



SPEECH OF MASSIMO D'ALEMA, PRESIDENT OF FEPS

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Council of the Party of European Socialists**

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Dear friends,

First of all let me say what a pleasure it is to be here today, with so many brothers and sisters, discussing together the prospects for our future, the future of Social Democracy and the future of Europe.

Let me get at once to one of the first issues that I would like to discuss with you and that concerns us all. Today, in Europe, we are witnessing a crisis of Social Democracy and of the Social Democratic forces. In bipolar systems, rotation of power is physiological. In this physiological rotation, the Left had its positive cycle in the 1990s: a favourable course that for some countries lasted even beyond that decade. However, we are currently living a time in which this physiology is instead particularly negative. And, in some States, it has been negative for too long. Indeed we are no longer experiencing the simple rotation of power between conservative forces and social democratic ones. What we are experiencing is the crisis of Social Democracy, which is part of the crisis of European democratic political systems.

We must not indulge in a comforting analysis of the times we are going through. The crisis has brought to light the issue of the relevance of our values: we have been defeated because, in the wake of the Third Way, we abandoned those values. Apparently, the key to win again might be a return to orthodoxy, putting aside the experiences of the 1990s.

In my opinion, most of the critique to the experience of the Third Way is well founded. Its main shortcoming was its cultural subordination to neoliberalism and an over-optimistic vision of globalization. However, I also believe that it also had a positive legacy. And we should not forget the fact that the Third Way was a response to the crisis of the traditional Social Democratic model. In recent years, we have witnessed the defeat of both experiences: the defeat of the component of European socialism that uncritically embraced the destiny of globalization, but also of those components which were under the illusion that it was possible to protect the welfare state from the challenges of a globalized world.

If the Third Way represented an inadequate answer to the crisis of the Social Democratic model, we should also consider that the foundations of that model had disappeared: a certain idea of economic growth in Europe, the centrality of the “Fordist” organisation of labour, the primacy of the State and of the national dimension vis-à-vis internationalism.

Nowadays the Right is winning in Europe. But I believe that this Right is not able to deliver the goods. Indeed, it is providing some answers, but they are simplistic and regressive ones. Let’s consider, for example, the re-discovery of identity roots, the fear of immigrants, the bond with the land, the political use of religion. This Right has indeed shown the capability of interpreting the deepest moods

and feelings of modern society, of “riding” its fears. But it seems particularly weak in terms of governance of the crisis and efficient problem-solving. Let’s look at the latest polls. Angela Merkel is currently in a minority position; the majority of the Italian people no longer supports Berlusconi’s government. In France, Sarkozy’s position is no better.

Given this favourable context, it should be possible to lay the foundations of a new progressive cycle. Yet, we should bear in mind that the difficulties of the Right do not automatically correspond to a success for the Left. In fact, in none of the above mentioned States the Social Democratic parties can emerge by themselves as a concrete alternative. Despite the fact that Socialists and Social Democrats are and will remain the majority force within the Left, we must not underestimate the extreme political fragmentation of the political spectrum. I am thinking of actors such as the Green parties, or as the small and local political groups.

Therefore, the main challenge that the Socialist and Social Democratic camp is facing today is how to plan a new political cycle, which must not be a mere political return to the old traditional Social Democratic model. Rather, we must consider the contribution that European Social Democracy can offer to a progressive and democratic coalition – not only in party terms, but in broader, deeper, cultural and social, terms. A wide coalition of which European Social Democracy will only be a component.

On which platform should such a European progressive alternative be built? I am convinced that it must be based on three pillars: democracy, equality, knowledge and culture.

As for the first one, the question of democracy must regain the centre of the political discourse. Democracy was born and developed within the Nation states. Nowadays, democracy as we knew it is being questioned by the unfolding of globalization, by the asymmetry between the power of the large financial groups and the means for public policy actions. We must once again put politics before economics, we must assert the principle that political and democratic institutions must direct and rule the economy beyond the borders of nation States.

From this point of view, for us Europeans the political project of European integration and the strengthening of the EU institutions represent the first and fundamental answer. Europe must be an essential component of global governance.

In the past, even in the Left camp, there was a certain mistrust towards a “technocratic” Europe, which seemed to drain “democratic” Nation states of their powers. But today it is clear that the only kind of sovereignty that can be exercised in many fields is a shared sovereignty at the European level.

This is the reason why the new European progressive coalition cannot be but the strongest supporter of European integration. On the other hand, it is apparent that without a comprehensive European

strategy for growth, development, employment and so forth, even just preserving the key achievements of the EU – the Single Market and the Monetary Union – will not be possible. Political establishments and public opinion across Europe must know that now, more than ever, it is crucial to strengthen the European Union and its political and economic institutions, avoiding the temptation of a return to the Nation states. Otherwise, the risk is for Europe to be marginalized in all fields.

The second pillar of this new Progressive project should be equality. Unregulated global development has produced unbearable and unsustainable inequalities, not only between rich and poor countries, but even within rich countries themselves. Global wealth has grown, but its distribution has been unequal: according to the OECD, despite the growth of wealth at the global level, poverty and social inequalities have increased in most developed countries.

One of the causes of such inequalities is the shifting of wealth from labour to capital. This is caused both by the competition of emerging countries – which have depreciated the cost of labour – and by the fact that the mobility of capitals has favoured the unbalance of taxation systems, which have gradually shifted the tax burden on labour and entrepreneurs. A reduction of inequalities partly requires national policies, but can be attained only at the international level. This is why a tax on financial transactions represents not just a tool against speculation, but a very important factor of equity and social justice. We must explain that it is not another vehicle of tax pressure, but a means for creating a fairer taxation system, which should be oriented towards the re-launch of our economies and our labour markets, towards an environment-friendly growth.

The question of the redistribution of wealth concerns us Progressives from another very important point of view: that of the representation of workers. In fact, it is manifest that Socialist and Social Democratic parties have been incapable of protecting just those social sectors that constituted their constituency. It was not by chance that many workers turned their backs to Social Democracy and placed their expectations in right-wing forces that, with their slogans on protectionism, on the rejection of immigrants, on security, were seen as the only possible champion against their fears.

Therefore, the issue of redistribution of wealth should become once again one of our key priorities. If this will not be the case, we will run the risk of representing only a minority of people, that of the middle classes, of the most educated and informed social sectors, leaving to the Right the votes of the productive world, of blue collars and of entrepreneurs. I think that today the old rift between employers and workers no longer exists. By contrast, we can detect an ever growing common interest between workers and business: the real social conflict today is that between the world of production and that of financial profit and speculation. I am convinced that it is essential that we

root ourselves again amongst the productive forces, if we do not wish to renounce our values and ideals of a just society.

As for the third pillar, I believe that the promotion of knowledge and culture should become a cornerstone of European progressive forces, because a new stage of development can only be founded on these crucial premises. The world is undergoing a sweeping change. The ranking of the richest countries is constantly changing. We should be aware that by 2025 China and India will produce 40% of the world's GDP, while the EU risks reaching only 15%. In light of this, culture, research and innovation must become one of the greatest assets of the European Union.

I do not agree with those who say that in such a difficult moment we cannot afford to invest in Research & Development. On the contrary, I am sure that it is precisely in these times of crisis that we must invest in research, in the development of new green technologies, in education and universities. In times of global crisis, education and research are not a luxury, but rather the engine of development. This will eventually produce a substantial growth of our economies, a growth oriented towards the protection of our environment, of our health, and the improvement of the quality of our lives. We cannot measure everything simply in quantitative terms, we must also take into consideration another parameter, that of social quality.

Democracy, equality and innovation must be the foundations on which we should build a new Progressive season. But this is, I believe, the time to be brave. We must be aware that for this project to be successful, it must not be confined to Social Democratic forces alone. If words have a meaning and a value, traditional Social Democracy – which has represented one of the most important and richest political currents of the Twentieth century in Europe – is no longer enough by itself. The challenge for us is to undergo radical transformations, put ourselves at stake, engage the progressive and democratic forces beyond our own borders, beyond our own political family.

One could think that the problem of building a great modern, progressive and democratic force, aiming at its own cultural renewal, is an Italian problem alone. But this is not the case. Let us look at what is going on around the world, beyond the borders of our Old continent. None of the big progressive parties which are in power in this moment of outstanding change is named Socialist, or has anything to do with our tradition. Even the Socialist International seems to be an excessively Eurocentric organization, which does not give the just representation to the great original forces that are animating political transformations in their own countries. But they are essential interlocutors if we want to give a progressive answer to the global crisis. Just think of US Democrats, the Brazilian PT, the Indian Party of Congress and the African National Congress.

We chose the right path when we established the Global Progressive Forum. Now the time has come for a step forward. We could think of a global progressive movement, in which countries of billions of people are protagonists, not mere observers. We should take part in this initiative with pride, to enlarge our borders, renew our ideas and our proposals. We should all work together – progressive and democrats from all over the world – to implement the necessary changes.

