develop policies that directly target labour market risks and beyond throughout the life cycle, addressing the needs of different demographic groups.

Inequality across the generations

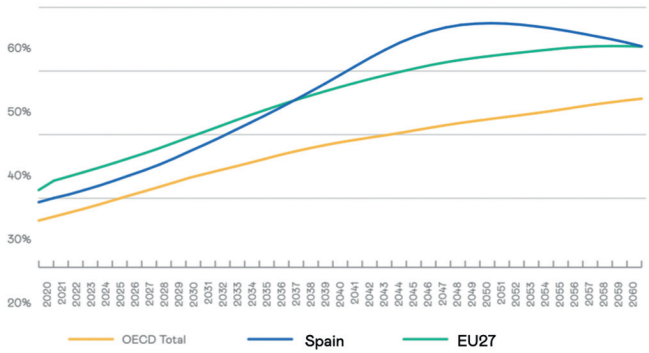
The concept of intergenerational equality is an elusive and politically charged concept. Intergenerational equality or solidarity has been used to demand that an ever-smaller pie of benefits (public or private) be shared more evenly between generations. But it has also highlighted the potential for welfare states to build broad and stable protective coalitions. It is the latter that interests us here.

To optimally operationalise this concept, we must consider the balance with three essential components. The first is structural and concerns demography: society is divided into various age groups, but the capacity to contribute to the common good and the need to receive dignified and adequate protection changes for each age group. The second component of this concept is about institutionally guaranteeing both the contribution and protection which relies on the state's development and maintenance of mechanisms that obey the previously established consensus. And finally, a political mechanism inevitably connects the structural dimension with the institutional one. It is about developing electoral majorities that support the consensus or demand modification.

When the three components fit together best, the resulting balance is stable and sustainable solidarity. However, if there is an imbalance in any of the three components, it can easily move to a different equilibrium: one of fragmentation and lack of protection; one in which the welfare system ends up resembling a blanket that is too small and always ends up leaving some part of the body uncovered; in this case, some part of society, or a moment in our life cycle. The story of intergenerational solidarity could begin at any of three points (institutional, structural or political), but perhaps the most logical is the basic building block: the starting demographic structure.

The demographic reality

The defining demographic feature of western societies is an ageing population. This is a phenomenon common to all European countries, although it occurs with greater intensity in southern Europe. For example, in 1995, only 15% of Spanish society was over 64 years old, but by 2022 that figure reached 20%, and by 2050 it is expected to peak at 31%. The curve for the EU or OECD as a whole is not as steep but follows the same trend (Figure 2).



The initial, and most important, result of this change is that the weight of socio-economic dynamics gets skewed upwards on the age scale. As a result, higher public spending on older groups shifts the production of certain goods and services towards them, leading to an aging elite that takes longer for new generations to break into. This also reduces the proportion of working-age people, exacerbates intergenerational inequality by making it easier for those who have already accumulated wealth to continue extracting surplus value, and overall contributes to an unequal distribution of capital.

A particularly clear example that is underrepresented in public debate is that of the housing market in Europe's major cities. The difficulty of access to housing has become a challenge shared by all European youth. The defining feature is the imbalance between supply (limited) and demand (growing, due to globalisation and the increasing weight of these cities in economic dynamics) for housing. But the combination of this housing market imbalance with the demographic one results in intergenerational injustice, as older generations can convert a greater proportion of young people's income into capital income for themselves. As we know, housing is often owned by the older generation, who rent it out to the younger generation.

The institutional mismatch

The key goal of progressive political efforts in Europe during the last two centuries could be summarised by generating more equitable and decent living conditions for everyone. Considering the reduction in poverty and inequality until at least the 1970s, it is hard to argue that the efforts were fruitless. Pensions and other forms of cash transfers played an essential role in guaranteeing a sufficient income for those who could not work.

But the original institutional setup (which made sense at the time) of our welfare systems is now misaligned with current times on (at the very least) four key aspects:

(1) Most of these cash transfer systems were linked to contributions to ensure financial sustainability, avoid negative incentives not to work and improve political acceptability among the middle classes. Unfortunately, this setup tends to reproduce inequities across the base income distribution. Caps and floors often alleviate these. Still, the latter are usually too low to guarantee a decent income and the former dis

incentivise increased investment by top-income earners in the public system.

(2) These schemes were chosen under a radically different demographic structure. This essential fact casts serious doubt on the long-term financial sustainability of current setups.

(3) The goal of this institutional setup was to protect the household as the nuclear social unit. This setup helped to extend protection to women who were not working outside the home, but consolidated a "male breadwinner bias", as women engaged in care and homework were only protected if a man with a more stable career provided for them.

(4) In the same vein, the focus on contribution overexposed those with more unstable job prospects to the risk of elderly poverty, since their contributory record was full of holes.

In summary, the institutional machine in place does not seem, therefore, functional for the new structural reality and might end up reinforcing a vicious cycle. Governments and policymakers gradually lose political incentives to invest and craft policies focused on the young, preventing the young from building stable households and fruitful careers. Opportunities are, therefore, scaled down at the individual level aggregated growth prospects are harmed and the structural constraint becomes larger due to the lack of sufficient gains in productivity, growth, etc. In other words: the blanket appears too small; and a fight for who gets coverage becomes the default political equilibrium.

Unfortunately, current electoral politics reinforces this reality, as the typical parties of government are overwhelmingly supported by older voters, who also tend to be most assiduous participants in elections. To make matters worse, the demographic structure seems impossible to overhaul in the short term. Even if we had a magic wand to change current trends, it would take decades for the dependency rate to grow back up. Therefore, the only real leverages to break this vicious cycle are at the institutional and political levels.

Intergenerational…conflict?

Given this setup, the temptation of resorting to an "intergenerational conflict" political frame is clear. This would, however, only feed the logic of fighting for a too-small blanket. Pitching generations against each other would not return the equilibrium to its virtuous, functional balance. Instead, it would just deepen its current dynamic. Framing it as a conflict assumes the acceptance of a reality that cannot be changed. Furthermore, the dimension of equity across income and wealth levels also gets erased. Finally, it splits the social democratic voting base into two confronted groups: the youth and the elderly.

In short, the protective blanket of the welfare state is small because institutional setups have not adapted to the new demographic reality. Moving towards a further reduction of the protective nature of the welfare state will not help to reverse the trend. Therefore, the political message should be turned on its head and framed as a search for a better-functioning equity-oriented system. When that happens, the constraint (i.e., the size of the protective blanket) is questioned and becomes part of the intended equilibrium.

The policy route for the new equilibrium

The inevitable question arising from the "widening the blanket" approach is how and when to widen it. A perhaps fertile principle to start thinking about transforming these concerns into policy is to make the egalitarian promise to new and old members of our societies that they will never walk alone. A set of policies that delivers on that promise must consider the entire life cycle in a comprehensive but differentiated manner.

Young families could benefit from policies such as generous, symmetrically distributed, paid, shared parental leave; free or affordable

childcare; and universal preschool education. Evidence from northern European countries suggests that such policies can contribute to higher participation rates of women in the workforce, a reduction of the gender pay gap, a better work-life balance within families, and happier and well-supported children (Nordic Council of Ministers, 2019). They and young workers, students and pensioners would also benefit from free access to public transport and targeted support to access affordable housing.

Not walking alone through your career also implies having the means to freely adapt to external (economic shocks, varying household needs) and internal (preference modification) forces. To help middle-aged workers, who are at risk of being excluded due to technological changes in their fields, it might be transformative to implement more effective, universal (i.e., unconditional) and market-matched human capital systems that focus on helping individuals acquire and update their skill sets. These systems should go beyond those that are only targeted at early stages of life.

But perhaps the most crucial and arguably difficult portion to fulfil this demanding principle will be precisely in the portion of the population (and life cycle) that will grow the most in the coming years. Here, the blanket must first and foremost cover those who tend to be least protected. There are likely to be two groups that will benefit from these systems: those who are currently retired or nearing retirement and have lower incomes, less stable work histories and increasing care needs; and new workers engaged in insecure work, who will face these challenges throughout their working lives until retirement.

For these reasons, social democrats should consider adopting the proposals presented earlier in the chapter that aim at addressing insecurity and precarity in the labour market, securing adequate minimum wages and setting up living wages, which would benefit younger workers, especially those with fewer qualifications. Social

democrats should also address pension poverty, which affects 14.8% of pensioners in the EU27 (Eurostat, 2022b). Social democrats should propose a living pension and offer other targeted support, especially in terms of access to high-quality social care. In addition, current pension systems must improve their collection robustness. This will likely involve raising taxes (for wealth, income and companies – as argued earlier), but also social security contributions in a progressive manner. For this process to take place equitably, it will be crucial to produce a thermostatic pension update system.

This new system should be able to get extra support from those who earn more in good times to weather the difficult times. Treating higher-income pensioners as high-income, high-capital households rather than pensioners will also help to modulate redistribution and adequately fund health care, mobility and emotional well-being targeted at the over-75s, whilst ensuring more generous income adequacy for workers with less-stable careers than is currently the case.

This extra contribution may also open the door to later retirement of high-skilled, high-income workers with physically undemanding jobs. From a social justice viewpoint, there is no reason why the retirement age should not be a redistributive mechanism, in the same way taxes and the transformation of contributions into pensions already are.

Finally, ensuring the system's resilience for its users also implies building the individual blanket that will cover everyone as soon as possible. A supplementary individual pension fund, designed to be adopted from a young age and supplemented by the government and companies for people from lower-income households, could transform the second pension pillars (which often widen wealth disparities due to a lack of redistributive mechanisms) into tools for closing these gaps throughout an individual's lifetime.

The regional patterns of inequality

While income inequality began to rise across Europe in the 1980s and 1990s, Europe's regions initially moved in the other direction, becoming more equal through this period. Over the second half of the 20th century, Europe's poorer regions grew faster than its richer regions, and overall variation in regional wealth fell. Indeed, Barro and Sala-i-Martin (1992), writing in the early 1990s, described the EU as a "convergence machine". However, in the last decade, many of these converging trends appear to have weakened – and in some cases, even reversed – with recent work by the OECD showing flat or diverging trends in regional growth (Pina and Sicari, 2021).

To put these trends in concrete terms, let's compare Denmark's Copenhagen region, one of Europe' s historically richer regions, to Spain's Canary Islands, one of Europe's historically poorer regions. In the 1950s, Copenhagen had a GDP per capita over five times that of the Canary Islands (Rosés and Wolf, 2018). By 2009, the Canary Islands had reached over half of the GDP of Copenhagen, with an adjusted GDP of €20,800 per capita compared to €37,400 per capita in Copenhagen. A decade later, however, the gap between the two regions had again grown – with Copenhagen's GDP rising by over a third to €51,400 per capita, while the Canary Islands' GDP barely budged to €23,000 per capita.

At the EU level, regional convergence through the post-war period followed from two general trends: convergence within countries between richer and poorer regions; and a general convergence across European countries, particularly the rapid growth in southern Europe and parts of eastern Europe in the 1980s and 1990s (Pina and Sicari, 2021). However, the example of Copenhagen and the Canary Islands shows how contemporary patterns have unsettled these dynamics.

Firstly, the nature of contemporary economic growth has created new patterns of regional inequality *within countries*. The growth trends in Copenhagen over the last decade look more like those in Berlin, Paris or Milan, than the rest of Denmark – creating new inequalities within Denmark. Secondly, aspects of EU institutions, particularly the development of monetary integration without strong fiscal integration, have exacerbated national economic differences, creating new *between-country* inequalities. The Canary Islands are in a country – Spain – whose overall fiscal room to manoeuvre has been highly constrained over the last decades.

Both shifts call for new progressive thinking on regional cohesion. The EU, from its founding, has had more aggressive policies to address regional inequalities than other forms of income or wealth inequalities. Yet, the new forms of regional inequality require reimagining these historic policies – and their national counterparts – which largely followed a model targeting resources at poorer regions. To address the destabilising social and political dynamics that new inequalities pose, social democrats need to focus their attention on both regional policies, creating broad prosperity, and fiscal integration at the European level. In so doing, they can build a coalition to update the longstanding goals of cohesion in a more egalitarian direction.

New regional inequalities

In the past decade, Europe's urban regions have grown faster than other regions (Pina and Sicari, 2021). In many ways, this "urban growth model" is not new. The regions of Europe that were the richest in 1910s, 1950s and 2020s are largely the same – London, Zurich, Isle de France and so on – with a concentration of skilled workers and investment in these wealthy urban areas (Rosés and Wolf, 2018). However, for large parts of the 20th century, the gaps between these

regions and other regions were falling, with substantial "catch-up" growth narrowing overall regional inequality.

As outlined above, much of this growth involved the rapid development of Spain, Portugal and Greece. However, in many countries, there was also substantial within-country convergence, as mass educational expansion and industrialisation combined allowed poorer regions to rapidly develop. In the historically deprived regions of southern Italy, for instance, the 1951 census revealed rates of illiteracy reaching 30% in Calabria and Basilicata, compared to under 3% in Piedmont. Today, while regional inequality in Italy is still high, the differences in basic attainment or access to public services are less stark. The expansion of skills and investment, allowing more growth in Europe's historically deprived regions, *and* the rise of large welfare systems that operated as de facto forms of regional redistribution contributed to these trends. EU policies also played a critical role in supporting targeted investments in less wealthy regions.

However, the pace of these shifts has been more varied since the 2000s, particularly since the financial crisis of 2008. One driver of these new inequalities relates to the rise of superstar regions built around global cities. A growing literature on the dynamics of new knowledge-intensive sectors – such as technology and newly skilled tradeable services – shows that urban areas with high concentrations of skilled workers have tended to benefit most from the growth of these sectors (e.g., Moretti, 2012).

The extent to which urban growth models dominate varies across Europe; in many countries, regional convergence continues (McCann, 2016). In about half of EU countries, wealthy capital regions have grown more in the last decade than other regions (Bulgaria, Czechia, Germany, Denmark, France, Spain, Croatia, the Netherlands and Poland). In contrast, in the others, there has been faster growth outside of capital regions (Austria, Belgium, Finland, Hungary, Italy, Portugal,

Sweden and Slovakia) (own calculations, Eurostat data). The result is that, while convergence continues in some countries, there is no uniform trend toward it.

Moreover, even where nationally redistributive policies limit major regional divergences – through explicit regional transfers or large welfare states that de facto redistribute regionally – nearly all countries are experiencing the concentration of the highly skilled in major cities. By contrast, many agricultural regions and areas with a historic manufacturing base have fallen on harder times. Formerly manufacturing-intensive regions, particularly in parts of northern and eastern Europe, have often experienced decades of weaker growth. These places often lack a critical mass of skilled workers or infrastructure to compete for new STEM or tech jobs, and manufacturing firms do not offer the same employment opportunities as in the past. In other parts of southern and eastern Europe that rely on agriculture or tourism, the combination of older populations and often limited inward investment means that opportunities for young people to acquire high-quality jobs are restricted.

These *within -country inequalities* – the gaps between dynamic and lagging regions within the same political system – create pressure and opportunities for social democrats. Some argue that these trends have contributed to political discontent that has often taken a populist or anti-system form. In a provocative framing, Rodríguez-Pose (2018) describes the rise of populism as the "revenge of places that don't matter" arguing that regions with weaker growth, manufacturing losses and more trade exposure have experienced more populist voting relative to other parts of their country.

New national inequalities

It is not just that there are new within-country regional inequalities, but also new inequalities between countries. As outlined above, during

the 1990s and 2000s, growth in southern and eastern Europe played a critical role in reducing overall regional inequality in Europe, with faster growth in these countries creating more overall equality. These mechanisms have been more limited in the last decade. A part of this limitation stems from the conjunction of common European institutions and varying national economic needs, but without the broad fiscal leeway to address the mismatch.

In joining the eurozone, many countries in northern and southern Europe agreed to common economic institutions. While the headline patterns of growth through the 2000s showed these different economies were becoming more similar, underneath these headline numbers were very different trends. The single currency, combined with tight monetary policy, provided an advantage to the high-productivity northern manufacturing economies. Northern European goods were increasingly competitive in global markets, partly aided by an undervalued euro relative to productivity levels in these countries.

However, these same dynamics made southern European goods and services less competitive. These countries faced a euro relatively overvalued compared to their productivity levels, hampering demand for some of their goods. In the face of these distinct dynamics, southern and northern European countries began to diverge, in terms of their patterns of trade; the former running current account deficits and the latter surpluses. More concretely, southern Europe was importing and borrowing more through the 2000s, and northern Europe was exporting and lending more. As a result, there was a growing *variation* across the EU in trade patterns, reflecting underlying differences in the match between economic models and common institutions.

The financial crisis of 2008, followed by the ensuing eurozone crisis, led to a fundamental political question of how to deal with these national economic differences within a common set of rules. Politically,

European leaders rejected large fiscal transfers and substantial across-country redistribution to facilitate national-level convergence in living standards. But no member state considered leaving the eurozone. The result was a decade-long "internal devaluation" in southern Europe – meaning cuts to public spending, high unemployment and weak wage growth – to meet deficit and public-debt targets. This approach was hardly progressive, as it left many of Europe's poorest more economically vulnerable, placing both public- and private-sector workers in a more precarious position and preventing the bailed-out countries from investing in the areas that could improve their competitiveness. Moreover, as the high youth-unemployment rates in Spain and Italy demonstrated, without investment by the state or private sector, many youths were left without access to good jobs.

A failure to invest in the national economies of weaker countries undermines EU cohesion – allowing lagging national living standards in the relatively poorer countries – and potentially the EU itself. The current discussion of NextGenEU and building more fiscal capacity at the EU level are an opportunity to think about what a genuine EU-level policy of convergence in living standards – one that moves beyond targeted regional redistribution – would look like.

The next stage of social democratic regional policy

Regional equality has been both a normative and a pragmatic goal of the European integration from the get-go. The 1957 Treaty of Rome included commitments to spend on cohesion policy, which were delivered and expanded, to the benefit of the countries of the southern and eastern peripheries until the early 2000s. To make economic and political integration work, policymakers on both the left and right recognised the need to expand regional equality. The result

was a longstanding fiscal commitment at the EU level to explicitly target geographic inequalities.

To address the new economic dynamics requires moving beyond regional redistribution to poor regions, which was the EU's preferred mechanism to promote cohesion across the EU. Politically, we see that the emergence of *relative* gaps between successful urban areas and "everywhere else" is important in many contexts. People in relatively poorer-performing regions have fewer job opportunities and access to services and suffer from political neglect, even when they are not deprived of other European regions.

Recognising this challenge, national governments and the EU have recently focused their attention on place-based industrial policy, including more strategic investment in particular industries or places to sustain manufacturing or other sectors. Social democrats need a progressive vision of what such policies look like, and how to ensure genuine opportunities and investments across regions of Europe. This more global thinking requires building progressive attention to questions of local development. Such attention might allow more " buy local" initiatives, initiatives around a just transition de-carbonisation, proposals for higher wages and better conditions for public-sector workers (which often is a major employer in declining regions), and so on. These are policies that not only target deprived regions, but also reach many regions that face less-favourable conditions in the new economy. Secondly, as argued in this chapter, attention to equality requires considering national economic development that avoids costly austerity. That requires progressive attention today to the tools for fair economic development and fiscal capacity in the EU institutions.

Towards a more equal Europe

Building a political platform focused on equality has been at the heart and rationale of the existence of the European labour movement since its birth. When revisiting the traditional social democratic formula for increasing equality, three components seem vital full employment and a highly productive economy; redistribution and general welfare; and trade-union strength.

As explored in this chapter, inequality is a multifaceted and complex phenomenon that easily grows when (1) the economy only works for the few and not the many; (2) divisions between people and regions grow quicker than redistributive reforms; or (3) the labour market is characterised by trade unions in decline. Therefore, addressing inequality remains a crucial task of our time. In this chapter, we have tried to address it from three key dimensions – labour market, intergenerational inequality and regional inequalities – to hopefully offer a guide for action for European social democrats.

Our aim has been to revisit the original goals of the labour movement and apply them to the challenges of today. To do this, we have proposed specific policies that can be defended, developed and ultimately implemented to address these challenges, such as reforming eurozone rules, strengthening the role of trade unions in collective bargaining, creating a living wage that might work at both the national and European levels, tackling job insecurity and precarity, raising new wealth taxes, and fine-tuning social security contributions to fund early years education, invest in public services to support Europeans throughout their life cycle, and develop new regional policies and place-based industrial strategies that tackle regional inequalities.

Our list may appear ambitious, and indeed it is, for mainly three reasons. Firstly, we firmly believe that the current moment offers an unparalleled window of opportunity to be ambitious for equality. The

size of the common challenges is becoming increasingly evident in the wake of the pandemic and the climate crisis, as is the need for decisive joint action to protect the most vulnerable in society. Indeed, the recent crises have shown that, although the storms are the same for everyone, we do not all face them from equally robust boats. And progressives across the continent seem to have one challenge in common. If you compare the magnitude of the problems in our societies with the proposed social democratic reforms, there is an evident mismatch. The size of the problem is always much bigger than the cautious social democratic agenda for change. Politics is for the passionate, and we advocate a return to the idea that social democrats are at their best when at their boldest.

At the same time, and secondly, the EU is the natural space for the development of new solidarity policies, which will contribute to eroding the popularity of the populist movements that have begun to destabilise our continent. In truth, we are already experiencing a shift towards the collective impulse, as the recent initiatives of the EC demonstrate. Climate change, the pandemic and the current economic challenges underline that the proliferation of problems does not stop at national borders. We seem to be standing at a crossroads, where Europe's challenges are even more common than at any given time since the Second World War. If we are entering a political period characterised by the return of the state as a political actor, the importance of politics over the deregulated market – and a recurrence of the battle between nationalism and cross-border solidarity – the progressive answer must be to use the power of cooperation embedded in the EU.

The third and final justification for our ambition is that, without the fight to increase equality, European social democrats lose their *raison d'être*. Without a commitment to reduce inequalities, social democrats will not be able to build the coalitions of support that will enable them to develop a distinct and successful political agenda. Politics ultimately

takes place in a democracy where different alternatives must be offered. For too long, we have seen the unfortunate mix of growing inequalities and a social democratic movement looking for a new project. But the rifts in our societies are now so evident that the search for a new project can and must end. The task is right in front of our eyes. Both the size of the challenge and political necessity advise nothing less than an agenda that proposes a more equal Europe.

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The politics of solidarity: a social democratic account

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Introduction

Social democrats are closely associated with the values they hold dear. Social democratic parties were founded on values, and on many occasions, they have been able to enact policies that reflect and advance their values. In communicating their agendas, social democratic parties often appeal to groups by highlighting how a group would benefit from social democratic policies. But even then, the significance of values for social democracy persists as a constant background condition, and social democratic parties can choose to emphasise values or other motives for political action (such as group benefits). Equality, freedom and the pursuit of social justice occupy centre stage in the debate about social democratic values, and these values have animated not only manifestos and proposals but also social democratic policies, as evidenced by a track record of sometimes radical public policy reform (Tsarouhas, 2022).

One particular value, solidarity, is especially important for social democrats, although it is true that social democracy has no monopoly on it. Christian democracy and, in particular, the social doctrine of the Catholic Church have also given expression to the idea of solidarity (Stjernø, 2011). Still, solidarity is special and unique to social democracy. To begin with, one of the most prominent social democrats of all time, Eduard Bernstein, saw solidarity between workers and the middle class as the core ingredient of the left's political success (Skrzypek, 2022). Moreover, in contrast to the claims of Christian democracy about interclass solidarity (which echo Bernstein's convictions), social democratic solidarity is all-encompassing. It includes women and minorities, and it has an international dimension. Solidarity is part and

parcel of the social democratic political DNA. Furthermore, and in contrast to the conservative approach to solidarity that seeks to do away with conflict, social democracy is (or ought to be) frank about the battles that are to be fought in the name of solidarity.

This is not to suggest that nobody has ever criticised the ability and willingness of social democrats to translate their rhetorical commitment to solidarity into political action. On the contrary, accusations regarding the lack of solidarity toward one another have proliferated within the social democratic family in recent years. Perhaps the most obvious example is that of the eurozone crisis, when social democrats were (often rightly) accused of dispensing with the need to stand together in the face of punitive austerity and a set of disastrous economic policy choices. What they did instead was to adopt a "national" policy line and ignore the need to assist each other in designing a progressive alternative to fiscal orthodoxy and welfare cuts. Although the Party of European Socialists (PES) strove to promote an economic alternative against the tide of austerity, a "post-third-way agenda" (Moschonas, 2014), the gap between these new programmatic elaborations and the austerity implemented by social democratic governments demonstrates once again that social democracy failed to implement a coordinated set of policies at the supranational level.

The left sees solidarity in different ways and in accordance with the evolving circumstances of individuals, social groups and contemporary needs. Solidarity also affects different aspects of the activities of social democratic parties. In this chapter, we focus on *solidarity in policy* and *solidarity in communication*. In the discussion of policy, we address both cross-class solidarity within countries and cross-national solidarity at the European level. In the discussion of communication, we explore how solidarity (a value) has been used as a justification for social democratic policies, in comparison to group appeals (a promise of benefits). The chapter is organised as follows. In the next section, we

offer a brief overview of the evolution of the solidarity concept, focusing on the distinction between cross-national and cross-class approaches. After that, we discuss both cross-national and cross-class aspects of *solidarity in policy* for two key events, namely, the COVID-19 pandemic (in the third section) and the current polycrisis (in the fourth section). In the fifth section, we move on to discuss *solidarity in communication* using empirical evidence for value claims and group appeals from the German Social Democratic Party (SPD). In section six, we offer a brief conclusion.

Social democratic solidarity in the longue durée

Since the 19th century, solidarity has been a core value of the European left. The 1864 International Working Men's Association (IWMA), in which Marx and Bakunin played a major role, was connected to the heritage of the uprisings of 1848-1849, with pre-existing revolutionary references and with different traditions of solidarity among workers. Workers' solidarity in the economic struggle against capitalism was to gradually supersede the battle for democracy and self-determination as the main driver of cross-border activism. These practices of mutual aid between workers delineated efforts to correct labour's disadvantage against capital in a moment of accelerating globalisation (Delalande, 2019).

After the First World War, the ideal of international solidarity remained a key inspiration for the socialist movement, although it was strongly challenged by communist internationalism and the powerful *Comintern* that organised it effectively. However, practices of solidarity increasingly centred on the national level due to the nationalisation of the working classes being accelerated by the war. The efficiency of the warfare state convinced many socialist elites that the state could be used to

quickly improve the daily life of workers in the short term and promote a transition towards a socialist society in the future. Accordingly, the ideals of redistribution and social rights for workers through the enlargement and reinforcement of state prerogatives became dominant among western European social democratic parties. However, the relative electoral weakness of most social democratic parties, the adverse economic context in the wake of the Great Depression and the perspective of the war against fascism left little financial room for manoeuvre to implement an ambitious redistributive social policy agenda during the interwar period.

In the aftermath of the Second World War, western European social democrats conceived of solidarity primarily at the national scale. Although they did not have a monopoly over the establishment of the welfare state – Christian Democracy also played a crucial role in this process – they were very active in it. In the first years of the Cold War, the re-founded Socialist International (SI) and most social democratic parties (the German SPD and the Austrian, Belgian, Dutch and Scandinavian parties) loudly insisted on the imperative to extend social and economic democracy under a capitalist regime. The enlargement and reinforcement of social rights for workers was at the centre of this approach. In power, social democratic governments implemented social policies aimed at developing full medical coverage at lower cost, better public services and extended social benefits.

This approach to solidarity that operated within the confines of the nation state was widely shared among both the social democratic and conservative parties of government. Social democratic elites shaped a mixed economy in which the state provided direction for the production of goods and services without standing in for private enterprise, regulated the capitalist cycle through a Keynesian-inspired budgetary policy and corrected imbalances generated by the market through an assortment of redistributive policies. In the name of social

equality, for instance, the Swedish Social Democratic Party (SAP) achieved a striking number of reforms in the name of social equality under the first Palme government (1969-1976): housing allowances for families with children and for pensioners; a six-month gender-neutral parental insurance; greatly increased child allowance; and a decision on state-subsidised universal nursery provision for all children. Health insurance was also radically reformed, far-reaching improvements to unemployment insurance were implemented, and a retirement age of 65 and a 40-hour working week were enacted (Andersson and Östberg, 2020). Redistributive and strongly progressive fiscal policies played a crucial role, allowing the government to contain inequalities between social groups. Thanks to public action by the state, together with party pressure, trade-union activity and sometimes worker protests, the social democratic welfare state, which experienced a golden age at the turn of the 1970s, worked toward reducing inequality and developing social services. In western Europe, it generated a kind of national pride, reinforced the feeling of belonging to the nation and solidified the state's legitimacy.

Albeit less central, transnational solidarity between social democratic parties did not vanish. The German SPD provided crucial financial and logistic support to the Spanish Socialist Workers Party (PSOE) throughout the democratic transition period (Muñoz Sánchez, 2012). Beyond European borders, some social democratic parties in office, like the SAP, implemented a foreign policy of solidarity with third-world countries – a symbol of social democracy's ability, when it exercised responsibilities, to propose an alternative to the bipolar order of the Cold War (Hellenes and Marklund, 2018). Nevertheless, the cross-national approach to solidarity failed to gain unanimous support within the non-communist left. From the 1950s on, many variants of the so-called new left, which sprung up throughout Europe and beyond, often strongly influenced by anticolonialism and third worldism, castigated

what they saw as the stalemate reached both by communism and social democracy (Renaud, 2021). The radical left saw the social democratic welfare state, taking care of people "from cradle to grave", as paternalistic and a source of alienation.

Later, in the 1970s, the emergence of neoliberalism increased pressure on the social democratic approach to solidarity in western Europe. Conservatives and the radical right increasingly pointed to the limits of the universalist social democratic welfare state. They claimed that, given the scale of public spending it required, the welfare state's economic cost was excessive and harmful. By the end of the 20th century, social democrats themselves came under the influence of anti-statist neoliberal and radical leftist theories, yet without ever fully embracing them.

The same ambiguities emerged in the debate about solidarity between northern and southern countries. In 1977, Willy Brandt, who had taken the lead of SI one year before, chaired the UN international commission dealing with development issues. He strove to forge a middle way between the plea for a new international economic order (NIEO) by numerous leading southern politicians and the economic interests of northern industrialised countries. In the first half of the 1980s, however, the SI remained one of the rare, if not only, international organisation which was still claiming that the NIEO should be the legitimate framework for approaching north-south relations.

The 1980s marked the end of the post-war social democratic approach to solidarity at both national and international levels. The fundamental transformation of capitalism in the 1970s, which led to the re-emergence of mass unemployment and high inflation in western Europe, as well as the increasing financialisation of capitalism, were huge challenges for democratic socialism. Globalisation, progress with European integration and the advance of neoliberal policies embodied by Margaret Thatcher in the UK and Ronald Reagan in the USA directly

affected the welfare state. Over and above often rhetorical differences, social democratic policies converged with those achieved by their rightist opponents. This phenomenon was clearly visible during the 1990s (Huo, 2009; Pierson, 2000). Each socialist party, in its own way and at its own pace, through radical and incremental change, engaged in privatising, liberalising and deregulating financial activities, balancing public accounts and controlling social spending, while redirecting spending mostly toward education and research. The aim was also to reduce labour costs by improving workers' productivity, as well as the efficiency of capital to lower taxes –particularly for business – to facilitate investment and to change the organisation of the labour market. Western European social democratic elites appeared increasingly attracted by Clinton's experience in the USA and his workfare approach to the welfare state, which required welfare recipients to engage in compulsory work programmes (King, 1995; Cooper, 2017).

Reform of the state machinery was also central to the social democratic agenda during the 1990s, notably among the most vocal supporters of the so-called third way. Social democrats encouraged the spread of evaluation procedures and the rationalisation of public services and companies through new management techniques, and they agreed to delegate some of the state's non-sovereign functions to other organisations (regions, agencies or the private sector). These changes were quite similar in Sweden, Austria and the UK during the governments of Tony Blair (1997-2007) and, with a few modifications, Gordon Brown (2008-2010). In Germany, the second Schröder government liberalised the labour market through the Agenda 2010 reforms.

Ultimately, solidarity was increasingly conceived on an individual rather than a collective basis. Equal opportunities for citizens through education and lifelong training substituted the aim of social equality between classes through redistributive policies and strict regulations

of capitalist activities. Beyond their national peculiarities, the Blair, Schröder and Jospin governments in the late 1990s stressed the need to adapt social policy to the major technological transformations induced by liberal globalisation, which they described as an unavoidable development that could not be ignored. Still, the economic and social policies implemented by social democratic parties were not the same as those enacted by conservatives. Nor did western European social democracy break with the ideals and practices of solidarity from the 1980s onwards. But it is true that, from then on, social democratic governments implemented a "supply-side socialism" with monetary stability and international competitiveness of national private firms as top priorities to the detriment of full employment and the struggle against inequalities. Some social democratic governments did a better job than others at preserving the heart of the welfare state, but none of them attempted to extend its scope – quite to the contrary.

The 2007-2008 global financial crisis did not induce any real change of paradigm, at least not for social democrats in government. Although the PES drafted an innovative economic programme to break with financialised capitalism that had led the world to the verge of apocalypse, no social democratic government promoted a radical economic alternative (Moschonas, 2014). The Hollande presidency in France symbolises this approach. At a press conference in January 2014, François Hollande justified the decision to introduce a "competitiveness pact", focused on €30 billion of corporate tax relief through to 2017. Like Gerhard Schröder and Tony Blair before him, he saw himself as driving a "third way" for social democracy, between the post-war welfare state and neoliberalism (Davet and Lhomme, 2016). More radical approaches to pursue policies of solidarity were produced in supranational circles (like the PES), and some social democratic governments did struggle against inequalities through the implementation of more redistributive fiscal policies, but, overall,

it appears that solidarity was only a secondary concern for social democratic elites in government during the third-way era.

The COVID-19 pandemic as an opportunity for enhanced solidarity

Until the onset of the COVID-19 pandemic, cross-national solidarity had suffered heavily. The eurozone crisis highlighted the extent to which national priorities and perspectives continued to guide policymaking. The result has been a weakening of the EU manifested in the lack of policy coordination and the strengthening of centrifugal forces, especially in the European periphery (Parker and Tsarouhas, 2018). The revival of nationalist stereotypes suggested that the lack of cross-national solidarity had become a feature of the EU and, if so, the EU came close to an existential threat to its values-driven identity.

The next crisis, caused by COVID-19, came, therefore, at a seemingly inopportune moment, already characterised by mutual suspicion and finger-pointing. The morality tales of lazy southerners versus hardworking northerners had dealt a severe blow to cohesion in the EU (Matthijs and McNamara, 2015). In the early phase of the pandemic crisis, national reflexes worked on overdrive, as member-state governments sought to secure medical equipment and, ultimately, save lives from this new, unwarranted and unpredictable threat. As a result, medical equipment was hoarded by states in need and export restrictions were even temporarily introduced by some governments. Additionally, the COVID-19 pandemic exposed some of the flaws in EU policymaking with respect to market-enhancing and market-correcting mechanisms: heavy on the former and light on the latter; health policy at the EU level has been characterised by the schizophrenic coexistence of health being a member-state responsibility, but, at the same time, subject to the interdependencies

and interactions of EU health systems within the context of the single market (Forman and Mossialos, 2021).

Nevertheless, the deepening of the crisis over time and its severe social and economic repercussions led to a lot of soul-searching within and across member-state governments and EU institutions. The fact that the origins of the crisis were fundamentally different from others played an important role. In contrast to the eurozone debacle, this time, the blame could not be placed on single member states; it was no one's fault. Furthermore, the crisis was symmetric in nature: everyone suffered from the pandemic and the fear of it. Finally, the crisis was also exogenous; not the result of mishandling of funds or wrong choices, but of mechanisms that were unclear and necessitated policy action at the highest level (Celi, Guarascio and Simonazzi, 2020).

Within that challenging context, fresh thinking was called for, and solidarity between member states became the best instrument to overcome the first, acute phase of the crisis. Member states upped their public health spending to face up to the challenge, with the Commission allowing for a flexible interpretation of state-aid rules. The Commission also initiated the general escape clause to allow for extra spending without penalising governments. The European Central Bank (ECB) also stepped up to the challenge: the pandemic emergency purchase programme (PEPP) allowed for more than €1.85 billion of bond buying until the programme came to an end in the spring of 2022.

Yet the most important aspect of the EU response to the pandemic crisis was the result of intergovernmental bargaining, Commission activism and solidarity in action: the NextGeneration EU (NGEU) programme, agreed on in the summer of 2020; and, in particular, the agreement on the setup of a Recovery and Resilience Facility (RRF). The RRF, a €750 billion fund made up of both loans and grants from the EU to its member states, is a historic move forward. In a landmark

decision, the RRF allows the Commission, acting on behalf of the EU, to borrow from international money markets on behalf of all states; therefore, breaking the catastrophic link between sovereign debt ratios and borrowing cost that had plagued numerous member states during the eurozone crisis (Moury, et al., 2021). Secondly, the inclusion of grants (up to €390 billion) next to loans removes one of the fundamental areas of tension between creditor and debtor states during the eurozone crisis and allows for a genuinely solidaristic attitude towards those states that now hope the RRF will make a macroeconomic difference in their fiscal outlook.[1]

In other words, the NGEU and the RRF, in particular, enable, for the first time, a potentially redistributive element (between member states) into EU economic governance rules, to accompany the regulatory system that has hitherto existed (Ladi and Tsarouhas, 2020). Interestingly, the final allocation of NGEU funds between the individual member states has been linked to some macroeconomic variables, such as the observed rate of change of GDP, which might have facilitated the shift towards more international solidarity within the EU. Arguably, this approach helped in two ways: (1) transfers between countries were not predetermined and immutable, and they did not encompass a one-way system, in which certain countries would always and necessarily be net recipients and other net beneficiaries (as, instead, is the case for the structural funds and, consequently, for the overall EU budget, which makes agreement on new schemes and more expenditure especially difficult); and (2) transfers were made dependent on objective variables outside of the control of single member states (thus avoiding issues

1 An ECB document estimates that the whole NGEU would have an impact of 1.5% of GDP (Bańkowski et al., 2022). However, as of today, we are still far from tapping the potential firepower of €750 billion, because several member states did not apply (or did not fully apply) for the loans part of the fund. The actual impact is thus likely to be even smaller.

of reciprocal blaming, moral hazard and gaming the system). This characteristic of institutionalised international solidarity, of being linked to objective, observable indicators, should definitely be considered in the design of new schemes in the future.

Besides the human suffering that it caused, the pandemic has been an opportunity for a serious rethink of economic governance in the EU and the balance between the state and the market, both in terms of public investment and in terms of fiscal rules. The success of the EU response to the pandemic shows the need, particularly for progressive political forces, to articulate a concrete vision of solidarity premised on sound public services and the protective, inclusive role the state can play. In sharp contrast to the previous eurozone crisis, this has been a chance to reshape public debate on the role that the state can play in contributing to a fairer society with solidarity at its core. The fact that the USA has been undergoing a similar process of rethinking the role of the state in public policy after the pandemic is important. Similar to the NGEU, and for all of the trimming and cutting that has accompanied the Biden administration's Build Back Better program (then the Inflation Reduction Act), the fact that public spending and investment in both physical and human capital is now considered essential, common-sense policy, highlights the new discursive environment in which the world finds itself.

Yet, social democrats have not fully exploited the opportunity to rethink the respective roles of the state and markets, possibly due to the pressure of emergency and the obvious priority of health and safety concerns. Some degree of gradualism was always necessary in the face of mutual mistrust inherited from the eurozone crisis; this might explain, for example, the temporary nature of joint EU borrowing under the NGEU scheme, instead of permanent eurobonds. Of course, in the face of the new polycrisis we currently struggle with, a decision to make this instrument permanent would

be more than welcome. However, more courage (including at the member-state level) might have led to bolder approaches, at least in the way the crisis was tackled. For example, almost all countries have used the additional deficit made possible by the escape clause of the Stability and Growth Pact for subsidies and cash relief schemes for families and firms. In contrast, the nature of the pandemic made the very material needs, in terms of healthcare and long-term care, as well as European people's difficulties in managing work time and care and household chores, especially in times of lockdowns and remote working, evident. This situation provided a great argument for an expansion of the public provision of social services and the care infrastructure, but this argument has never fully been articulated since, and conservative and progressive governments alike relied almost exclusively on cash transfers.

Unfortunately, the momentum generated at the height of the pandemic crisis has now been largely lost. The primary, but not only, reason behind this development is the new set of crises the EU and the rest of the world is battling now, punctuated by Russia's war against Ukraine. The next section on the energy crisis elaborates further on that aspect. What is certain is that the closing of this window of opportunity is an ominous sign, in the sense that a new economic policy paradigm premised on solidarity remains elusive, and a progressive leap forward has yet to be made. Europe, as well as the USA, are now plagued by new, yet more urgent, crises.

From the COVID-19 crisis to the current polycrisis

The sudden eruption of the first global pandemic of the new century marked the beginning of what Adam Tooze (2022) has called a polycrisis. Countries faced simultaneously a health emergency and

a financial and economic collapse (see the previous section). Two years later, and before the COVID-19 crisis was over, the human and international relations tragedy of the Russia-Ukraine war produced an energy crisis, a rebound of inflation, risks for food security around the world, and new waves of refugees and migrants, all with a looming environmental and climate crisis in the background.

The idea of a polycrisis is precisely to stress that the simultaneity and interaction of these calamities result in an even more problematic situation than the sum of the single crises. But this time, the polycrisis erupted at a potentially favourable time for the EU. On one hand, mutual trust among member states had improved thanks to the NGEU (although tensions with some countries remained on issues pertaining to the rule of law conditionality provisions and the associated conditionality of funding). On the other hand, there was widespread belief that a return of the *status quo ante* was not desirable, as the track record of the EU between 2008 and 2020 had been less than satisfying.

Yet, at the time of writing this text, European countries are mostly coping individually. If the NGEU has a potential firepower of €750 billion over six years, in 2022 alone, member states have launched plans to cope with the energy crisis for a total of €573 billion. This time around, however, almost half the total amount (€264 billion) will benefit German families and firms.[2] The European approach has been to allow member states to incur new deficits and to further relax competition rules on state aid. But as welcome as these measures are, in practice, they mean that each country cares for itself. Consequently, member states with less fiscal space may be unable to cope with the crisis, should the situation further deteriorate, and countries with more fiscal space may use the opportunity to help their firms gain a competitive edge on

2 See the estimates by Sgaravatti, Tagliapietra and Zachmann: S. Sgaravatti, G. Tagliapietra and G. Zachmann (2022) "National fiscal policy responses to the energy crisis". Brugel, 29 November.

the internal market. It is definitely to be hoped that future decisions will entail a greater display of solidarity.

Recent proposals by the European Commission on economic governance (European Commission, 2022) point to this overwhelming sense that something was amiss in the previous system, and change is a precondition for continued relevance in a rapidly changing world. Nonetheless, such proposals point to the road that has yet to be taken and the big choices that remain. The Commission is rightly suggesting that the fiscal straitjacket that all member states have been wearing since Maastricht ought to loosen up in the form of a four-year "fiscal adjustment path" for highly indebted states. The rationale is clear: remove the year-on-year pressure to balance the books; offer more breathing space to governments; and facilitate a tailored approach befitting the needs and priorities of the various member states. On the other hand, the proposals do not go far enough: the debt and deficit targets set at Maastricht remain, despite the higher debt levels that inevitably accompany the pandemic and the fact that a new normal of acceptable inflation levels may be around the corner. More importantly still, public spending on investment has not been exempt from debt calculations, rendering a large part of the progress in economic thinking mute, at least for the time being.

Concerning specifically the energy crisis, the two dimensions of solidarity – class-based and country-based – are obviously related and European social democrats should aim for both. At the class level, the spike in inflation, and the very high energy and food prices, in particular, weigh disproportionally on the less-well-off households. Social democrats must quickly come up with solutions on how to support the incomes (and the material well-being) of these families, for example, by relaunching the problem of energy poverty, and moving the agenda from the current intergovernmental approach to a more communitarian one.

However, because of the functioning of the energy markets, this is not only an issue of the redistribution of resources, but of redesigning market regulation too. The debate on imposing a price cap on gas has highlighted the difficulty of reconciling different national interests (those of gas exporting and importing countries, and those who gain from financial transactions and speculation on commodity prices). While it is true that the main aim must be to favour a reduction in gas consumption, too many voices objected to any form of regulation, as if it were an undue "intervention" in (supposedly) smoothly functioning markets.

At the international level within the EU, the situation during winter (2022-2023, but possibly for two to three years to come, in the worst-case scenario) in the worst-case scenario could make it necessary to implement some form of rationing. In that case, difficult decisions will have to be agreed upon: which countries and which industrial sectors or classes of families would need to restrain their consumption of gas or even electricity. These choices, however, cannot be avoided because, currently, the risk is that larger and richer countries (and possibly those geographically luckier on this occasion), and the more powerful segments of society, will impose their own solution on all others. At the time of writing, only six bilateral agreements among member states exist,[3] to share their gas reserves in case of an emergency.

Overall, the polycrisis demonstrates that difficult choices lie ahead for European social democrats, but also that supposed solutions which do not imply a substantial degree of solidarity are less than optimal both for the EU and for the lower classes and more fragile sectors of the European economy.

3 Between Germany and Denmark, Germany and Austria, Estonia and Latvia, Lithuania and Latvia, Italy and Slovenia, and Finland and Estonia. In December 2021, the Commission proposed the introduction of harmonised clauses directly applicable in the absence of a bilateral arrangement.

Solidarity in party communication

Social democrats have to make hard choices, not only between different policies, but also between different party strategies and the role of values in them. Social democratic parties need to *communicate solidarity* in order to *be parties of solidarity*. This is true in an abstract way because, as a political party, the identity of social democracy depends on how voters and supporters see it. It is also true in a more practical way because social democrats need to receive support from voters to implement policies of solidarity. This has always been the case at the national level for cross-class policies of solidarity. In addition, given the increasing politicisation of European integration, parties now also need voter support for policies of cross-national solidarity in the EU. Social democrats have to explain to voters why the policies they want will promote solidarity, both within and between nation-states. Doing this effectively is not only a way to win votes. It is also a mechanism of democratic accountability, because it allows voters to evaluate parties, not only in terms of the policies they promise, but also in terms of the values that parties claim are advanced by their policies.

Historically, social democrats have used value claims and group appeals to explain the policies they endorse (Jobelius and Vössing, 2019, 2020; Jobelius, Schulze and Vössing, 2023). These are distinct mechanisms of communication, historically bound to different stages of party development and best suited for varying political contexts, and even though both are deeply connected to the idea of solidarity, the shape of these connections varies tremendously between them, with important implications for social democratic parties and their electoral support.

Using group appeals to justify policies means to claim that a policy benefits a group (Thau, 2019). The group appeal can be based on invoking a specific material benefit. One example of this type of group

appeal would be the statement that "raising the minimum wage will improve living conditions of workers in the meat-packaging industry". A different type of group appeal to justify a policy is based on making a claim of symbolic representation. The statement "we support raising the minimum wage because we are a party of workers" is one example of how symbolic group appeals can be used to justify policies.

Group appeals of social democratic parties are often implicitly linked to the idea of solidarity. They best perform in this way on the background of an established reputation as a party that stands for *solidarity with particular groups*. The group appeal to workers in the meat-packaging industry is a request to vote social democratic, which is directed not only at the particular social group that benefits from the policy, but also at other people who believe that the group deserves solidarity and that social democrats should run the government and implement policies to make this happen.

Group appeals for *solidarity with social groups* also contribute to more encompassing claims that social democrats stand for *solidarity between social groups* (most importantly, social classes). As explained above, the call for cross-class solidarity is the most fundamental claim that western European social democratic parties have made during the post-war era. It constitutes their very approach to the political process (and as one part of that to political communication), and it defines the type of party (the *social compromise party*) that they used to be during this period (and still are in many ways). Earlier, during the late 19th and early 20th centuries, social democratic parties had established themselves as class parties that claimed to represent and advance the political and economic interests of industrial workers (Vössing, 2017). This is a type of group appeal that was simply too narrow to win majorities of voters (Przeworski and Sprague, 1987). It was replaced by appeals to several social groups, in combination with the promise to

organise a compromise between them. This is the manifestation of the logic of cross-class solidarity in party communication.

The social compromise model was infused with the value of solidarity for particular groups, as well as solidarity between groups, as organising principles of the good society. But the model is based on the rationale that social democratic policies advance the interests of certain social groups. The value of solidarity is the implicit motive behind these policies, and the collateral or automatic consequence of them, but the political communication of the social compromise party does not highlight clearly and explicitly how its policies promote solidarity as a desirable value. This is what value-based political parties do. They explain their policies by claiming that they promote values (such as solidarity), and while they do not need to give up group appeals, they combine them more explicitly with explanations that highlight the positive effects of their policies on values. My colleagues and I have argued that social democratic parties should transform themselves from *social compromise parties* into *value parties* because voters' group affiliations have an ever-declining effect on their vote choices. And if voters do not vote anymore on the basis of being a worker or a teacher or a Catholic and so on, then social democratic parties should do more than justify their policies with statements that contain claims of how these policies benefit workers, teachers or Catholics (Jobelius and Vössing, 2019, 2020; Jobelius, Schulze and Vössing, 2023).

To be a value-based social democratic party means to communicate how social democratic policies promote values, including the key social democratic value of solidarity. Social compromise parties, by contrast, use group appeals (both benefits-based and symbolic) to justify their policies. Empirical analysis (in the case of Germany, for now, but to be expanded in the future) shows some interesting patterns about the extent to which social democracy has already become a value-based party and the extent to which it still is a social compromise party. We have identified

the policies demanded in the manifestos of the German SPD and its domestic competitors (Jobelius, Schulze and Vössing, 2023). Then, we have identified how political parties justify policy demands, distinguishing specifically between group appeals and value claims.

The analysis of group appeals and value claims in party communication shows that social democrats rely more than other parties on references to solidarity to justify their policies. For instance, in Germany in 2021, social democrats invoked the value of solidarity about one time for every ten policy demands they made. The liberals did not invoke solidarity at all, and compared to the SPD, both the Christian Democrats and the far-right Alternative for Germany (AfD) were around ten times less likely to invoke solidarity to justify their policies. Even within the camp of centre-left and left parties, social democrats rely more on solidarity. They are five times more likely than the Greens to justify policies by invoking solidarity, and 1.3 times more likely than the left populists.

The use of solidarity to justify policies illustrates one important way in which social democrats do have a distinct value profile in communication. But, overall, social democracy is still more of a group-based social compromise party than a value-based party. Most importantly, the ratio between group appeals and value claims in social democratic communication has been remarkably constant during the entire post-war period (Jobelius, Schulze and Vössing, 2023). Values overall have not become more important than groups in the communication of social democratic policies, and the number of value-based justifications has not increased at all. This goes a long way to show that social democracy is still far from qualifying as a value-based party. It remains wedded to the group orientation typical for the social compromise model, which has become obsolete with the decline in political behaviour based on membership in social structural groups (such as workers, Catholics, Protestants and middle classes).

While social democrats rely as little on value claims to justify their policies as they did in the 1960s, their main competitors in the progressive camp have embraced the value-based party model, and this is one major reason why left-libertarian and green parties have thrived, while electoral support for social democrats has steadily declined since the 1990s. For instance, compared to 1983, the Greens use significantly more value claims today (3.2 per policy demand in 1983 compared to 4.4 in 2021), and more than twice as many appeals to progressive values, such as solidarity and care (0.9 per policy demand in 1983 and 2.2 in 2021). Interestingly, the increase in value appeals has not coincided with a decline in group appeals. On the contrary, the Greens used more than two group appeals for each of their policy demands in 2021, compared to 1.4 in 1983. During that same period, the frequency of value appeals (and of group appeals) has remained almost constant for social democrats. Social democrats might be the party of solidarity and other social democratic values, and they might even make the right hard choices for the best policies of solidarity, but they need to do a better job of explaining to their voters how their policies promote not only the interests of certain social groups but also the value of solidarity and other social democratic values.

Conclusion: challenges and choices to be made

Big questions remain unanswered, yet they must be dealt with systematically and carefully. Where do social democrats go from here? How do they articulate a concrete set of policy reforms premised on solidarity between classes domestically and across states at the EU level? And how do they translate their policy agendas into effective communication strategies? To take but one example, the pandemic was an opportunity not only to rearticulate the salience and cash

transfer to offset the crisis effects and boost the purchasing power of households and vulnerable individuals. It was also a momentous occasion to highlight the salience of generously funded and protected public services (United Nations, 2020), which stand between life risks and individuals and allow for the grand rhetoric on a European social model to reflect something more than "cheap talk". Steps in that direction are currently being taken on a fragmented basis by trade unions across much of the western world – but with only latent and apologetic support from their supposed representatives on the party-political arena.

For solidarity to become a distinguishing feature of the social democratic platform, concrete steps in the direction of its articulation need to occur. During the eurozone crisis, the national antagonisms manifested in the media often obscured the cross-class element of (lack of) solidarity: the well-off in southern Europe were able to shield themselves behind a rhetoric that horizontally accused "the Germans", as if the latter were not divided along class lines. The reverse was and remains equally true. Public policy post-pandemic needs, therefore, to consider both cross-class and cross-country solidarity as constituent elements of a new economic policy settlement. After all, the EU is no longer able to afford a flare up of nationalism masquerading as patriotism, and thus, rejecting cross-class solidarity. Fair taxation and solidaristic economic policy options are central to European integration, overcoming of the crisis and the rejuvenation of the European social model.

As a new set of economic policy rules is debated, pan-European solidarity can be enhanced through the adoption of rules that will come into effect automatically and be built into the new economic policy paradigm. The idea of an EU-wide unemployment benefit scheme, for instance, could prove a crucial step towards sharing risk and stabilising labour markets (Claeys, Darvas and Wolff, 2014). There are

real problems with implementing such a system, however, not all of which relate to the lack of solidarity across member states. To start with is the issue of democratic legitimacy for such a measure that goes beyond the nucleus of the traditionally sovereign state and associated decisions on resource allocation, including welfare spending. There is also the issue of heterogeneity within the EU: labour markets across the EU are organised differently; their institutional setups varying dramatically from region to region. Can such a scheme prove beneficial on the aggregate, which would be a precondition for its adoption at the EU level?

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CRISIS AND

PROGRESSIVE POLITICS:

HOW TO MAKE HARD CHOICES AND SUCCEED?

←NEXT LEFT→




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Democratic freedom? Social democratic dilemmas in the multiple crises of the contemporary

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Introduction

Freedom has always been a core part of the social democratic normative triangle, with equality and solidarity/fraternity being the other two values. As its political expression, freedom from economic needs, social hardship and suppression, and democratic political rights have, therefore, for over one and a half centuries, stood at the centre of social democratic foci, from both programmatic and policy perspectives. Especially, the combination of freedom and democracy (of true or real, not only formal, democracy, that is) have always been the core of social democratic self-understanding. Only citizens truly free of economic and social precarities are capable of taking part in democratic self-governance and a solidaristic society. Economic and political freedom, as the bottom line, can only be realized hand in hand. On the other hand, social democrats and the left, in general, in western democracies have a complicated and sometimes uneasy relationship with the concept of freedom. As it is often depicted as a political value of the libertarian right, social democracy and progressive politicians, who emphasize the role of the state and collective action, have for many decades positioned themselves as being suspicious of limitless freedom.

However, in recent years, diverse societal, ecological and political crises have put social democratic understandings and pursuits of freedom into question. Societal megatrends, such as individualisation and liberalisation, have deeply altered the ways in which we imagine social collectives and individual citizens' interdependence. Social inequalities, while shrinking between global regions, continue to increase within many societies and diminish the freedom of choices for

many. The Russian aggression in Ukraine challenges long-held ideas of how achievements of freedom are to be secured. Authoritarian and right-wing populist regimes, on the rise in many countries, cut back on freedoms not only of ethnic, sexual or political minorities but of the freedom of expression and political freedoms of all. Yet, they do so in the name of defending democracy from too much freedom. Furthermore, the raging climate crisis challenges the assumption of freedom being unequivocally desirable.

One important dilemma social democracies currently face is that of reconciling freedom and democracy – as this specific constellation is coming under pressure in the increasingly complex societies of today. In several constellations, freedom and democracy might appear to contradict each other, for instance, when freedom of movement and consumption contribute to a global resource use that is deeply unsustainable. Maintaining social democratic values such as freedom, equality and solidarity might, maybe more than ever, require cutting back on certain freedoms and maybe even on past achievements of democracy.

In the following chapter, we look at how the constellation of freedom and democracy as core ingredients of the social democratic normative horizon is currently challenged and how social democrats might react. This affects all levels of party organisation, policy and governance – from the very local party on the ground to the international order. To better understand how the current multiple crises challenge established social democratic beliefs, we identify four areas in which established understandings of the democracy-freedom nexus are put into question and social democratic convictions might be pushed out of their comfort zone: Russia's aggression against Ukraine; the tide of the authoritarian right in central and eastern Europe (CEE); the climate crisis; and changing notions and the liberalisation of freedom *within* social democracy. All of these developments press social democrats

in Europe (and abroad) to revise their understandings of freedom and its connection to democracy in light of a social democratic normative horizon. How do contemporary crises and constellations question, challenge or undermine the way social democracy has assumed a normative horizon, including freedom, equality and solidarity? In which ways might freedom be reframed or reconsidered to secure an equal and solidaristic future society?

Russia's aggression against Ukraine

The Russian war has forced social democrats to question some of their convictions and rethink the notion of how democracy and freedom should be guaranteed. Established leftist identities and sensibilities had long been defined by, among other things, a sceptical attitude towards armaments and resolving international conflicts with the use of force (Bertoli, Defoe and Trager, 2018). Indeed, after 1989, the emphasis on diplomacy was a clear strength of not only social democrats and left-wing progressive movements, but also Europe's soft power. However, in the specific context created by Moscow's assault on Ukraine, the calls for a quick diplomatic resolution play into the hands of the aggressor and cause harm, rather than offer ethically superior solutions. Given the circumstances created by Putin's regime, how does one stay true to one's values? How can the EU shape its agenda in a responsible manner while facing real threats?

On one hand, a part of the public wants to see Europe providing assistance to Ukraine (Eurobarometer, 2022), also in the form of weapons and munitions, and increase its defence spending (the closer to Russia and Ukraine, the greater the push). On the other hand, it is difficult to ignore the pacifist, anti-war sentiments expressed by other segments of the public. Here, the views held across Europe differ widely. The Poles, the British, the Balts and the Scandinavians

are similar in their unwavering criticism of Russia – they do not push for a quick end of hostilities, especially if it is to come at the cost of territorial concessions on the part of Ukraine. Meanwhile, in southern Europe and Hungary, anti-war rhetoric is much more common. Such diversity of attitudes among the public is reflected by the fact that the European social democrats have not been able to speak with one voice on the issue. For instance, the UK's Labour Party, led by Keir Starmer, has supported a strong response to Russia's aggression, including far-reaching sanctions, weapons shipments and financial aid to Ukraine, as well as the strengthening of NATO's eastern defences. However, some European social democratic politicians and leftist scholars see Moscow's assault as a consequence of NATO's expansion at the turn of 20th and 21st centuries, rather than Putin's authoritarianism and revisionist ambitions. Such views have shaped their proposals for a potential resolution of the conflict. The discrepancy in the left's reactions shows that the mere act of condemning Russia's aggression – which is the bare minimum they all agree on – is not a sufficient foundation for formulating a common, coherent response to the challenges this war presents to democracy and freedom.

The challenges in question are already evident and are bound to mount over time. One of the immediate consequences of the war is the widening economic inequalities resulting from, among other factors, rising energy costs. Switching to green energy – something the world's wealthy economies now see as a strategic priority – may prove unaffordable for developing countries. Energy poverty will also become a more widespread problem, as it will affect a larger percentage of the EU citizenry. Increased spending on armaments will require governments to seek savings in other areas. Those regions that depend on the import of Russian and Ukrainian grain are bound to lose their food security, which will add to the imbalance between the

global north and south. The growing inequalities, both within Europe and globally, present a threat to democracy and freedom.

Russia's invasion of Ukraine has militarised the collective imagination across Europe and brought about a revival of national(ist) sentiments, at least in some EU member states (Leander, 2022). As societies experience a sense of real, long-term danger, socialists face the challenge of operating in an environment where strong national identity and centralisation of state authority may prompt the erosion of civil rights. Hence, they will need to respond to the many challenges that Putin's actions pose, not only in terms of public spending, but also in the realm of societal attitudes and mentality.

It is highly likely that, even after the war ends, Russia will continue to present a danger to Europe's security. As a result, EU countries will face the issue of a broadly defined militarisation that will manifest itself in a stronger mobilisation of the citizenry. Many experts emphasise that the confrontation with Moscow will continue in numerous forms: from modern propaganda to cyber- and hybrid attacks; espionage; provocation; and terrorism. To build resilience against these types of threats, society at large will need to develop new competences. Democratic militarisation should be based on training skills related to cybersecurity and civil defence, forming territorial defence units and civic support networks, as well as supporting organisations involved in the development of civil defence capabilities. All this entails a redefinition of the social contract between the state and its citizens, especially in countries located close to Russia. Central European EU member states have already hinted that they would expect significantly more from their citizenry (Grzebalska, 2021). As it turns out, the formula whereby the task of ensuring national security is left exclusively to professional structures and armed forces, while society's contribution is limited to paying taxes, generating GDP and acting as good consumers, is no longer sufficient. Until recently, the (neo)liberal model of defence, in

which NATO and its technologically advanced armed forces protect the militarily untrained and uninvolved societies, was seen as the optimal solution. However, hybrid threats that will probably linger beyond the end of the conventional conflict in Ukraine require societies to be actively engaged or, at the very least, more aware.

The subject of defence and military matters is not a convenient one for the progressive left. Still, in the Cold War era, Sweden and Finland provided examples of how the welfare state and the doctrine of total defence could be closely linked (Orange, 2022; Szymański, 2020). Given their experiences, perhaps it is the leftists who possess the key to combining genuine resilience with democratic principles. At the time of an increasing sense of danger, the social democratic thought on how to build an efficient, yet caring, democratic state may just be the missing puzzle piece that will allow us to address current societal needs. Research shows that citizens' readiness to defend their countries is affected by factors such as trust in public institutions or the level of inequalities (Anderson, Getmansky and Hirsch-Hoefler, 2020). A state that fails to provide economic and political security cannot offer solid support in times of crisis, be it a military, economic or health-related one. As a result, it also cannot count on the patriotism of its citizenry. It is now up to the social democrats to safeguard the principles of the new social contract between the state and its people.

Social democrats and progressive politicians will face the challenge of protecting freedom of speech and democratic privileges. Russia's war in Ukraine has created fertile ground for misinformation to grow and spread. The propaganda war is being fought mainly online, with both Russian state authorities and individual social media users as actors spreading misleading rumours. It is patently clear that the public debate in Europe must be defended against manipulation and the impact of fake news spread by totalitarian regimes. However, social democrats should ensure that the freedom of civic and political activity is not

overly curtailed, and that boundaries beyond which democracy and authoritarianism are no longer distinctly different are not breached. Still, if we look beyond the immediate aggressions from the exterior, we can observe further threats to the democracy/freedom nexus, which are growing in the European realm and beyond.

Authoritarian right, climate crisis and exceptional governance in CEE

For the post-socialist region of CEE, the promise of freedom and democracy was the most defining feature of the 1989 regime change. Today, however, the very significant process of anti-democratic reconstruction has been set in motion in these countries (and above all, in Hungary and Poland), and the system of freedom and democracy envisioned in 1989 is under fundamental attack (Antal, 2019). In the following, we examine three main factors in all this: (1) social confidence in liberal democracy was shaken, even before the anti-democratic turn, and this process has been accompanied by the emergence of an authoritarian populist right in the CEE region; (2) very serious dilemmas have been raised about how the principles and institutions of liberal democracy can respond to the global ecological and climate crises and the permanent state of exception – in which the executive becomes unfettered and uncontrollable, operated by authoritarian populist regimes – poses a major challenge to democracy; (3) finally, some ideas have been put forward on how to democratise the state of exception.

The collapse of the consensus on the regime change in CEE

After the regime changes, there was a strong consensus across and between CEE countries about the liberal democracy and the liberal democratic institutional system. This consensus proved stable,

at least the rise of the populist zeitgeist of the 2000s (Antal, 2019; Scheiring, 2020). The post-Communist elite accepted neoliberalism and so-called modern neoliberal reforms. Liberal democracy became a hegemonic political-legal framework in this region, which also meant that the neoliberal elite was anti-populist. Given this, the political elite remained mostly uncritical toward global and local inequalities caused by the neoliberal hegemony, both at home and in the EU. The reformed communist and liberal elites of the region, especially in Hungary, were embedded in the transatlantic (neo)liberal networks, which has contributed enormously to the (re)integration of CEE countries into the economic and cultural system of global capitalism. The processes of the globalisation of capitalism after the Second World War went hand in hand with the waves of what is called democratisation. However, as in many cases in western Europe, in the CEE region, the economic and social foundations of democracy were not built, and liberal democracy emerged as basically an institutional structure. The liberal elites of the CEE countries that changed their regime reassured themselves that, since "history is over", there was no alternative to liberal democracy, despite its institutional overdominance (Ost, 2005). Just as democratisation has become locked into a kind of elitist framework, the crises of global capitalism that nation states can hardly handle, and the drastic destruction of welfare systems in this context, have led to a degree of social anger and disillusionment that has damaged the social and trust foundations of liberal democracy to an unforeseeable degree. Liberal democracy was not able to compensate the losers of transition; democracy and the neoliberal economic policy did not allow the implementation of this agenda.

The main cause behind this situation was the assumption that the fundament of liberal democracy was (neoliberal) capitalism itself. This resulted in the mentioned politics of austerity, which was the main direction of international organisations (from the IMF and World

Bank to the EU), in which the CEE countries got involved and the implementation of it caused several social catastrophes. The rise of populism and the wave of anti-democratisation in the CEE countries was a reaction to the "reformist anger" that saw the anti-populist nature of regime changes and the hegemonic nature of liberal democracy as unquestionable. The authoritarian populist turn (especially in Hungary and Poland) called everything into question. The radicalisation of part of the political elite since 1989 is perhaps best illustrated by the way in which the Hungarian Fidesz has moved from a liberal regime-changing and regime-opposing party to an authoritarian populist right-wing party that has established a political regime.

At the same time, the crisis of the left in the CEE countries unfolded – one of the main reasons for which was that social democracy was not able to distinguish itself from the liberals, and that is why the social and political ties that bind the left to workers have been drastically weakened. The old left has renounced its traditional social background and class politics, all because it has subordinated itself to the implementation of politics of austerity. That is, the left has lost, in the eyes of society, what is the centuries-old message of social democracy: in all circumstances, we must stand up for social emancipation and fight against social inequalities.

All this was a tragedy not for the left, but for society, as many of the workers and middle-class people had gradually become open to the far right. Meanwhile, the emerging new left, because it did not want to and did not dare to redefine itself on a historical scale after the collapse of state socialism, renounced class politics and defined itself essentially in the fields of identity politics. Workers were left without representation and protection in an increasingly cruel system of global capitalism and oriented towards those who promised some form of protection through the nation state, but who, in the process, left them at the mercy of national and international capital. The promise that liberal democracy

can provide a humane framework for capitalism has thus collapsed, and the authoritarian right has grasped the very zeitgeist at the nation-state and EU levels that CEE societies are in such a bad situation that they have given up democracy, freedom and humanism for the sake of perceived security.

Democracy in the era of climate emergency and the rise of authoritarian exceptionality

The CEE region is particularly affected and hit by the global ecological and climate crises,[1] and this will have a very serious impact on democracies (Antal, 2021a). Liberal democracy was in deep crisis long before the effects of the ecological and climate crises were fully felt. It is increasingly unlikely in our era that liberal democracy will be able to deal unchanged with a crisis that has reached it in a state of fragility. The global ecological and climate crises are an opportunity not only for the international climate emergency movements, but also for authoritarian (mainly right-wing populist) regimes, which have begun to shed their former climate scepticism. Authoritarian climate populism, however, creates a fundamental trap in the context of the ecological and climate crises, since the fundamental purpose of such regimes is not to help societies survive in an era of global crises, but rather to use exceptional government measures to preserve authoritarian power; this poses a very significant threat to contemporary democracies, as new types of autocracies also claim to be able to provide more effective solutions to the climate crisis than liberal democracies (precisely because of the suspension of normal politics and law). One of the best examples of this power technique is the Hungarian Orbán regime,

1 PCC report on “Climate change 2022: impacts, adaptation and vulnerability”, available online.

which does not see the climate crisis as an ecological and consequent social tragedy, but as a project through which it can continue to widen political gaps and create enemies in a new way, but with the old tools of hate politics. Far from preparing and rescuing Hungarian society, Orbán wants to build an "ark" for the survival of himself and his political regime, and thus, has the opportunity to take advantage of the disasters that are constantly occurring. This is, of course, morally and politically unacceptable, but it also carries immeasurable dangers, as Orbán's "climate populism" is coupled with the perpetuation of governance by extraordinary means. While the international and domestic climate and ecological movements of recent years have fought a fair but futile battle for the nationwide introduction of a climate emergency, the Orbán regime has been governing by means of extraordinary law for more than half a decade (Antal, 2021b).

Democratic control over exceptionality at the national and European levels

The most important lesson to be drawn from the permanent crises and the rise of new autocracies that liberal democracies have faced is that democracy (as an institutional and procedural system and its relationship with ideology, which is fraught with internal tensions) must be made capable of dealing with the ecological and climate crises, as this is the only way to preserve democracy in the 21st century (Antal, 2022). Otherwise, this century will also be one of the rise of authoritarian regimes. Key to all this is the need to link the renewal of democracy with the democratisation of extraordinary measures to tackle the global ecological and climate crises; in particular, governance by extraordinary means (in short, and simplistically, the climate emergency). To avoid these extraordinary measures (a good part of which are indeed necessary) being introduced by the authoritarian right, which has turned from climate sceptic to climate populist, the

following is the starting point: confronting the internal failures of liberal democracy and its inability to contain global capitalism, while, at the same time, abandoning the delusion, preaching legal universalism, that the legal system is capable of dealing with the crisis in the absence of political will; a "new reconciliation" of powers in the face of the worrying overreach of the executive; and, finally, the democratic foundations of the climate emergency.

One of the biggest challenges for democracy today is precisely how to democratise the state of emergency that is inevitably being imposed in the context of the global climate crisis. The very complex COVID-19 crisis thus points to the need to fundamentally rethink the (ecological, social) crisis management practices of liberal democracies linked to global capitalism. The first decades of the 21st century have shown that the environmental paradigm based on the "normal state" (which, simply put, is that environmental problems and disasters can be dealt with within the framework of the normal economic, political and legal systems, known as is greening) has simply collapsed as the era of ecological and climate crises has dawned.

To avoid unlimited and unbound executive power in the face of future crises, the foundations of a "European state of exception" should be laid, which would be precisely that the executive power of the member states and the EU would be jointly controlled by national and EU legislatures. Only by means of this instrument can civil democratic control over extraordinary governance measures be ensured, since, as the experience of the Orbán regime shows, the extraordinary measures that accompany crises tend to push an authoritarian system in an even more authoritarian direction, and thus, remove any possibility of civil control. In other words, the crisis ahead, both at national and EU levels, will reinforce the neo-Schmittian approach to governance, which needs to be responded to with a Madisonian system of checks and balances. If the authoritarian tendencies of the member states within

the EU are taken into account, only the basic rules of exceptional legal order laid down at the EU level can prevent the executive powers of the member states from developing a system of government based on unlimited and extraordinary measures. This can be counterbalanced, in particular, by civilian control at national and EU levels.

In the future, therefore, the preservation and defence of democracy will require that we protect fundamental democratic rights and institutions not only in a state of legal and political normality, but also in times of exceptional governance.

Climate crisis and the question of restrictions

Along the same lines, the increasingly escalating climate crisis is not only illustrated by ever-more alarming analyses of global consequences but challenges the fundamental assumptions and past utopias, especially by European social democracy, held dearly for decades. Past convictions of a better, desirable and more just societal future were focused on organising and facilitating emancipation and liberation of the underprivileged productive working classes and (to a lesser extent) the marginalised in European societies (Butzlaff and Micus, 2012). However, paradoxically, the balance of the emancipatory agenda of equality, empowerment and democratisation during the last decades – while impressive and successful in many regards – might give mixed results, especially when it comes to maximising social liberties and enabling decisive climate politics.

Mixed results of past emancipatory struggles

Firstly, social democratic agendas focusing on liberation and emancipation have been accompanied by the proliferation of

material and political inequality, feelings of disempowerment and anti-democratic sentiments (Rancière, 2007). Since the emergence of new social movements, emancipatory agendas, on one hand, have led to a huge rise of citizen participation and engagement, as well as the inclusion of previously overlooked social groups. On the other hand, they often have been driven by social groups that were more privileged than others in terms of their education and social capital. In various respects, emancipatory politics seems to have benefited these social groups more than others. Despite their commitment to overcoming social inequalities and securing universal rights, emancipatory politics, thus, also has nurtured, unintendedly, new feelings of marginalisation and disempowerment (Piketty, 2014; Butzlaff, 2022), which neoliberal policies of welfare retrenchment then further aggravate (Blühdorn, Butzlaff and Haderer, 2022).

Secondly, when it comes to confronting the climate crises, emancipatory politics seems to trigger unexpected side effects. Social democratic ideas of organising freedom, equality and solidarity, and securing the social mobility of disadvantaged citizens, always circled around two issues: firstly, education and the organisation of consciousness; secondly, material expansion and consumption were a crucial form of politics to enable people to exercise emancipatory gains. Social democratic welfare states, for instance, are based on the idea of economic growth creating material for redistribution without expropriation. Social democratic promises of well-being and the satisfaction of citizen needs were based on the idea of growing material consumption. Since the very beginning, social democratic narratives of a desirable future circled around notions of (industrial) productivity of the working classes as the foundation of societal well-being. Consequently, gains in autonomy and self-determination of individuals have often correlated with the expansion of growth-based, resource-intensive forms of production and consumption, especially

in liberal democracies (Hausknost, 2017; Malm, 2016; Mitchell, 2011).

Not least, the expansion of consumption in (especially) western societies lies at the core of the emissions and resource overuse that have sparked the climate crisis in the 20th century (Hausknost, 2017). Consequently, a big part of climate-change politics is the discussion of cuts to material expansion and resource use of (especially) western societies and lifestyles (Blühdorn, Butzlaff and Haderer, 2020). However, the promise of a (materially) better future for those that feel disadvantaged was, and still is, always a core part of social democratic policy and self-understanding. But as planetary boundaries are becoming increasingly visible, lifestyles commonly associated with autonomy and self-determination are criticised as an imperial mode of living (Brand and Wissen, 2018). Some scholars place capitalist power relations as the root cause of contemporary societies' sustained unsustainability (Blühdorn, 2013). Others have argued that the very understandings of freedom and notions of a good, self-determined and just life entertained by the most progressive societies and the most emancipated social groups are equally important. From this perspective, the continuity of the imperial mode of living and the defence of (mostly) western understandings of freedom, autonomy and emancipatory achievements might depend on the denial of exactly those rights, freedoms and values to others (Lessenich, 2019; Blühdorn, 2019). The individual freedom social democrats have placed as one important side to their normative triangle might seriously limit their own capacities to tackle the challenges of the climate crisis (Anker, 2022). And whereas social democrats' programmatic thinking in the last decades raised the issue of limiting the freedom of the most-wealthy members of society (through taxes and the discussion of inheritance and property taxes), they have not been able to address the crucial question of their very own understandings of individual liberties that might need to be curtailed.

Thus, both rising inequalities and the soaring climate crisis thoroughly question established social democratic understandings of what a good, just and sustainable society might look like and how it might be achieved. Both lead to increasing calls for a serious transformation of western lifestyles and modes of production. To prevent more and more destructive global warming, to enable reduced greenhouse gas emissions, patterns of consumption and lifestyles have to change. This poses serious challenges for social democratic parties in a variety of ways and might greatly dissolve notions of (desirable) freedom in the long run.

The need to revise legitimation for the restriction of individual freedom

In the climate crisis, this philosophy of organising equality is coming under pressure, as the balance of one and a half centuries of emancipatory achievements of the working classes and the underprivileged is looking grim – from an ecological but partly also from a social perspective. Whereas in past social conflicts, social democrats have often understood themselves to stand on the morally "right" side of history and join the ranks of progressive forces (Butzlaff and Micus, 2012), in the case of climate politics, they are often identified as being part of the political forces of the status quo and part of those to blame for not being more successful in combating and addressing climate issues. Preferences for many political issues, but also for climate change, are different among different social groups in society, especially when it comes to the differences between political and social elites and the working classes (Elsässer, Hense and Schäfer, 2021; Ceka and Magalhães, 2020). If citizens show demands and values not compatible with the necessary goals of emission reduction, social democratic policymakers find it hard to legitimate policy measures and have repeatedly settled for more moderate policy

arrangements they could communicate. The will of the demos, that is, the bottom line, has grown to be a universally accepted veto player in climate politics and democracy (Disch, 2021). However, as Michael Saward (2010), Lisa Disch (2021) and others have emphasised, preferences and group identities in representative democracies are not independent variables but are co-shaped in the process of political representation. Constituencies and their preferences develop in and through representation. This underlines that policymakers and elected representatives share a responsibility for the preferences their voters develop.

Thus, social democratic policymakers find themselves in a serious predicament. On one hand, they feel they must either frustrate the expectations and hopes for (material) well-being and liberation of those that are hoping and longing for it (already repeatedly frustrated since the 1970s), if they adopt a serious lifestyle- and consumption-cutting policy agenda. On the other hand, they risk letting go of any serious goals for climate-change mitigation by clinging onto the goals of green growth and a decoupling of carbon emissions and economic growth (which have failed to meet expectations for decades). More often than not, they chose the latter (see, as an example, Jobelius, 2020).

Additionally, contemporary social democratic parties have widely abandoned work on positive alternative visions of social organisation and have settled for an idea of democracy and democratic parties that channel and work with citizen demands as something "external". In the case of climate politics, this translates into social democratic politicians justifying their politics as being restricted by limited acceptance of citizens: if they don't agree, what can we do? This is a big difference to historic understanding of social democracy as a political movement that actively co-shapes citizens' demands by and through political education and discourse. The path towards a different, better and more just society had, for a long time, been understood as, see above,

a project of education of the working classes for them to understand how and why this society should and could be put into practice. And the role of political parties was to ensure the debates on this society were democratic, open and led to coherent policies. In addition to neglecting social democratic, Marxist and progressive perspectives on shaping constituencies, social democratic references to citizens non-compliance to climate-induced limitations of individual liberties ignores social sciences' insights on how preferences develop.

Under these conditions, serious tasks lie ahead, especially for politicians and movements that maintain a progressive self-understanding. How can social democrats justify imposing restrictions/restrict freedoms to combat the climate crisis? What are forms and sources of justification and legitimation for imposing restrictions? Which ideas of society are used to justify restrictions? Especially, how can social democratic policies still address those that hope for materially less pressing living conditions in the future?

A possible solution necessarily needs to actively reconnect the social democratic value triangle and climate politics and to drastically increase work on a future idea of society under conditions of active climate politics. What does it mean to lead a positive and climate-adequate lifestyle under changed conditions of a decoupled resource use/carbon emissions–well-being relationship? How can social democratic parties tell a political story that is attractive to those seeking help and emancipation from pressing socio-economic conditions? And who is to be included in the shaping of preferences and the cornerstones of a future just society? An important step would be to reaffirm that the established normative horizon had been one of equilibrium: without equality and solidarity, there is no freedom. This implies that, in light of crises affecting and altering conditions and notions of equality and solidarity, such as the crises we have identified here – from the Russian aggression to the climate crisis – all of which deeply affect how

vulnerable groups in European societies in the present and in the future might be able to experience equality and solidarity, let alone freedom – the concept of freedom has to be revised and reappraised.

The liberal turn of (democratic) freedom

Social democrats and the left, in general, in western democracies have a complicated, even uncomfortable, relationship with the concept of freedom. Freedom is often depicted as a political value of the libertarian right intended to justify the minimal state and to underline the necessary supremacy of free-market forces. The left, by believing in the state and collective action, was positioned as being against freedom for many decades.

It is often supposed that modern western societies are becoming increasingly focused on the pursuit of individual freedom. Since the 1970s, there has been a long-term process of liberalisation and individualisation, which has transformed society and politics. It is said that industrial and post-industrial societies have become increasingly individualised since the Second World War, disrupting the traditional ethic of collectivism once at the core of socialism and social democracy. The work of sociologists, such as the late Ulrich Beck, illustrates the yearning for greater personal autonomy and freedom.

The fundamental shift is the move away from class as a collective identity towards an embrace of individual identities grounded in gender, ethnicity, race, sexual orientation and so on (although some "traditional" social democratic voters do still identify with traditional forms of identity such as class). Many of the changes could be said to represent "opportunities" as much as threats for left parties. They have instigated an incomplete feminisation process – an unfinished revolution – within social democracy that brought concerns about gender equality to

the forefront of politics in some countries. Yet such developments are believed to have eroded the traditional pillars of support for social democratic parties. The death of the "old collectivism" has allegedly made it harder to build a stable, cross-class alliance that can match the power of organised labour in the 1950s and 1960s.

Nonetheless, centre-left parties themselves have been reordered by the rise of new identity politics. The struggle for equal rights benefited many social democratic parties in the late 1990s and early 2000s, particularly in western Europe. Centre-left parties were able to depict conservative parties as backward looking and out of step with social change, notably the struggle for equal rights among women, the rise of multiculturalism and the pluralisation of sexual identities. While the third way was often depicted as an economic doctrine concerned with persuading social democratic parties to accept market liberalisation, the third way was, in fact, as much concerned with embracing the commitment to individual freedom. The paradox with which centre-left parties must now wrestle is that citizens both yearn for greater freedom and material prosperity, while, at the same time, wanting to be protected from adversity and insecurity by the active state. Despite the growth of individualisation and affluence since the 1970s, few western countries have witnessed a major decline in the proportion of voters willing to pay for the welfare state and public services.

The social democratic tradition and freedom

Historically, some European social democratic thinkers have engaged closely with the concept of freedom. They sought to demonstrate that equality and freedom were interdependent. Post-war British Labour thinkers (John Stratchey, Evan Durbin, R. H. Tawney and Hugh Dalton, among others) insisted that the commitment to democracy must be a fundamental value of the left. The LSE scholar

T. H. Marshall subsequently developed the triad of civic, political and social rights. Marshall (1952) argued that civic rights (the rights of equal citizenship) would lead inexorably to political rights (the right to democratic representation). On the basis of civic and political rights, citizens could then achieve social rights in the institutional form of the welfare state.

Sen and capabilities

Amartya Sen's concept of "capabilities" represents a contemporary iteration of Marshall's formulation. For Sen (2008), freedom "from" restraint is only a partial condition for the realisation of human freedom. For freedom to be real or achievable, citizens require the freedom "to" realise their own talents and aspirations. This means investing in individual "capabilities" through the collective social goods afforded by the welfare state and public services. As such, according to Sen, the state is the friend of freedom rather than its enemy.

The relationship between freedom and equality is linked to the relationship between social democracy and liberalism. Social democracy and liberalism merge around the idea of "positive freedom": the notion that individuals are most likely to fulfil themselves not merely by achieving freedom from external constraint, but by having access to power and resources such that they can realise their true potential. Throughout history, social democrats and socialists have sought to temper their faith in the power of government by acknowledging the importance of protecting citizens from the overweening concentration of power, investing in institutions that enable citizens to flourish, regardless of background or birth. Back to Eduard Bernstein at the turn of the 20th century, centre-left parties have long drawn inspiration from political liberalism. In recent decades, "neoliberalism" has become the dominant strain within western liberal ideologies. Rather than rejecting liberalism altogether, social democrats need to recover alternative

liberal doctrines, namely, the social liberalism that values positive and negative freedom, affording a central role to the state and collective action as catalysts of reform.

The welfare state and freedom

The modern welfare state is the institutional manifestation of the "freedom from and freedom to" doctrine. It is the welfare state that ensures individuals are equipped with the capabilities to realise their talents and aspirations. The welfare state protects the individual from acute material hardship and strives to meet basic needs. Through public services, individuals are able to access education and skills. The welfare state provides assistance in helping individuals return to employment and find new opportunities. In contemporary times, freedom has been linked to the welfare state around the influential proposal for a "universal basic income" (UBI). Many libertarians (particularly those working in the world of new technology) have become strong advocates of replacing large-scale welfare bureaucracies with UBI schemes that pay a cash sum to each individual to spend as they see fit. In that way, individuals are free to choose a way of life for themselves. There has nonetheless been a strong backlash against the UBI, including among key figures on the left. Some objections to UBI are that: (1) to be affordable, the UBI would not be sufficient to protect individuals from poverty in most countries; (2) the UBI would undermine the rest of the welfare state; (3) paid work is a valuable activity that the state should not discourage; and (4) a UBI satisfies some material needs, but it does not invest in the capabilities of each individual, as recommended by Sen.

Contemporary tensions around the concept of freedom

Where the left is attached to particular concepts of freedom, notions such as "freedom of movement" have also created political difficulties.

It remains an unanswered question as to how far centre-left parties should be willing to revisit principles such as freedom of movement in Europe. Social democratic parties have often suffered because they are not perceived to be willing to defend national interests and borders. The centre left wants international cooperation, but national electorates will only accept the case for cooperation and working across borders if they feel confident in their own national identity. The liberal, cosmopolitan values that prevail among the modern progressive left have to be tempered by the recognition of the importance of national solidarity and shared values, including the commitment to greater economic equality reducing differences in material-consumption capacity. Some social democratic parties in Europe, notably, the Dutch PvdA and the Danish Social Democrats, have begun to reappraise concepts such as freedom of movement. These debates underline the need for social democrats to integrate and synthesise the trinity of freedom, equality and solidarity.

Revising social democratic values

What is the contemporary perspective of social democracy on reconciling freedom and democracy, a relationship that has come under increasing pressure in the multiple crises of the contemporary? In this chapter, we have set out to shed light on current challenges to the freedom-democracy nexus from a social democratic perspective. We have shown that increasing societal complexities and the overlapping of multiple crises, such as the Russian aggression against Ukraine, the rise of authoritarian populist movements and governments, as well as libertarian understandings of freedom and the soaring climate crisis force social democrats and progressives out of their programmatic and strategic comfort zone. Long-established truths of social democratic self-understanding will have to be reappraised if progressive politics want to play an important role in enclosing these crises.

For instance, Russia's war in Ukraine has highlighted that a new and revisited approach to international security and diplomacy is necessary. Social democrats and progressive politicians will face the challenge of protecting freedom of speech and democratic privileges. Also, it emphasises the necessity to address the fertile ground for misinformation and fake news that is not entirely new, but that has accompanied the Russian aggression.

Furthermore, authoritarian populist regimes in Europe and elsewhere have achieved extraordinary political success by openly sacrificing the values of freedom and democracy in exchange for perceived security. One of the most important contemporary challenges for social democracy may be to recognise, in an era of overlapping crises, that there is no lasting security without freedom and democracy.

As the crises we live with and have to adapt to will continue to necessitate the use of exceptional governance measures, one of the key challenges at the EU level will be how to unify and bring national and EU control over the regulation of nation-state exceptional legal regimes.

This requires European social democracy to have a constitutional and political vision of the EU's sovereignty and how to reconcile it with the sovereignty of the member states, because recent years and crises have shown that Europe can only be strong and united if it has answers to the challenges of democracy and freedom at the level of the political community as a whole.

Turning to the global climate crisis, social democrats have to acknowledge that, besides bringing unquestionable benefits to many social groups in western societies, established understandings of emancipation and liberation have, as the other side of the coin, contributed to continuously overusing natural resources and accelerating global heating. Also, many social groups are still excluded from (material) growth and well-being. This role of progressive politics

and possible reactions to it will have to be debated in the near future, with an emphasis on how to treat those groups in our societies (and beyond) that deservedly long for emancipation and liberation. What kind of well-being and freedom can social democrats promise in light of the necessary limitations of resource use that the climate crisis inevitably requires? And how might the associated limitations of individual freedom and consumption be legitimised?

This challenge of reconciling freedom with the public good is a challenge across the public policy landscape beyond climate change. It relates to arenas such as healthcare, where improvements in long-term health outcomes require citizens to comply with certain obligations, for example, ceasing to smoke and to consume fatty and sugary foods. In the welfare state in most countries, social support is not unconditional but requires citizens to meet defined requirements, such as looking for paid employment. Social democrats are thus prepared to countenance limitations on human freedom, even if they ultimately believe in the right of each individual to shape a fulfilling life of their own choosing. This dilemma is at the heart of the social democratic project.

All these issues and dilemmas have implications at different levels of the respective political parties: they have consequences for the intraparty organisation of debates and decision-making; for the inclusion of members and supporters; as well as for social democratic and progressive party platforms, political strategy and governance. In light of the highly individualised understandings of freedom that we have highlighted in our analysis, maybe a recollectivisation of notions of freedom lies at the core of a social democratic reframing, as this would enable the character of the normative relationship between freedom, democracy, equality and solidarity to be reinstated. To underline that freedoms are to be defined and guaranteed *collectively* enables a shift in perspective – it is now with an emphasis on social groups

and communities that normative commonalities would be debated. This would also enable a reconnection with social democratic basic principles and tackle the processes of alienation the atomised subjects of the contemporary suffer. Without compromising the emancipation of the individual, social democrats should rethink how communities and social groups could be the foundation of new understandings of freedom. It affords courage to reorganise policy debates and the structures of collective action along the way, from the local to the European level. However, revising how to and through which communities the normative horizon of a social democratic Europe jointly forms, and how a commonly shared understanding of freedom can contribute, is imperative for any progressive agency in light of soaring crises.

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CRISIS AND

PROGRESSIVE POLITICS:

HOW TO MAKE HARD CHOICES AND SUCCEED?

Biographies

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