The Progressive Yearbook is a new FEPS publication that will be published every year with the aim of offering a new tool to the European progressive family to stimulate reflection. The volume will focus on analysis of the previous year’s developments in order to take stock of the lessons learnt, try to make predictions for the new year – in spite of the fact that “the world spins faster and faster, and nothing can be taken for granted” – and set political priorities, against which future failures and achievements will have to be measured.

This first ever edition of the Progressive Yearbook features the contribution of outstanding European academics, analysts and policymakers who have looked back at a pivotal year – 2019, in which decisive events and developments have taken place and crucial decisions have been made: the European Parliament elections, the first ever to be focused on truly European topics; the formation of the new European Commission, led for the first time by a woman and with a significant progressive presence; the many world demonstrations asking policymakers for more courageous actions to counter climate change; the persisting deadlock on issues related to migration; the European Union’s attempt to chart a path for the digital transition; and many more.

On the basis of these analyses we then suggest bold ideas about the future and about what the progressive family can do to create a future that is more in line with our goals and values.

It is a challenging and exciting task that we commit to face every year. FEPS hopes that this book will help the reader to look back in order to move forward.
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Looking back to look ahead!

The 2019 European Parliament elections have triggered a thorough reflection not only on the state of the Union and the project of European integration, but also on the state of social democracy in Europe. This reflection has been, and continues to be, a difficult process. Sometimes even uncomfortable. Yet necessary, if we want to be active players and shape the future that is unfolding. What we now see is the possible way forward.

This Progressive Yearbook is a new FEPS publication. Taking stock of last year’s events and developments, it will help highlight the most important achievements, as well as the lessons, of 2019. But our Progressive Yearbook is also, and above all, about the future. It is an opportunity to stop for a moment and look forward, set priorities, and put on paper some of the expectations and plans against which future developments will have to be tested.

Through a variety of online and printed publications in 2019, including our flagship Progressive Post, FEPS has provided quality analysis and reflection for its readers. New instruments, such as the podcasts (FEPS Talks), have been successfully introduced. In 2020 we plan to keep offering our understanding of European politics, while continuing to innovate using old and new channels. The Progressive Yearbook is part of our innovating effort.

As the leading progressive think tank in Europe, FEPS wants to demonstrate that by publishing a regular yearbook it has the capacity to bring together political leaders, activists and academic experts from our political family, as well as collect critical data and deliver sharp analysis along with concrete proposals.

The FEPS Progressive Yearbook is something from which our readers can learn, while hopefully also enjoying their read.

László Andor
Ania Skrzypek
Hedwig Giusto
LOOKING BACK
2019 European Chronology

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>1 January</td>
<td>Same sex marriage becomes legal in Austria</td>
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<td></td>
<td>The euro celebrates its 20th birthday (the common currency is shared</td>
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<td></td>
<td>by 19 EU member states and over 340 million citizens)</td>
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<tr>
<td>14 January</td>
<td>Pawel Adamowicz, Mayor of Gdańsk, is assassinated</td>
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<td>29 January</td>
<td>Solidar’s Silver Rose Award event in Brussels</td>
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<td>12 February</td>
<td>The Republic of Macedonia officially becomes the Republic of North</td>
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<td></td>
<td>Macedonia</td>
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<tr>
<td>14 February</td>
<td>European Parliament and Council reach a provisional agreement on the</td>
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<td></td>
<td>establishment of the European Labour Authority, a key deliverable of</td>
</tr>
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<td></td>
<td>the European Pillar of Social Rights</td>
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<tr>
<td>22-23 February</td>
<td>PES Congress in Madrid</td>
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<tr>
<td>3 March</td>
<td>Estonian parliamentary elections (Jüri Ratas, liberal, forms his second</td>
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<tr>
<td></td>
<td>government)</td>
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<tr>
<td>5 March</td>
<td>Maltese parliamentary elections (the Labour Party retains power)</td>
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<tr>
<td>16-30 March</td>
<td>Slovak presidential elections (Zuzana Čaputová is elected in the second</td>
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<tr>
<td></td>
<td>round. She is the first female president of Slovakia, and the youngest</td>
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<td></td>
<td>ever)</td>
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<tr>
<td>20 March</td>
<td>European antitrust regulators fine Google</td>
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<td>21 March</td>
<td>Nobel Laureate Joseph Stiglitz and FEPS present in Brussels “Rewriting</td>
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<td>the Rules of the European Economy”</td>
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<td>23 March</td>
<td>400,000 march in central London to protest against Brexit</td>
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<tr>
<td>26 March</td>
<td>The European Parliament votes in favour of the EU Directive on Copy-</td>
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<tr>
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<td>right in the Digital Single Market</td>
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<tr>
<td>2 April</td>
<td>Presidential election in Malta (Marie-Louise Coleiro Preca is replaced</td>
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<td></td>
<td>by former cabinet minister George Vella)</td>
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<tr>
<td>10 April</td>
<td>Scientists announce the first ever image of a black hole located in M87</td>
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<td></td>
<td>galaxy</td>
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<tr>
<td>11 April</td>
<td>A day-long series of events spanning four continents marks the 100th</td>
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<td>anniversary of the International Labour Organization</td>
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14 April Finnish parliamentary elections (social democratic Antti Rinne forms four-party-coalition government)

15 April A fire breaks out beneath the roof of Notre-Dame cathedral in Paris

26 April Avengers: Endgame is released breaking box-office records and becoming the highest grossing movie of all time

28 April Spanish general elections (PSOE remains the largest party, but Pedro Sanchez fails to form government)

2 May The European Commission presents its proposal for the 2021-2027 Multiannual Financial Framework, the EU’s long-term budget. This formally starts the MFF negotiations

12-26 May Lithuanian presidential elections (independent economist Gitanas Nausėda is elected in the second round)

14-18 May Eurovision Song Contest in Tel Aviv (the Dutch contestant Duncan Laurence wins)

17 May Breakout of the Ibiza Affair involving Austrian Vice-Chancellor Heinz-Christian Strache (the unravelling of the right-wing coalition begins)

20 May The redefinition of the International System of Units (SI) takes effect

23-26 May European Parliament elections (the S&D as well as the EPP suffer losses, while both the greens and the liberals increase their shares)

24 May Irish divorce referendum

Theresa May announces she will resign as Prime Minister with effect from 7 June

26 May Belgian federal and regional elections (an overall shift to the right is recorded)

Spanish local and regional elections

29 May Latvian presidential elections (the former European Court of Justice judge Egils Levits is elected by the Parliament)

2 June Double referendum in San Marino (one on electoral system and the other to prohibit discrimination on the grounds of sexual orientation)

3 June László Andor enters as FEPS Secretary General (on his 53rd birthday)

5 June Danish general elections (clear victory by social democratic Mette Frederiksen)

7 June-7 July FIFA Women’s World Cup in France (Megan Rapinoe emerges as progressive role model)
13 June  Adoption of the Directives on Work-Life Balance, and Transparent and Predictable Working Conditions, two key deliverables of the European Pillar of Social Rights

13-14 June  FEPS “Call to Europe VIII: Time for Progress”

1 July  Iratxe García Pérez replaces Udo Bullmann as Socialists & Democrats Group leader in the European Parliament

2 July  European Council elects Belgian liberal Charles Michel as its President, nominates German Christian Democrat Ursula von der Leyen for European Commission President, elects Spanish socialist Josep Borrell Fontelles to be High Representative, and considers French Christine Lagarde suitable for the presidency of the European Central Bank

7 July  Greek parliamentary elections (Alexis Tsipras steps down, a centre-right government is formed)

16 July  The European Parliament elects Ursula von der Leyen to be the next President of the European Commission

21 July  Ukrainian parliamentary elections

10-25 August  Canary Island wildfires

20 August  Giuseppe Conte offers his resignation as Prime Minister of Italy (ending the coalition between the 5 Star Movement and right-wing Lega)

1 September  Brandenburg and Saxony Land elections (SPD weakens but remains in pole position in Brandenburg. In Saxony SPD finishes in 5th place)

5 September  Conte forms his second government; the Italian Democratic Party and the 5 Star Movement become coalition partners

10 September  UK’s Parliament is prorogued

20 September  International strike against climate change (led by young people)

20-21 September  FEPS UNITED for Climate Justice Conference in New York City

29 September  Austrian parliamentary elections (centre-right Sebastian Kurz triumphant)

30 September  Ireland promises to plant 440 million trees in 20 years

6 October  Portuguese parliamentary elections (António Costa’s Socialist Party preserves strong government position)

9-11 October  FEPS Autumn Academy (with legacy speeches by Federica Mogherini and Pierre Moscovici)
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<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>13 October</td>
<td>Polish parliamentary elections (Jaroslaw Kaczyński's PiS remains in government, while centre-left returns to parliament) Hungarian local elections (Budapest and several other cities elect progressive leaders, thanks to cooperation within spectrum of opposition)</td>
</tr>
<tr>
<td>14 October</td>
<td>Trial of Catalonia independence leaders The Royal Swedish Academy of Sciences decides to award Nobel Prize in Economics to Abhijit Banerjee, Esther Duflo and Michael Kremer “for their experimental approach to alleviating global poverty”</td>
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<tr>
<td>17 October</td>
<td>Gibraltar general elections</td>
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<td>18 October</td>
<td>France-led group (including also Denmark and the Netherlands) blocks the proposal to start accession talks with North Macedonia and Albania</td>
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<td>19 October</td>
<td>One Million People’s March against Brexit</td>
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<td>20 October</td>
<td>Swiss federal elections</td>
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<tr>
<td>27 October</td>
<td>Thuringian Land elections (left-wing Bodo Ramelow forms red-red-green coalition government)</td>
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<tr>
<td>30 October</td>
<td>Twitter bans political advertising</td>
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<td>1 November</td>
<td>Christine Lagarde replaces Mario Draghi as President of the European Central Bank</td>
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<tr>
<td>10 November</td>
<td>Spanish general elections (only a few months after previous general elections, PSOE is again the first party)</td>
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<tr>
<td>10-24 November</td>
<td>Romanian presidential elections (liberal Klaus Iohannis is re-elected)</td>
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<td>14 November</td>
<td>Sardines movement starts as a flash mob, organised in Piazza Maggiore, Bologna, Italy</td>
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<tr>
<td>25 November</td>
<td>On the occasion of International Day for the Elimination of Violence against Women, thousands of women across the world replicate the Chilean feminist anthem ‘A Rapist in Your Way’</td>
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<tr>
<td>26 November</td>
<td>Earthquake in Albania</td>
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<tr>
<td>27 November</td>
<td>The European Parliament votes in favour of the new European Commission (number of progressive commissioners increases to nine)</td>
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<tr>
<td>30 November</td>
<td>German Social Democratic Party (SPD) elects Norbert Walter-Borjans and Saskia Esken as co-leaders (new leaders are known as critics of Grand Coalition with CDU-CSU and earlier welfare reforms implemented by Gerhard Schröder)</td>
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<tr>
<td>1 December</td>
<td>European Commission audit confirms that Czech liberal Prime Minister Andrej Babiš is in a conflict of interest due to his former business empire Prime Minister of Malta Joseph Muscat announces his resignation amid crisis over murdered journalist (to become effective in 2020)</td>
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<td>Date</td>
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<tr>
<td>2-13 December</td>
<td>COP 25 takes place in Madrid (the venue was shifted at the last minute from Santiago de Chile; no breakthrough)</td>
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<tr>
<td>10 December</td>
<td>Finland’s Sanna Marin, age 34, becomes the world’s youngest serving Prime Minister (without new elections, following resignation of Antti Rinne)</td>
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<tr>
<td>12 December</td>
<td>UK general elections (Conservatives led by Boris Johnson attain absolute majority with significant margin. Process to succeed Jeremy Corbyn begins)</td>
</tr>
<tr>
<td>16 December</td>
<td>Pope Francis abolishes pontifical secrecy in sex abuse cases</td>
</tr>
<tr>
<td>22 December</td>
<td>Croatian presidential elections (in the first round social democratic Zoran Milanović emerges in pole position)</td>
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LOOKING BACK

How the European Elections 2019 became a turning point against all the odds

Ania Skrzypek

The European elections are a very strange event in the political calendar. Unlike the national elections, they cannot be called any time, whenever there is a grave crisis and the political stakeholders find themselves either in a deadlock or in a search for a renewed legitimacy. But while they take place at a fixed point every five years and hence, in theory, they could be more predictable, they prove to be the hardest to prepare for, the trickiest to run a campaign for, and the most volatile when it comes to overall results.

One could wonder why this is actually the case. There is a handful of explanations. First of all, while political scientists have unfortunately classified them as the vote of second order, for years there was the impression that they are a very different kind of game. For the parties in government they frequently proved to be particularly difficult, being seen as a sort of a mid-term. For the parties in opposition they were a window of opportunity to launch an attack on those in power. For the new groupings and protest movements European elections represented a chance to emerge. And finally, for the citizens, they seemed to offer a possibility to express their general or particular dissatisfaction, usually over an unrelated issue. That is, should they actually turn up at the polling station, which, for every election, can be taken for granted less and less.

Secondly, there has been a tendency to analyse the European elections in a fashion that would suggest that they were a periodical referendum on the European Union itself. The lower the turnout and the greater the participation of the anti-European groupings, the more likely the commentators would conclude that the vote exhibited a growing crisis (of confidence), a disenchantment of the European voters questioning the very sense of Europe and a lack of democratic embedding of the Brussels bureaucracy. Sadly, because of the strong belief that these are a different sort of election, analyses regarding participation, performance of the traditional parties and subsequent protest votes would be conducted as detached from the research on the state of contemporary democracy.
Thirdly, there has been another harmful, however comforting theory coined that would be continently brush up every five years. It refers to the assumed lack of knowledge about the European Union among the EU citizens. It has been argued that if only the citizens had known more about the institutions and processes, they would most evidently rush to cast their votes in the European elections. Additionally, they would not believe in the scapegoating when it comes to Brussels imposing diverse unpopular decisions on the member states, and they would not get trapped in the vicious arguments of the nationalists (as was allegedly the case ahead of the UK referendum on EU membership). There are many problems with this line of reasoning, but the two most profound are that the contemporary voters are possibly at their most aware ever in the history of democracy, and that assuming ignorance also suggests a relatively high degree of arrogance on the side of those making such claims.

Explaining the European elections as a second-order tactical vote for some, a referendum on the EU for others, and a quite random act for yet another group is among the reasons why these elections are both cherished and feared. They are indeed celebrated as the only mechanism enabling direct democratic legitimisation for the citizens, while they are also always anticipated with precaution that they will end with yet another disappointment when it comes to scarce turnout, growing fragmentation of the European Parliament and an increase in seats gained by the anti-EU forces. Not surprisingly, ahead of May 2019 these were also the sentiments shared among the traditional European political parties, their groups in the EP and their members gearing up to run the campaigns 'back home'.

In other words, looking back 12-18 months, the overall mood was depressive. While the EU seemed to have been unable to pull itself out of the overall crisis, it appeared to have kept failing subsequent other tests as well. The challenge of enhanced migration exposed its incapacity to live by the principle values, both when it comes to humanitarian approach towards those seeking refuge and when it comes to exercising solidarity among member. Furthermore, the lines of internal divides of the Union deepened: the UK filed an intention to leave the EU; the eurozone members kept on pondering mechanisms of enhanced cooperation for EMU participants only; and the East and West split has become critical.

These issues began to also matter a great deal in the national context, which some called the Europeanisation of domestic politics. They added to a struggle that the traditional parties (conservatives, social democrats and some liberals) were particularly entangled in. They were already facing a critical crossroads with the national elections and referenda being more frequently called for, with the prolonging and frequently inconclusive attempts to form governments, and with the still persistent lack of trust in politics from the side of the voters – but now, on the top of all of that, they needed to come up with a convincing, cohesive position on Europe and its future. And that has not been easy at all, especially as saying ’no’ to the EU has always been a straightforward answer and saying ’yes’ has always been a complex task ending in being attacked on all flanks either way.

For the social democrats in particular, the run-up to the elections was not a great period. Once again, they have been experiencing a phase of electoral defeats. Many of them were noted as historically ’new low’ points, not only because they had never sunk that deep, but also because they had never imagined that they would fall that much. That meant
subsequent internal crises and division when it came to a choice of both paths for renewal and personalities of leaders. That meant that they were approaching the European battlefield with broken frontlines, as well as with a sense of insecurity multiplied by all the polling results. The forecasts were suggesting that social democrats will not only lose, but will also be the third or fourth group in the EP as a result. Against this backdrop imagining an energising campaign, to keep the red flag flying and be a political force to make a difference, seemed not only unrealistic, but possibly also infantile and inappropriate. Nevertheless, and totally against all the odds, progressives did just that – they dared to believe that they could break out of the vicious circle of defeats and draining self-criticism. And when it came to call, on 26 May 2019, they were in a position to say: eppur si muove – albeit it moves. Both because they rose above their own threshold, and the contribution they made through their campaign was a factor in changing the face of the European elections. This was no longer yet another piece of the puzzle depicting the overall democratic crisis, but rather a turning point heading towards a new counterphase.

The 10 points below look further into this, exploring both the supporting evidence from the campaign and its aftermath, and also suggesting a couple of issues that the centre-left could further develop to maintain the momentum that they had the audacity to create.

1. Progressives made a contribution to a debate on the future of Europe through their successful campaign

In the paragraphs above, several reasons were listed as to why the time directly ahead of the campaign was one of doubt and hesitation. At that point there was no sign that the upcoming electoral round would be any different to the earlier ones, and to that end that there was a chance to either provide another kind of quality debate on the future of Europe and herewith encourage more people to actually choose among the programmes, go to the polling stations and vote. The polls across the EU were still insisting that citizens (especially young ones) remain disenchanted with politics and hence would abstain, and what would prove a major challenge for the traditional parties would be the fact that the campaign would be stirred by the anti-Europeans. Their messages would evidently not focus on how Europe connects but on the issues that divides states, regions, inhabitants.

To that end, for those active on the European level, there may have been an additional spoiler. In the preceding months the discussion about democratisation of the EU seem to have been heading down a blind alley. The proposal regarding the establishment of transnational lists was rejected, despite strong backing of people such as President Macron. And there seems to have been little appetite among conservatives or liberals to try to accelerate the design of the campaign. The ghosts of the past concerning the Council’s unfavourable attitude
Towards the European Parliament’s interpretation of the Lisbon Treaty when it comes to election of the President of the Commission were still haunting Brussels. So the question that could be colloquially phrased as “why even bother” did not seem to be that inappropriate.

But while social democrats may have still been focusing on preventing losses in the summer of 2018, the dynamic had already changed by autumn. The first sign of it was the fact that two highly respectable candidates presented themselves to be elected as Top Candidates in the 2019 race. Then, following the PES Congress in Lisbon in December 2018, as well as the PES Election Congress in Madrid in February 2019, the attitudes altered further. There was a certain strength that transcended from the speeches of not only Frans Timmermans, but also especially the party leaders and hosts Antonio Costa and Pedro Sanchez. Subsequently, social democrats entered into the campaign with eagerness to believe that they could make a difference. They reached the turning point where much more than listening to what the polls were saying, they committed to listening to what they themselves and the voters had to say directly. It was a breakthrough indeed.

This was refreshing. Finally, the progressives stopped whining, and categorically refused to give in and give up. And while the momentum of Frans Timmermans assuming the leadership with freshness and eagerness is best depicted by the photo of him with young campaigners biking through sunny Lisbon, the enthusiasm of the next stage resonates best with a thousand people standing up to cheer and sing in the heart of Madrid two months later. This is when the programme was presented and adopted, and what made it unique was its positive tone. The 2019 PES Manifesto called for a new social contract, which stood for a promise of social justice, of quality jobs for all and for environmental sustainability. These messages were also echoed in the electoral platforms of all these member parties that decided eventually to additionally adopt their own election programmes. While offering hope, progressives became more hopeful themselves yet again. Especially as time has shown again and again during the campaign that a positive approach and proposals on how to proceed was precisely what the voters were longing for. The tide was changing, and the national elections taking place in the meantime in Spain and in Finland brought further good news for the centre-left. Cautious, but encouraged, the social democrats continued campaigning intensively until the very last minute. And when they reached the finishing line, collectively on the European level they could look back and say: it would seem that we not only changed our own tides but we ensured a new kind of quality in the campaign, and we also introduced some very relevant issues into a debate on Europe.

These last points remain a strong legacy, and it is most exciting to see social democrats pursue them – either in the shape of the New Green Deal as outlined by Frans Timmermans in the capacity of the Commission Vice-President, or the launch of an idea of a European Minimum Wage announced just at the end of the year as a valid proposal from another progressive Commissioner, Nicolas Schmit.
2. Frans Timmermans has progressed to become the leader for Europe, consolidating social democrats during and after the European elections

The Lisbon Treaty’s article implying that the candidate backed by the majority in the European Parliament should become the President of the European Commission was seen as a breakthrough at the time of its introduction. But soon after it became a reason for many tensions – amongst the EU and its member states, among the institutions, as well as within the political families. The social democrats themselves were not in a position to agree on having a top candidate in 2009 (which many still look back on with disappointment) and while they did succeed in uniting behind Martin Schulz in 2014, half the term later they were reviewing their internal procedures and at that point there may have been no clarity as to who would run it the next time round.

The broader context was not particularly encouraging either. The conservatives had a good start with a public sparring of two candidates, but the winner – Manfred Weber – turned out not to fulfil the hopes what the EPP entrusted him with. The liberals did not choose anyone to be the *Spitzenkandidat* this time, which was a surprise indeed, as ALDE had been one of the most forceful proponents of the idea itself. Instead they presented a team, which, however, was not at all a team of potential commissioners – which, had it been the case, could have been seen as a political innovation. The Greens went with the safe option of the already known candidate from the 2014 race Ska Keller, paired with Bas Eikhout. In that sense the battlefield was not exactly well defined and for social democrats the issue was not only to eventually come up with a Top Candidate, but also to determine the conditions in which the campaign would evolve as much as possible.

To that end, when Frans Timmermans emerged to be the PES *Spitzenkandidat*, there still were quite a few questions, and many tried to compare him with Martin Schulz and his undoubtedly inspiring, exciting campaign from five years before. But although Timmermans, as Schulz, was a European through and through, and like him had a rare ability to speak (and joke) freely in a handful of languages and also a skill in connecting with people, he was a politician with a very different kind of a profile. That soon after turned out to be to a great advantage, proving that not only every time needs its own answer – but also that every campaign requires a different kind of leadership. Consequently, looking from a perspective of that time, as well as now – half a year after the vote – it is evident that Frans Timmermans indisputably became the perfect Top Candidate for PES in the context of the European elections campaign 2019.

To begin with, he was very well known, both in his home country – the Netherlands – and also abroad. The level of his recognition was therefore already significantly higher than that of anyone else in the race. As a commissioner, he was a symbol of the fight for democracy and against any policy or any state that would threaten that. Moreover, throughout the campaign he let himself be known also as a politician striving for equal rights for men and women, for a European minimum wage, for just corporate taxation and for action against climate change – all those core issues that both traditional and renewed social democracies...
would stand for. This made him such a powerhouse that the negative electorate that he would face, especially at the beginning (alongside the internet trolling), started melting to the extent in which adverse advertisements against him would backfire. As the campaign progressed, a decisive shift in Frans Timmermans’ rating became particularly visible during the subsequent Top Candidates debates. He actually won each sparring match, starting from the initial one at the University of Maastricht. This was a symbolic victory, since it has been continuously claimed that social democrats do not poll well among young people. The outcome suggested the contrary.

All these cumulated in the phenomenon called ‘Timmermans effect’. Most tangibly, it led to two outcomes. First, the list he led for PvdA in the Netherlands re-emerged from the depressive lows of previous electoral defeats and reached the proverbial sky of winning an overwhelming number of six seats in the EP. Secondly, in the context of the EU, it elevated him as the strongest contender for a leadership position in Europe. And at the start of the negotiations it was certain that neither he nor the social democrats would give up that easily in the approaching negotiations, even if they did not have the highest number of seats in the European Parliament and even if at that stage the call for a gender-balanced Commission was being used as an argument against him. What followed was a vicious attempt to destroy his candidacy further by hammering on the argument that Timmermans does not enjoy the trust of at least two member states – Hungary and Poland. But even that proved not to be sufficient to side-line him from a solid leadership position, which is why he still remains an authority today, an unquestionable leader of the progressive family (also inside the Commission) and a person behind the European Green Deal – which is likely to be the most important overall project of the current legislation.

3. Social democrats presented a community of very strong candidates across the national lists, who have been making a difference since the beginning of the mandate

In the introduction, it was mentioned that the European elections used to be seen as less relevant than the national ones. That was the case both for the voters, as well as for some of the national parties. This attitude considerably influenced the composition of the electoral lists in the past, with the result being that many of them were often a strange mix of famous political veterans and little-known names. Many of the Members of the European Parliament would re-run, frequently successfully, and many would remain recognisable voices on respective dossiers. In the 2019 election this was about to change, as the predictions were already suggesting that it would be the largest turnover so far among the representatives.

The PES member parties anticipated it. Additionally, because of the context, already broadly described above, they made an effort to ensure that the composition of their respective European election lists would involve a set of very strong names. On one hand, there would be quite a few very well-known personalities heading the lists and offering them a boost. Being able to run on famous names was an asset, as the European campaigns are shorter
than the national ones and it is hard to gain a serious profile during its rapid course. From today’s perspective, this strategy translated into a great degree of knowledge, competence and experience among the MEPs as in their ranks there are several former prime ministers and ministers. On the other, there was also a fair degree of young(er) contenders placed in positions that perhaps would not offer election by default but would provide a better chance to fight for it. This prompted a desirable transformation, which remains in sync with the generational change that seems to be taking place across the social democratic parties (with Finland, Denmark and the Czech Republic paving the way on the level of leadership of course). What is also worth noting is that social democrats did better than ever before in terms of making their electoral lists gender balanced, with most national parties using the so-called ‘zip-system’. To that end, some countries went for a shared responsibility of top men and women to present themselves as ‘joint leadership of the list’.

What was interesting was that, also because of such a mix on the list and effective, very diversified campaigns that they run, social democrats were able to break out of the curse that seem to have been hanging above the traditional parties in the past. To offer some examples, in Austria, it was the first election since the right-wing government was formed and the SPÖ emerged from it as a party with higher approvals, perceived through the work of its candidates as the one “closer to the people”. In the course of the pre-electoral struggle, the party also promoted the chair of the youth organisation – who has become not only known, but also reaching top approval figures – which translated into socialist solid result in the student elections shortly after. In Slovenia, the campaign brought additional positive energy and saw the party double in terms of the seats at the end, which was also the case for the social democrats in Estonia. Furthermore, against the previously established tendencies of second-order election that would see the governing parties punished, the Swedish SAP, the Maltese Labour Party, Portuguese PS, and particularly the Spanish PSOE came out victorious, additionally consolidating their positions in their respective countries.

So while social democrats (as every other Group in the European Parliament) saw a high turnover in terms of members, the new community of elected MEPs is clearly a force to be reckoned with. The very initial look at the new MEPs’ profiles indicated that the Progressive family gained in terms of the capacity to further strengthen its voice in such policy areas as Common Foreign and Security Policy; Economic and Monetary policies; Democracy, Diversity and Human Rights, and Gender Equality. And the first months that are now rounding up have been a period in which it became clear that although S&D is not the largest of the groups, it is definitely there when it comes to striving for a primacy of political initiatives – having in their ranks many heavy-weights and potential spokesperson in the key dossiers that the EU is bound to tackle in the course of this parliamentary term.

To that end, the power of the new group lies in the coherence that it can bring about. Of course, one could potentially still frown at such a claim, referring to some of the clear divides...
from the beginning of the mandate and the tensions that were even more clearly exposed around the election of Ursula von der Leyen as the new Commission’s President. But even if those disagreements have been an issue, they have rather evolved around the strategy and not around specific policy dossiers. Here the centre-left can be proud of having reached a consensus and having consolidated policy positions around a vast amount of questions. This is an advantage vis-à-vis the liberals in particular, who have recently undergone a profound transformation and even renamed the Group ‘Renew’, or the Greens for that matter, which as successful as they may be, still remain quite divided internally.

4. The increased turnout is a signal that the European elections are no longer a second-order vote, and also that the times of permissive consensus and overwhelming abstentions are over

Since the first vote in 1979, the turnout in the European elections has shown a steady tendency of a decline. Dropping from the level of 61.99%, it hit an unprecedented low at 42.61% in 2014. It was especially striking that the countries who joined the EU in and after 2004 would be among those having the smallest percentage of the population taking an active part, with Slovakia’s 13.05% and Czech Republic 18.20% voters showing at the polling stations. Initially, the high degree of abstention was attributed to two factors. Firstly, that the European elections are the second order vote and hence, among its features, attract fewer people. Second, that there is a phenomenon called ‘permissive consensus’, which means that the Europeans generally go with the flow when it comes to deciding on the future of the EU.

The situation already began to change by 2014, whereby the turnout stayed low, but the number of votes that could be described as protest ones have increased, as a consequence of an overall dissatisfaction with traditional politics and with the EU itself in the aftermath of the economic and financial crisis and austerity’s era. Raising protest votes were expected to be the characteristics of the European elections 2019, but even anticipating them did not prepare anyone for the final figures, and the increase in turnout to 50.9% came as a surprise to many.

Evidently, there have been also some specific national reasons when it comes to mobilisation within the respective member states. In Poland, for example, the major issue was about picking sides in a battle between the governing party and the opposition united in the European Coalition, which to some extent was also an expression of attitude towards possible ‘Polexit’. In the UK, the campaign was run as if this was not an election, but rather another (so much demanded by so many) referendum on the country’s membership in the European Union. In Spain, the European elections coincided with other votes, so the country has seen an almost continuous mobilisation throughout 2019, in all of which stages the EU as a topic was present. So although specificities differed, in general the turnout was higher because people wanted to come and decide which Europe they wanted to live in and whom they wanted to see it governed (or not governed) by. Herewith the previously established
tendencies for the smaller or opposition parties to perform better were undermined, decisively breaking with the patterns of the second order election.

What is also worth noting is that the European elections took place in the midst of media fascination with the youth protests and a new kind of social mobilisation in the name of climate change. These attracted many people to engage, to rally for a positive message (sustainable world) and in themselves were a kind of breakthrough. Unlike in the past, participants of those demonstrations – and among them young people in particular – were no longer stating their revolt against the system or political stakeholders sensu laro. They were not anti-political, but to the contrary; they were arguing that another kind of politics was possible. They have not formed new parties but argued that one should take part in the elections as they are the tool to enable having a say and, to that end, choose those who could improve the quality of democracy. Seeing the grown turnout in this way, one can ask if perhaps this was not a sign of a profound shift that would see Europe moving from the democratic predicament into a new phase, a period of deepening engagement, and hence a kind of a counter-revolt. Should such hypothesis prove valid, coining a better understanding of this new momentum may be of a great importance, especially in regard to the preparations towards the Future of Europe conference.

5. Votes in the European elections have triggered changes within the member states, showcasing the Europeanisation of national politics

As already hinted in the previous passages, these elections were also different because of the phenomenon that some of the political scientists label as ‘Europeanisation of the national politics’. The term refers to the presence of the EU issues in the national debates, which then transcend into being the topic of conversation also within populations. The term Europeanisation has been very controversial in the past, whereby it has met with opposition of those (also amongst progressives) who would hear in it a note of conquest and hence would rather give it a pejorative meaning. But as it stands today, this is perhaps the best term to reflect the fact that European Union is no longer an additional, rather foreign layer of politics.

Naturally it is hard to pin in down to one moment when EU affairs became inseparably connected with national issues. It was not yet the turn of the century, whereby of course certain questions would animate different nations (such as the struggle for the Constitutional Treaty or the quest for accession from Central and Eastern European countries). But towards the end of the decade, when the crisis (firstly financial, then economic) hit, the EU became the reference point, especially in those countries who were more affected by the crash. Following
the further challenges connected with the strive for recovery, for an answer to migration and then for the preservation of the core values in the member states, the Union’s presence in the debates increased and was also enhanced in the minds and hearts of the citizens. This was quite strongly illustrated i.e. by the increasing number of EU flags appearing at demonstrations – in France, in Poland, in the UK, to name just a few. This prompted further efforts from politicians, a number of whom tried to influence the direction that the EU should take to reform itself. Consequently, the years 2014 to 2019 saw the largest amount of lectures on Europe – from heads of states and of governments, among them President Macron, Prime Minister May and Prime Minister Costa. The European Commission and its President Jean-Claude Juncker even proposed five scenarios, to which the social democrats added a sixth one that re-emphasised the need for a strong social dimension. With all those, at the time of the European elections there was no longer primacy of the crisis and crisis management discourse. It was time to provide answers that would not only inspire further integration, but also would show commitment and consequences for the member states in which the campaign was led.

Beyond the European elections 2019 moving away from the second-order-vote pattern, what counts is the impact that the electoral results have already had and will have on the member states’ domestic politics. For the parties in government, it was a chance to consolidate their mandate. To give an example, a month before the European elections the Spanish PSOE had emerged as the first party from the general elections. Although its victory was unquestionable and was received by other sister parties in Europe with enthusiasm, the situation in Spain remained slightly precarious in terms of prospects for the government negotiations. The prompt strong victory in the European round therefore evidently reinforced the position of Pedro Sanchez's party and this fact in itself was another game changer, even if there was no possibility to form a government then and yet another general election had to take place the same year. But what remains an interesting aspect is that in the case of Spain and especially PSOE, the regional, national and European campaigns closely intertwined. In mutual support for one another, Pedro Sanchez and Frans Timmermans frequently appeared in public together. Timmermans travelled to Spain to take part in countless rallies. He was in the frontline of the Women’s March, which was included in his Tour de Frans. And when the campaign was over, two issues were clear: PSOE consolidated its profile as a pro-European, reformist party and there was no doubt that its leader, Sanchez, would lead on behalf of the social democrats the negotiations regarding the composition of the next Commission.

Of course, Spain (alongside i.e. Portugal) remains a positive example. But there are also others, where the European elections have been a moment of – if we may use poker terminology – the parties had an "I'll see that bet" moment. For some member states, the results have become a cause of destabilisation. The key example here is Greece, where the ruling party Syriza was defeated by 10% by the New Democracy. Having evaluated the elector’s message, Prime Minister Alexis Tsipras decided to call for snap general elections. In the Czech Republic as well the outcome of the vote seem to prompt questions about the CSSD’s strategy for the future, also within the governing coalition. Six months later, one can say this was a crunch moment that gave a new impetus for a stronger political course, whose positive effects are now visible. However at the time the fact that the cabinet crisis mixed with
not having any Czech members within the S&D Group suggested quite a grim prospect and even a possible transformation of the entire party system.

In several states the results have proven to be decisively different from the composition of respective parliaments and governments. In the United Kingdom, Nigel Farage’s Brexit Party won one third of the votes, followed by the LibDems with 18% of support. The two traditional parties - Labour and the Conservatives – noted 14.1% and 8.7% respectively, not even jointly matching the result of the winner. Even if in overall terms there were more ‘remain’ than leave votes. This put in motion a number of events: on the one hand inspiring citizens to mobilise and manifest in the hope that the decision about their country’s membership of the EU could be reversed, and on the other, contributing to further deadlocks and eventually culminating in general elections in December. In Germany, both governing CDU and SPD suffered grave losses, with the latter losing the position of at least second largest party for the first time. German social democrats have been battling ever since, engaging in a contested leadership election and taking new blows at the regional level. In the Netherlands, the outcomes were at odds with the composition of the parliament as well, which at the time suggested that the internal situation is yet to evolve and, if anything is certain, it is that nothing can be taken as certain in politics these days.

This is just a handful of examples to showcase the phenomenon of Europeanisation of national politics and the role it played in the European elections 2019. More could be named, but it is rather evident that a specific qualitative change has occurred that social democrats could further build on. The more European matters enter national politics, the more there is a need for providing people with a hopeful vision, tangible answers and reassurance that one could make the suggested changes happen. To that end, progressives – being pro-Europeans and well positioned both in the EP and in the Commission (about which aspect a few words will be shared later) – stand a chance to become the parties that make change happen both on the EU and national level. The key to success here is more programmatic reflection and political cooperation, two fields in which PES and FEPS can play an important role.

6. The votes cast in the European elections underline an urgent need for a unifying project, but much more must be done to stop disruptive forces

As indicated before, the preceding legislative period 2014-2019 was marked by an extraordinary number of debates, leader’s speeches and European Commission’s proposals devoted to the question of the ‘Future of Europe’. Evidently, however, the preoccupations before had been of a different nature than they are today. The European Union has been torn by diverse dividing lines, putting in opposition North and South, East and West, eurozone and non-EMU...
members, beneficiaries and net-payers, centre and (assumed) periphery – to name just the most visible ones. To that end, it had been trying also to re-emerge after the crisis, while simultaneously battling its image as a Union that could neither take decisions in due time nor ensure their execution. In the ambition to consolidate, strengthen and move the vote forward in the UK referendum was of course a blow. While that all continues to resonate, it would seem that the European elections campaign was a decisive turning point, where the debate moved from depressive negativity to constructive criticism for what needed to be done.

Thanks to its Manifesto and to the reflection about a working programme for the new Commission, the Progressive family broadly contributed to also steering the general exchange into a new direction. Through Frans Timmermans, but also through the other candidates, it pursued the questions regarding Social Union, and also phrased new objectives for the years to come. Therefore, their electoral platform’s title, ‘social contract’, contained an agenda, which focused on diverse Deals that the EU would need to make in order to deliver according to the citizen’s expectations. Evidently the first of the deals was a New Green Deal, which now also has the shape of a concrete proposal, introduced by Timmermans in his capacity of the Commission’s Vice-President. It is a multilayer programme that would transform economic, agricultural, industrial and also social policies in Europe. It embodies not only the principle of Climate Justice – which in the past was perhaps more of a political competence of the Greens than it was of social democrats – but it also strongly anchors the idea of Social Justice and Intergenerational Solidarity. Its endorsement within the European Parliament marks the establishment of a new kind of majority in Europe, ready to act now for a more sustainable world. A majority which without progressives’ commitment may have not been possible.

But while this may have been attainable on the EU level, the question remains: how far will this further translate into a unifying set of commitments, policies and actions on the level of member states? Here, following the European elections outcomes, social democrats most evidently face further challenges, as though the above-mentioned lines of division may have not disappeared – even when it comes to the positioning and programmes within their own political family. Electoral results show that S&D came first in the South of Europe, second in the North, third in the East and only fourth in the West. In the first two, with respective specific differences, the parties on the national level did have (aside from PES Manifesto) their own clear position on the EU and the possible next steps of integration.

The national elections that took place in the last six months have changed the political map when it comes to the North, but not when it comes to the East and West, which would suggest that a broader reflection is needed on how to recuperate in those regions. Here the worrying part about the East in particular is that the representatives expected to join the European Conservative and Reformists Group (ECR) took the second place on the podium. In the West it was ALDE, EPP and Greens (and not even new or small parties) that benefited from the decline of the social democrats.

This possibly prompts three recommendations. First, all the social democrats – being better or worse off at the moment – need to develop a project that would be clearly European but also tangible in the national context, and that would give them a raison d’être in the decades to come. Once again, looking at the European election’ results it is clear that combining clarity
when it comes to progressivism and pro-Europeanism was its key to success. And some of the building blocks are already in place. Secondly, as the European campaign proved, it is time to pick a hopeful, positive message that portrays the everlasting core value of social justice. Disputing that or not, this was at the heart of the proposals that were formulated in the 1990s, which insisted on being ‘new’, in the sense of being applicable in the era of grand transformation, and were focused on providing people with equal opportunities. It was included in the successful programmes of the first decade of this century, whereby change was a key word and attention went to the issues of empowerment and (minimum) standards. Looking back at those and looking at how the campaign went, one cannot resist an impression that this is a high time for a new, profound programmatic debate that finally can be free from purely tactical questions regarding survival in the next vote. This connects with the third recommendation. The phrase “never waste a good crisis” has been frequently repeated. In the light of the described developments, one should perhaps amend this statement to say: “(never) waste the chance to debate the Future (of Europe)”. Whilst there have been so many fundaments laid by introducing the idea of a ‘new social contract’, progressives should make sure that they are in a position to be at the frontline of this new Commission’s flagship initiative. They should have an ambition that it is not framed by habits or old patterns, but that is run in an innovative way and gears a new kind of legitimacy for all the Deals and Agenda’s with which they themselves have promised to frame the new mandate.

7. Following the campaign, Europe has to deliver on: fighting climate change, social rights, tax justice, gender equality and safeguarding democracy in the member states

The striking point of the British debate about the country’s membership in the European Union was that it evolved around four central issues: Europe’s ability to restore itself as a prosperous economy; Europe’s capacity to secure its borders while being able to help those in need – both migrating in and remaining abroad; Europe’s aptitude to remain the project that ensures wealth to all its citizens, also in the context of guaranteed freedom of movement; and finally the possibility of making Europe more democratic and accountable to its citizens. If to take the rhetoric away (and especially here to tune down all the offensive claims made by Brexiteers), it seems quite obvious that those four issues stand for the four pillars of hope on which the European Community has been established – the promise of peace, prosperity, welfare and democracy.

There have been many claims made that the UK’s situation and hence its attitude towards the European Union have always been particular or peculiar to say the least. But in fact in their sentiments the British voters do not position themselves that far away from what the citizens of the
other member states have been articulating as their respective concerns. To that end, recalling again the social mobilisation of recent years and looking also at the main issues that framed the run-up to the European elections, they all have been about making Europe strong in terms of these fundaments, because of them grand (again) and capable to act in a coherent, executive way. In that sense, the 2019 campaign did not only see the phenomenon of Europeanisation (as described extensively in point 5), but also a greater correlation of the themes that the candidates would touch upon in their different national contexts. In 2014 it was only the Transatlantic Trade and Investment Partnership (TTIP) that the respective countries’ debates had in common as an issue. Five years later, it has become a set of a minimum of five issues and the number is likely to grow, depending on the EU’s performance in the course of the current mandate. Among them: climate change, social rights, tax justice, gender equality and safeguarding democracy in the member states. Most evidently, the first issue (please also see point 4) was picked up with a sense of urgency because of the ongoing climate strike and the powerful appeal that it had, especially for the younger generation. While Greta Thunberg grew to become a face and an icon of this struggle, the decision-makers of all the levels and politicians from right to left tried to respond by making sustainability an issue of prior importance. Along with the sense of responsibility, they would also realise that it would reconnect them with young people – who finally emerged from apathy and abstention (as diagnosed by numerous political scientists) and clearly stated their expectations.

But when we think about the years 2014 to 2019, the climate strike was perhaps the most prominent issue in the media and social media, but it was not the only mobilisation to introduce new topics to the debate. In that sense, the infamous yellow jackets, for better or for worse, have been a vehicle in bringing forward the demands for social justice and social rights. October 7 became the Global Protest Day against tax havens. The Black March in Poland and the Women’s March in Madrid, though in different contexts, both emphasised the need for more action for gender equality. And finally, among the others, citizens united in Hungary with a demand for protection of democratic standards, receiving much evidence of solidarity from other European countries. All those issues came together to become the subjects in the European campaign’s debates. And attitudes towards them became, in fact, an electoral compass, and determined how voters marked their ballots. In that sense, although it is too early to speak about a ‘European electorate’, the themes may have forged some common base on which, in the next rounds of pan-European debates and campaigns, such EU-wide electorate could eventually be established. It would, strangely enough, be a side path, which could potentially prompt the EU to revisit the instruments of transnational politics (for example introducing transnational lists), sooner rather than later.

Progressives had been very fortunate to have anticipated those issues in their Manifesto. They were not at all in odds with their earlier programmes in any case, but emphasising the right points was what made a great difference this time. To that end, those questions also
remained in focus after the vote – resulting in the social democrats going for those portfolios in the European Commission that would allow them to deliver precisely on these. Hereafter what needs to be underlined is not only the fact that they have great representation, holding one third of the seats in college – but they also hold the keys to the major dossiers. This is a great opportunity, but also a great responsibility in which they must remain focused, and finally also feel self-assured in being able to deliver.

8. The electoral result offers a new opening by putting an end to a grand coalition in Europe and opening a space for political innovation

Political scientists and analysts have been debating an overall decline of the support for so-called traditional parties. As noted in the introduction, the deliberations have been mostly focused on the statistics available following the national and regional elections, as well as (if available) data regarding the membership in the respective formations. Whilst this debate has been a very important one and has provided yet another way to understand the proclaimed democratic crisis, it may also have been misleading in some of its aspects. First of all, because it has been unclear which of the criteria that define the parties are the traditional ones. One could argue that both the Liberals and the Greens belong to the world of the historically well-established political parties. If taking the history of the former, in many countries the initial organisations were established earlier than the workers and social democratic parties came to exist. So even if Renew is a formation with a new influx, its roots reach quite extensively towards past traditions. When it comes to the Greens, although they successfully claim to be fresh and through their own manifestoes describe themselves as novel, they have been part of the European political landscape for over three decades and have also been part of some of the governing coalition in the member states. Furthermore, the hypothesis of the crisis of the traditional parties draws from very general conclusions based on average, taking liberty in disregarding specificities. But context does matter. Which is also why more prudence would be advised and revisiting the premise on which the theory has been founded, there may be a space for another reflection nowadays to emerge instead.

Those two precautions are most relevant when analysing the results of the European elections and the new composition of the European Parliament. Indeed, both EPP and S&D Groups noted loses, having established themselves with the numbers of MEPs equal to 182 and 154 respectively. This evidently would not be enough to sustain the governing logic that guided especially the European Parliament since its beginnings, which have been described as a sort of a Grand Coalition. This may have been lamented by some, while in fact it does in itself constitute a moment for a new opening that many have been asking for, for a long time. That is because while now the majoritarian solution will require more effort, there is also more space for building broader issue-driven coalitions.

In practical terms, the new context has been working out for social democrats. First, they saw S&D Group Member David Sassoli elected as the President of the European Parliament.
This may not sound as extraordinary, but it is important to recall that in the second half of the previous mandates the EPP had the Presidents of the EP, Commission and Council in their hands, which could have been seen as a heavy load on the Grand Coalition’s previous logic and its implicit balanced approach. Secondly, when it comes to the EP Committees and the portfolio inside of the Commission college, the social democrats not only gained leadership positions, but also were amongst those preventing i.e. ECR representative from Poland to be elected as a chair of the Employment and Social Affairs Committee (EMPL). This was meaningful at the time it was happening, but it is also the stronghold position when it comes to social democrats’ capacity to mentor and own the political issues.

Finally, this new context was also a trigger to seek another set of instruments than those used and known in the past. In the midst of difficult negotiations, which took many detours around the candidacies of Ursula von der Leyen in particular, the social democrats came up with a letter that was issued by Iratxe García, the (new at that point) President of the S&D Group in the EP. The letter enlisted the matters and benchmarks that the Progressives believed the candidate-designate had to address and provide satisfying answers to in order to get the Group’s support. The content of the communication has been the reference point ever since – not only inside of the House, but also for other members of the political family. Being therefore a step between Manifesto and legislative agenda, it provided a coherent approach and a battle plan for all (even if on the question of von der Leyen the Group still remained internally divided). What is more, the document prompted von der Leyen to alter her position on several matters and re-evaluate the initial standpoints on some others. This was the only way she could possibly win the progressive votes, which was in fact key to be able to call herself elected by the democratic forces inside of the EP. The other option for her could have been to seek the supplementary votes among the right wing, but that would immediately place her far from what the voters in Europe would approve and from the possibility of delivering upon what they would expect from her cabinet in terms of the fight for democracy. While it may have been a side-product, the approach of social democrats was central in terms of both allowing space for political innovation and of solidifying the coalition that would strive to defend fundamental values in Europe.

9. The extreme right and anti-European forces may not have noted a victory, but they came in stronger and will obstruct further integration

The anxiety ahead of the then upcoming European elections was not only related to projections of expected social democrats’ results. Equally discouraging were the increasing numbers of the extreme right and anti-European forces. It was anticipated that they would enjoy a greater gain this time and some of the forecasts would even see them as the second political force. In the end, they did not reach any such level, and in that sense the votes casted remained fairly consistent with the preferences expressed by the voters in the national and regional elections in roughly the same period. This, by the way, is yet another reason for which the characteristics of the European elections as the second-order vote is a thing of the past.
Consequently, the Identity and Democracy Group (ID) united 73 members; while the eurosceptic ECR (which includes, among the others, the Law and Justice party from Poland) began the mandate with 62 seats. On top of that there were 57 unattached MEPs. Therefore, although none of these came even close to the results of EPP, S&D or Renew, the ID was only one seat behind the Greens (whose results have been applauded as being particularly great this time). Jointly however – if to imagine for a moment that they would uphold one line – they had at their disposal 192 votes: 10 more than the largest group, the EPP. Therefore their enlarged representation is not to be taken lightly. Since the beginning it was predicted that, if encouraged, they would play a role of being an operational and non-constructive opposition, having amongst them enough power to obstruct diverse processes.

Calculating those numbers, some of the commentators have been asking themselves if those votes are enough to either be that influential as to corrode European integration or to be in a position to call themselves, as especially ECR members have tried, “the rightful opposition group inside the European Parliament”. The problem here is that the grain of truth in such a hypothesis has less to do with numbers and more to do with the incredible viciousness with which they are ready to protest. In that sense, once again, it would seem that the ‘no’ position on the European integration has the obvious advantage of being a very straightforward one. In the past it had already been observed that their necessity to rally – like infamous Nigel Farage or Janusz Korwin-Mikke – made them take the floor and tarnish in speeches all that United Europe holds dear in terms of founding values. And then, even if disciplined with parliamentary penalties, they would still persist and persevere, exhibiting the attitudes that are foreign to norms of democracy and simply unacceptable in the world of a civilised, humane kind of politics. Now, by being so numerous, they can become very vocal. And they will be using the EP as an arena to phrase messages, which rather than being addressed at the assembly will be directed as a show of steadfastness for the anti-European voters back home.

Looking back at the European elections’ direct aftermath and the first half a year of the new legislative period, the representatives of the euro-sceptic and anti-European right did not only manage to live up to, but actually surpassed all the negative expectations. Indeed, they presented themselves as climate change deniers, as opponents of the minimum standards and adversaries of gender equality. And most recently they were the ones to speak up against the resolutions that would condemn the ever-evolving situation in Poland and in Hungary. When it comes to the representatives of the Law and Justice (which scored a victory of 45.5%), they went as far as accusing their compatriots from other political groups of treason and the European Union of trying to limit the rule of a democratically elected government of a sovereign member state. Their leverage is additionally stronger, since as a party they form a government and therefore are directly represented in the Council. What that means was already experienced by the EU and social democrats in the case of the negotiations regarding
the composition of the Commission, when the Polish and Hungarian Prime Ministers’ potential veto was used as a key argument and eventually resulted in freezing further consideration for the candidacy of Frans Timmermans as President of the Commission.

These are of course all very worrying signals, but there is also some hope in the fact that these forces are so determined to “stand on the other side of the barricade”. Once they line up, it has a side effect in influencing others to stand in rank as well. This was the case when Beata Szydlo tried to become the chair of EMPL Committee, and also during the hearings of the subsequent candidates presented by Victor Orbán for the European Commission. Here one has to make an obvious disclaimer that although Orbán’s government contradicts the EU, undermines its values, and keeps on dismantling democracy back home, FIDESZ MEPs belong to the pro-European EPP Group and the party has only been suspended from the European People’s Party. So all in all, although these euro-sceptic and anti-European forces are verbally over-represented and are likely to obstruct all attempts to integrate Europe further, their power to effectively act can be limited, if others, including social democrats, remain smart and refuse to be pulled into their game. To that end, it also means that in the countries where these forces are on the rise, Progressives need to ensure that the delivering and executive capacities of the EU are particularly tangible, so that the democratic voters there have enough encouragement, confidence, and feel a sufficient degree of solidarity to continue counteracting them themselves back home.

10. The changing character of the European elections requires that progressives already start to prepare for the mid-term and look ahead to be pioneers in 2024

All the points made previously constitute a set of convincing arguments as to why the European elections are changing in nature. They may have not yet have become the first order vote, but they are definitely no longer second order. They have been reasons for tectonic shifts of the political map, which, however, should not be seen as reason to settle on the doomsday scenarios, but to the contrary, as an impulse to seek political innovation and search for new openings. The courage to perceive them this way has already benefitted social democrats greatly. And last but not least, they were the momentum in which there was the greatest ever transposition of the European issues onto the national level along with an unprecedented connectivity between the questions that the candidates and voters chose to discuss in respective countries. Again, social democrats anticipated these in their Manifesto and campaign, as also when striving for leadership positions in both the European Commission and the European Parliament (and its Committees). Therefore, even if they are not the largest Group, they are seated exactly where the key initiatives and decisions – that the electorate evidently had considered to be the most important – will be taken in the next five years.

This makes the centre-left a powerhouse again, as long as they remain in the same high spirits with which they finished the electoral race under the leadership of Frans Timmermans. That means an obligation to assume responsibilities, to keep launching proposals and to
finally stand tall after so many years of self-pitying, and possibly being proud of what will be achieved. There is of course a great deal to achieve if one looks at the Manifesto and the thoughts that were invested last year by many stakeholders that had been deployed inside the PES to analyse a battle plan for the current mandate. But in the mid-term and by the end of the mandate, while it may prove to even be too ambitious and therefore too much, it is also likely not to be enough to run on the next time around.

Evidently, proverbially speaking, the world spins faster and faster, and nothing can be taken for granted, but additionally, not much can be predicted. The best example of this are the polls, which especially recently have been wrong about the electoral outcomes more frequently. But there is a critical number of issues that progressives may consider worth looking into in order to remain pioneers, stay trendsetters, and keep on owning the power of initiative.

First among them is the window of opportunity that the European Commission’s initiative regarding the Conference on the Future of Europe already created. It has already started to live its own life, benefiting from attention and reflection of all the Brussels-based stakeholders. The question for the social democrats is why not take it further. Why not think about making that a unique experience, totally different to the Convention that was held at the beginning of the century. Why not see it as an opportunity to experiment and innovate, seeking to find out how to make such a discussion become a field of connectivity and creativity, where leaders and citizens literally come open-minded on the same page?

Secondly, at this point social democrats can be confident that the issues that have ‘always’ belonged to their core political competence are the ones that are framing the agenda. But there is a need to look further than the standards and deliverables. The argument about a need to restore self-confidence will only work, of course, if the situation for all the parties that belong to the movement also continues to improve, and when the existential question about its future will be put to bed, at least for a while. For that, progressives need a profound ideological, programmatic and political reflection. It should not only be European or national, but should be done in conjunction with a search of another great, unifying social democratic project that in its core could be sustained by the entire political generation. The moment is, in fact, here, because on one hand there is a clear generational change taking place especially on the national level, where the steer is taken by a very different kind of charismatic leaders. On the other, because as the last elections have shown, the key to success is consistency – which means that a new project cannot be a plan for UK, for France, for Germany or Greece – but has to be a vision for Europe and all its member states at the same time. Only that could – by the way – hope to find answers to the divisions that perhaps were not so obvious this time around, but are still draining Europe.

Thirdly, it is crucial to preserve the legacy of the great campaign under the leadership of Frans Timmermans and all its achievements. This means that before it becomes a story that is just recounted, the conclusions should be summarised and, on their bases, an action
plan should be drawn to start preparing ahead of 2024. There is a number of issues that could be considered, among them: role and shape of the Manifesto – and how far it should be an extract of a larger programme and translated into a governing agenda afterwards; the process of nominating not only Spitzenkandidat, but also other Commissioners; the potential to imagine transnational lists in an alternative way that could enable them to happen within the PES, at least symbolically at first; the role of the members, activists and voters. There could be many more, but, even if many people would demur at first, what is needed is time for them to be debated, to be examined from different angles, and perhaps to be framed as utilitarian mechanisms for the party to use.

These are just few of the reflections, articulated in the heat of the moment just six months after what was undoubtedly a historical vote. It seems to be relevant to formulate them however on the bases of the conclusions regarding the recent European elections, so that their legacy does not vanish but is translated into a further boost. Perhaps with these and other observations in mind ahead of the next time, when May-June 2024 arrives, the progressives will not only whisper with disbelief about their own luck and the turning tide that *eppur si muove*, but they will be able to say loud and clear that they *did seize the day* and reached the proverbial stage, having travelled *per aspera ad astra.*
PROGRESS IN EUROPE
Five years with Juncker

Giacomo Benedetto

The Juncker Commission set very ambitious goals upon its election in 2014. This chapter will try to assess to what extent it was successful in achieving them, with a particular focus on its investment policy and budget matters. The assessment will also take into account that the Commission was faced with unexpected crises, namely Brexit and the so-called refugee and migration crisis, which put extra pressure on it. Moreover, the assessment will consider that the Commission was confronted with a lack of consensus at European level on many key policy areas, which made the achievement of an agreement even more difficult.

Take care of Europe and use all your strength to fight against stupid and stubborn nationalism

With these words, Jean-Claude Juncker concluded his final speech to the European Parliament in October 2019. The European Commission over which he presided had taken office in 2014, following Europe’s most serious financial crisis since the 1930s. Economic recovery was still uncertain. In 2014, the challenges for the European Union were to find an exit from that crisis and the development of new policy priorities, particularly in the fields of digitisation, energy, financial services, and security. At that point, the emergence of the refugee and migration crises in 2015 and of Brexit in 2016 could not have been foreseen. They added to the challenges of Juncker’s Commission.

The remarks made by Juncker in his closing address were to claim that his Commission had been successful in reaching many of its targets, that it had taken care of Europe using new investment policies to secure growth and job creation, as well as development in sectors such as the digital, and that it had managed to defend Europe by deflecting or managing the dangers of nationalism that were posed by Brexit, by opposition to responsibility-sharing in the management of migration flows, and by the electoral gains of populists on the nationalist right.

This chapter will assess the degree to which Juncker succeeded in those endeavours, by comparison to the objectives that he and his Commission established for themselves when they were elected in 2014. Particular focus will be given to the investment policy pursued, the approach to budgetary matters, and the use of the European Union’s budget as an instrument for investment.
In July and October of 2014, as Juncker and later the other members of the Commission sought their election before the European Parliament, policy commitments were made. Juncker’s July and October speeches flattered the Parliament in terms of his promise that the Commission would be the most political Commission ever, and accountable to the Parliament to fulfill a political mandate as an ‘economic government’ for Europe. The policies would comprise:

- The creation of a digital single market to generate €250 billion of growth.
- Breaking down the silos between telecoms, copyright, and data protection, and the abolition of roaming charges.
- Commitment to energy union as part of an ambitious policy to combat climate change, and to that end establishing Europe as the global leader in renewable energy.
- Enhancing free movement of working people.
- New initiatives to combat tax evasion and fraud, alongside a Financial Transactions Tax to create more accountability in the financial markets.
- Consolidation and strengthening of the Euro Area.
- Concluding trading agreements such as TTIP and CETA with the US and Canada, as part of a dynamic growth strategy, but not at any price: against the threats of unregulated trade, social rights and personal data would have guarantees of protection and there would be no secret courts to arbitrate in the case of disputes – Juncker’s First Vice-President, the progressive Frans Timmermans, would have a special role in monitoring external trade agreements to prevent eventualities that would present those dangers.
- The organisation of legal immigration into the EU to fill labour shortages.
- Protection of Europe’s external frontiers.
- An investment programme worth €300 billion to be presented before the end of 2014.

In October 2019, Juncker appeared before the Parliament for the final time to account for his performance in office. His self-criticism was limited, and he blamed the Council for instances where objectives from before had not been met. But first, what were the successes?

The creation of the European Fund for Strategic Investments (EFSI), also known as the Juncker Plan, its enlargement to €500 billion, above the €300 billion first forecast, and its planned replacement by a new programme, InvestEU, worth €650 billion after 2020 was one undoubted success. The successful passage of the legislation to allow for a Digital Single Market was another. EFSI and InvestEU replace traditional expenditure with targeted loans guaranteed to an extent by public money. That public funds are not necessarily disbursed reassures those who are sceptical about the EU’s budget. The funds that are loaned are larger than any increase in the budget could have been, enabling them to reach further. Together with the new regulations to allow for the expansion of the digital economy, EFSI and InvestEU allow for economic growth and investment in the single market, while incurring few costs for the public purse.

Juncker’s final speech emphasised the successes, as he saw them, of growth, jobs and investment. This was in the context of eight years of economic growth, the creation of 14 million new jobs, unemployment at its lowest level for 19 years, and (he claimed) an extra 1 million jobs in place only because of EFSI. Concerning the euro, he claimed credit for his
Commission in rendering more flexible the stability and growth pact, leading to reductions in deficits and healthier economic conditions in Spain, Portugal, Italy, and Greece. On the subject of Greece’s membership of the euro area, Juncker claimed success against some member states whose ministers had told him to “mind your own business, the Greek problem is the states’ business, not yours”, to which he reiterated that the European Commission safeguards Europe’s general interest according to the treaties and it is in the general interest to avoid the disintegration of the euro area.

Juncker also took credit for the adoption of an equal basis for social rights, including equal pay for equal work, and the redrafting of the posted workers’ directive so as to limit social dumping as workers are posted temporarily to other member states by their employers.

On international trade, 15 agreements were made with third countries including Canada and Japan, bringing the total number of countries with which the EU has agreements to 60, which together with the EU itself represent 40% of the global economy. This is of particular importance given the current tendency of the United States to isolate itself in economic policy.

Turning to the unexpected refugee crisis, which commenced in 2015, he argued that Europe acted correctly in saving the lives of 760,000 people attempting to cross the Mediterranean, but that more could have been done if the Council had accepted the Commission’s proposals on relocating refugees and in reforming the Dublin regulation.

On the failures side, he regretted no agreement with Switzerland, and the failure to achieve Banking Union or fiscal harmonisation due to the position of some member states.

### Table 1: Distribution of commitments in the MFF 2014-2020

<table>
<thead>
<tr>
<th>Heading 1a</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Competitiveness</td>
<td>13.1</td>
</tr>
<tr>
<td>Cohesion</td>
<td>33.9</td>
</tr>
<tr>
<td>Agriculture and Fish</td>
<td>28.9</td>
</tr>
<tr>
<td>other natural resources</td>
<td>9.9</td>
</tr>
<tr>
<td>Security and Citizenship</td>
<td>1.6</td>
</tr>
<tr>
<td>Global Europe</td>
<td>6.1</td>
</tr>
<tr>
<td>Administration</td>
<td>6.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>%</th>
<th>Commitments</th>
<th>€960bn</th>
</tr>
</thead>
<tbody>
<tr>
<td>GNI %</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td>€908bn</td>
<td></td>
</tr>
<tr>
<td>GNI %</td>
<td>0.95</td>
<td></td>
</tr>
</tbody>
</table>

Agreed in 2013 in the prices of 2011
In response, Iratxe García Pérez, Chair of the Group of the Progressive Alliance of Socialists and Democrats in the newly-elected European Parliament, praised the success of EFSI, and the roles of the Commission in upholding the rule of law and the flexibility of the stability and growth pact. The conclusion of agreements with Iran was a major security achievement delivered by the High Representative and Vice-President Federica Mogherini. García Pérez expressed the view that Juncker’s Commission had “half moved away” from austerity since only half of the reforming agenda of 2014 had been approved by the Council. Her view was that more needed to be done to unblock the immigration crisis, and to guarantee universal access to social protection, collective bargaining, decent levels of pay, the ending of child poverty, and the promotion of a decent work-life balance.

**Juncker and the EU budget**

So what was the record of Juncker’s Commission concerning budgetary and investment matters? The Multiannual Financial Framework (MFF) of 2014-2020 entered into force before Juncker took office but would run for the entirety of his term. Compared to its predecessor, it was 5% smaller, but contained rules for added flexibility that would be useful during the refugee and migration crisis, and in providing guarantees for the loans in Juncker’s investment programme. The MFF increased funds under ‘competitiveness’ or Heading 1a, which includes research and innovation (R&I), infrastructure, Erasmus+, and Galileo. The percentage share for ‘cohesion’ under Heading 1b underwent a small reduction, while a more significant reduction applied to agricultural direct grants under Heading 2. The changes were not radical.

In every budget round, there is a call for the EU to invest in new policies that provide added value. What does this mean? Firstly, that EU investment is cost-effective and that it is cheaper to run a single EU expenditure policy, even in a policy such as agriculture, than 27 or 28 different national expenditure polices. Secondly, that there are cross-border benefits, efficiently linking up areas of opportunity between the member states. Erasmus+, Horizon 2020, or the Connecting Europe Facility would be examples of this. Thirdly, the ability to afford expensive investment in the collective good that member states alone would not be able to afford. Examples would include Galileo and the nuclear fission ITER programme.

The Commission of Juncker’s predecessor, José Barroso, concluded the agreement on the Multiannual Financial Framework of 2014-2020 in 2013, against familiar arguments to protect national financial self-interest, while attempting to introduce some added value. Member states wish to protect sovereignty, and emphasise financial balances – to maximise what they gain or to minimise what they contribute. Although the advantages of added value are recognised, there is pressure to reduce the budget, and to protect existing high levels of expenditure in cohesion and in agriculture. The MFF negotiations of 2006 and 2013 saw the budget reduced by around 5% on each occasion, along with modest reductions for agriculture and cohesion, and less new investment for added value than had been predicted. On taking office in 2014, Juncker and his Commission found themselves confronted by a Multiannual Financial Framework agreed one year earlier that was set to last until the end of 2020.
In 2017 a statutory review of the MFF took place, followed by an amendment proposed by the Commission and approved by the Council. In 2016, there was extensive use of reserves in the budget, particularly from agriculture, that were recycled into expenditure to deal with the refugee and migration crisis. The 2017 review increased flexibility between policy areas in the budget, allowing for more amounts to be rolled over from previous years and the enlargement of reserves.

In May 2018, the Commission made its proposals for the post-2020 MFF, the first to take account of Brexit and the loss of the British contribution. To retain expenditure at current levels, given the departure of the United Kingdom, commitments in the budget would need to be set at 1.16% of gross national income (GNI), according to a study by the European Parliament’s Research Service. Instead, the Commission proposed a figure at 1.11% implying a repetition of a cut close to the 5% that had occurred in 2013 and in 2006. Part of the ‘cost’ of the British withdrawal was indeed met by the Commission in proposing some limited areas of new financing of the budget but not by an amount sufficient to retain the balance at 1.16% of GNI. These new finances included a levy on non-recycled plastic packaging, and call rates on

Table 2: the MFF proposal for 2021-2027 by policy cluster

<table>
<thead>
<tr>
<th>Policy Cluster</th>
<th>€mn</th>
<th>% share</th>
<th>% change from last MFF</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Research &amp; Innovation</td>
<td>91,028</td>
<td>8.2</td>
<td>+30</td>
</tr>
<tr>
<td>2. Strategic Investment</td>
<td>44,375</td>
<td>4.0</td>
<td>+39</td>
</tr>
<tr>
<td>3. Single Market</td>
<td>5,672</td>
<td>0.5</td>
<td>+11</td>
</tr>
<tr>
<td>4. Space</td>
<td>14,404</td>
<td>1.3</td>
<td>+25</td>
</tr>
<tr>
<td>5. Cohesion</td>
<td>242,209</td>
<td>21.8</td>
<td>-11</td>
</tr>
<tr>
<td>6. EMU</td>
<td>22,281</td>
<td>2.0</td>
<td>New</td>
</tr>
<tr>
<td>7. People and Values</td>
<td>123,466</td>
<td>11.1</td>
<td>+7</td>
</tr>
<tr>
<td>8. Agriculture and Maritime</td>
<td>330,724</td>
<td>29.7</td>
<td>-15</td>
</tr>
<tr>
<td>9. Environment and Climate</td>
<td>5,085</td>
<td>0.5</td>
<td>+46</td>
</tr>
<tr>
<td>10. Migration</td>
<td>9,972</td>
<td>0.9</td>
<td>+39</td>
</tr>
<tr>
<td>11. Border Management</td>
<td>18,824</td>
<td>1.7</td>
<td>+243</td>
</tr>
<tr>
<td>12. Security</td>
<td>4,255</td>
<td>0.4</td>
<td>+23</td>
</tr>
<tr>
<td>13. Defence</td>
<td>17,220</td>
<td>1.5</td>
<td>New</td>
</tr>
<tr>
<td>14. Crisis Response</td>
<td>1,242</td>
<td>0.1</td>
<td>+122</td>
</tr>
<tr>
<td>15. External Action</td>
<td>93,150</td>
<td>8.4</td>
<td>+9</td>
</tr>
<tr>
<td>16. Pre-accession assistance</td>
<td>12,865</td>
<td>1.2</td>
<td>-1</td>
</tr>
<tr>
<td>Administration</td>
<td>75,602</td>
<td>6.8</td>
<td>+7</td>
</tr>
<tr>
<td>Commitments</td>
<td>1,134,583</td>
<td></td>
<td>+5</td>
</tr>
<tr>
<td>GNI%</td>
<td></td>
<td>1.11</td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td>1,104,805</td>
<td></td>
<td>1.08</td>
</tr>
</tbody>
</table>
a Corporate Income Tax (CIT) and the Emissions Trading System. In the meantime, the Council has refused to make progress on the CIT, so it is likely that a larger financing gap will appear in the future budget. Although a Financial Transactions Tax, a Carbon Border Adjustment Tax to tackle CO₂ emissions, and a tax on the digital sector – nicknamed the google tax – had been on the agenda, they did not make it through to the Commission’s proposal, in anticipation of the opposition from member states.

In terms of planned expenditure, more was proposed for areas of added value, what used to be Heading 1a, and less for cohesion and for agriculture, as had also occurred for the negotiations of 2006 and 2013. ‘Strategic Investment’ includes the Connecting Europe Facility and the Digital Europe Programme, whereas ‘People and Values’ includes the European Social Fund (investing in employability and previously part of cohesion) and Erasmus+.

There were also some new priorities in response to the refugee and migration crises. See Table 2 below for a more detailed overview of the MFF proposal.

During Juncker’s presidency it was not possible for the Council to reach agreement on the expenditure or revenue sides of the new budget period, but the proposal is the basis for an agreement in 2020.

As can be seen, the budget is tightly guarded by member states, and changes to it are very difficult to achieve even if Juncker appeared more ambitious in this regard than Barroso.

The solution to overcome these blocks and generate real economic growth outside the budget may be Juncker’s lasting legacy, the investment plan that was named after him.

**EFSI: The Juncker Plan for investment**

Without going into the details of its financing, Juncker had been clear in 2014 that he was determined to launch an investment programme. The challenge was how to generate that investment without using significant extra funds from public expenditure. Although readily supported by the European People’s Party, this new initiative became a condition for Europe’s Progressives to support Juncker’s election by the European Parliament.

Two months after Juncker took office, the Commission tabled a draft regulation to establish the European Fund for Strategic Investments. The size, ingredients, and effects of the fund are such that they raise important questions for accountability, which also provides an opportunity. In the first three years of its duration it was to reach €315 billion rather than €300 billion, as proposed by Juncker just two months earlier. In 2017, a revision of the EFSI regulation increased the level of investment targeted from €315 billion to €500 billion.

Its success has depended on the insulation of its decision-making practices, which has enhanced its credibility as it implements a growth-oriented policy using a guarantee from public funds. Sceptical Council members readily accepted the initiative because it did not
lead to an increase in the size of the EU’s budget, and because its investment capacity and managerial approach were coherent with single market objectives. In other words, the normal opponents of progressive economic policy could be persuaded to accept it.

EFSI was established in the first instance for three years until July 2018, with a target of generating loans into the economy of €315 billion. While €60.8 billion could be loaned by the European Investment Bank (EIB), a public bank backed entirely by capital paid in by the member states, the remainder would be lent by partner banks and investors across the member states, including publicly owned investment banks at the national level. EFSI has targets to lend at rates of interest below those of the market to higher-risk borrowers in the sectors of small and medium-sized enterprises (SMEs), larger to medium-sized enterprises, and for infrastructure. If successful, EFSI would have real effect at improving economic and employment prospects in sectors and areas where private capital is not always available.

Financial risk for the EU and the question of accountability arise from the guarantee that the EU budget provides, but this also gave an opportunity to the European Parliament and to the objectives of Progressives. For the first period, until 2018, the guarantees of the EU and the EIB amounted to €21 billion. In the event of borrowers defaulting on their loans from EFSI, the first €21 billion is met by the EU and the EIB, before other banks or investors are exposed. This promotes the confidence of other lenders in participating in the system and allows for interest rates to be lower.

Of the €21 billion guarantee, €5 billion was taken from the EU’s Connecting Europe Facility (CEF) and from the EU’s R&I programme, Horizon2020. This was justified by the investment potential of EFSI within these two policy sectors, but reduced direct Commission involvement in those fields.

The EIB manages EFSI, while an insulated Investment Committee takes the investment decisions. These bodies, staffed by experts, are vulnerable to the democratic deficit. However, if the EIB and the Investment Committee are to manage a publicly underwritten fund like EFSI, their insulation makes them more credible in making investment decisions that deliver growth, while avoiding the risk of defaults. That the decisions really deliver these goals is a result of the tight wording in the Investment Committee’s mandate approved by Progressives in the European Parliament. They were able to use their consent on the rules for EFSI, the insulation of the Investment Committee, and the deposit of the EU’s guarantees, in order to extract the conditions for the types of investment to be made. Legally, these must include investment for increased employment, energy transition, renewable energy, and the meeting of climate change targets.

In 2018, EFSI was expanded and extended until the end of 2020 for new projects. It can increase from €315 billion to €500 billion in terms of total credit. By December 2019 the total credit generated for investment in the European economy was €459 billion. The value of the EU’s guarantee had increased from €21 billion to €33.5 billion during this period.

An important accountability concern for EFSI raised by the European Court of Auditors in 2019 is that recipients of EFSI financing in the member states receive the finance via local banks, which are also part-contributors to the lending. Those recipients, often SMEs that may be able to create jobs, have been unaware that the cheaper finance available to them, as a higher risk sector, originates as part of an EU plan.
As Table 3 shows, EFSI has triggered large amounts of investment across the EU. As a proportion of a member state’s GDP, we see the most significant levels of investment in Greece, with cohesion and more recent member states benefitting significantly. Notable exceptions are Romania, Slovakia, Croatia, and Czechia that benefit less, and the relatively prosperous Spain, Italy, Finland, and France that benefit more as a proportion to their GDP. The EFSI’s Investment Committee is not permitted to weigh such considerations, but is bound to consider economic growth.

Table 3: Extent of EFSI investment in EU member states, 2015-2019, ranked according to investment in proportion to GDP

<table>
<thead>
<tr>
<th>Country</th>
<th>Ranking</th>
<th>EU+EIB finance €mn</th>
<th>Total triggered €mn</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece</td>
<td>1</td>
<td>2,736</td>
<td>12,104</td>
</tr>
<tr>
<td>Estonia</td>
<td>2</td>
<td>158</td>
<td>1,335</td>
</tr>
<tr>
<td>Portugal</td>
<td>3</td>
<td>2,731</td>
<td>9,984</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>4</td>
<td>546</td>
<td>2,684</td>
</tr>
<tr>
<td>Poland</td>
<td>5</td>
<td>3,944</td>
<td>20,970</td>
</tr>
<tr>
<td>Spain</td>
<td>6</td>
<td>10,447</td>
<td>49,751</td>
</tr>
<tr>
<td>Lithuania</td>
<td>7</td>
<td>386</td>
<td>1,809</td>
</tr>
<tr>
<td>Italy</td>
<td>8</td>
<td>11,231</td>
<td>69,514</td>
</tr>
<tr>
<td>Latvia</td>
<td>9</td>
<td>270</td>
<td>1,133</td>
</tr>
<tr>
<td>Finland</td>
<td>10</td>
<td>2,138</td>
<td>8,686</td>
</tr>
<tr>
<td>France</td>
<td>11</td>
<td>15,142</td>
<td>77,747</td>
</tr>
<tr>
<td>Hungary</td>
<td>12</td>
<td>788</td>
<td>4,369</td>
</tr>
<tr>
<td>Slovenia</td>
<td>13</td>
<td>176</td>
<td>1,286</td>
</tr>
<tr>
<td>Sweden</td>
<td>14</td>
<td>3,396</td>
<td>13,239</td>
</tr>
<tr>
<td>Czechia</td>
<td>15</td>
<td>874</td>
<td>4,662</td>
</tr>
<tr>
<td>Ireland</td>
<td>16</td>
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One month after proposing the post-2020 Multiannual Financial Framework, the Commission in June 2018 proposed a regulation to govern EFSI’s successor, InvestEU. This awaits approval during 2020 along with the new MFF. The new fund would be extended from €500 billion to €650 billion, backed by an EU guarantee of €38 billion. The objectives and types of lending would remain largely the same. However, the management by the European Investment Bank is removed, although the EIB would appoint board members to the advisory board of InvestEU. Other participating banks would also be represented. More worryingly, the member states would also appoint members to the advisory board, although they had been absent from the management of EFSI. The new Investment Committee will be composed of experts like the old one, but appointed by the European Commission, rather than from a more insulated process under EFSI. It seems that InvestEU will be more political than EFSI and under greater influence from member states and the Commission, although its policy mission will be unchanged.

Concluding remarks

Jean-Claude Juncker’s European Commission took office at a time of economic and political uncertainty. His policy agenda was not fulfilled but it had been extremely ambitious. In 2015 and 2016, respectively, the new crises concerning refugees and Brexit provided further challenges. Many policy areas were not successfully brought forward due to a lack of consensus at the European level, with particular failures around the proposed banking union, tax harmonisation, the fight against predatory tax behaviour and avoidance, and revision of the Dublin rules on asylum and immigration. Meanwhile the establishment of EFSI was a success that found ways around more familiar objections to public spending. Indeed, a lack of consensus among the member states on budgetary matters, due to the protection of national financial self-interest, made investment in job creation and measures to combat climate change very difficult. EFSI and its successor InvestEU provide a method to achieve that investment if Progressives in the European Parliament and the Commission are able to set agendas, and to impose a progressive mandate on the experts taking the investment decisions.
Support for social democracy in Europe has followed a declining trend: some parties experiencing an erosion of support and others just collapsing at some point. In this article we explore the dynamics of social democratic politics, in particular in the context of European Union integration and governance. Historically, the creation of a particular model of the EU relied on social democratic inputs, while the functioning of the EU, and especially its lack of resilience at the time of the great financial and economic crisis, undermined support for the progressives in various countries. The EU has drifted towards a model that is hard to reconcile with the key commitments of social democracy: the commitment to full employment, decent working conditions and a strong welfare state. Whether the EU can be reformed at all, and whether the social democrats can be the drivers of this change, will be decisive factors when a progressive reconstruction strategy has to be assembled.

2019: Social democracy at a historic low

In the European Parliament inaugurated in July 2019, the proportion of seats held by socialist, social democratic and related progressive parties – hereinafter just referred to as the social democrats – is the lowest ever. Electoral support for progressives continues to show a downward trend in Europe. Perhaps the 2019 result was better than expected by most, but this simply means that if the European Parliament elections had been held at the end of 2018 the outcome would have been even more disappointing.

The picture dominated by declining influence and electoral clouds is not without a silver lining however. On the positive side is the strong performance of the left in the Iberian Peninsula and a few other parts of the European south, together with the Dutch surge and the return of the centre-left to government in the north. On the negative side, the collapse of the Socialist Party (PS) in France leaves a large hole in the map, and the disarray into which the German Social Democratic Party (SPD) has fallen since the European elections has become a comparable
drama. Among the ‘new EU member states’ in the east, social democrats are in power in some countries – but not without controversy – and modest improvements in others have not been robust enough to offer solace.

Historically, social democracy has played a major role in developing and preserving progressive elements in European capitalist systems – which stand out in particular in comparison with the United States and other high-income regions. The erosion of the voting base of social democrats, however, signals a declining confidence in their capacity to continue fulfilling this mission. Today, while showing some strength in the north and the south, social democrats are at a historical low in the two major countries that have been the driving forces of European integration for seven decades. This invites reflection on the role the EU financial and economic crisis has played in the decline of social democracy and the importance of European policy within any progressive reconstruction strategy.

In France, voters deserted the PS in 2017 for the spontaneous ‘popular front’, organised around the campaign of the centrist Emmanuel Macron, to stop the surge of the far-right Marine Le Pen. Some of these former Socialist voters remain with Macron, although in the meantime the voting base of his party (La République En Marche!, LREM) has shifted significantly, towards higher-income and more conservative voters.

In Germany, those opting away from the SPD have gone in different directions but, especially among the youth, the Greens have been the main beneficiary. Although the SPD has made serious efforts to integrate a socially-just response to the challenges of climate change and digitalisation, there is a generation gap – not least because the party is perceived to be weak on the core social democratic programme. It has been ‘found in bed’ with the centre-right for too long, resulting in strategic self-restraint and electoral erosion.

In the United Kingdom, the shift away from the Labour Party has taken place at even higher speed, in the context of ‘Brexit’ becoming the main polarising issue at the European elections and then at the general elections of December 2019. What was avoided in 2017 by shifting the focus of the campaign to domestic issues became a major factor in Spring 2019: the drift of the Labour Party towards facilitation of a ‘soft’ Brexit pushed millions of voters to the Liberal Democrats or the Greens. And by December the Labour strategy also managed to alienate those traditional left-wing voters, especially in the north, who saw the potential deviation from the straight line of Brexit as an unpatriotic betrayal of a democratic decision.

Although not in 2019, in previous years similar shifts took place away from social democrats towards the radical left in Greece and Spain. During the eurozone crisis, PASOK and PSOE voters deserted the centre-left for Syriza and Podemos respectively. Having Spain experienced recovery, the PSOE has however benefited from reverse migration in recent years, while in Greece the formerly anti-austerity Syriza started to occupy centre-left territory itself.¹

The EU crisis and the progressive debacle

In principle, the great financial crisis of 2008-2009 should have provided a golden opportunity for the social democrats, by exposing all the flaws of the inherited model of finance and business. Instead, progressives found themselves losing and not winning positions. In the 2010-2011 period, most national elections were won by right-wing parties. Right-of-centre forces won the argument either at national or at EU level and had the political majorities to put their views into effect. This at least partly explains why in 2011 EU policy shifted dramatically towards pro-cyclical fiscal tightening, and a type of reform in the euro area which focused exclusively on fiscal discipline and cost competitiveness. In this period, the European People’s Party (EPP) was paramount in all three EU institutions, and the Franco-German ‘Merkozy’ tandem was calling the shots as a result.

For years, the EPP was adamant about defending the original model of the EMU which was the product of the 1992 Maastricht Treaty, crowning a 25-year process in which – following the breakdown of the Bretton Woods system – the EU reached a level of integration that allowed for phasing out national currencies. Previously, in the 1970s, a number of papers were produced envisioning monetary union alongside a substantial fiscal instrument (e.g. joint unemployment insurance). However, that aspect was entirely absent from the Maastricht model, which was conceived in an era of considerable faith in the markets’ ability to self-regulate. Later corrective measures that sought to strengthen financial stability or economic governance were not sufficiently strong to overcome the limits of this model. And in fact, reform steps were taken in the wrong direction, more often than not.

However, in 2012-2014 voters brought back the centre-left, which actually means that the last social democratic revival took place just a few years ago. For about three years from the end of 2011, starting with Denmark, social democrats in Europe experienced electoral success. As a result, in 2013-2015 progressive parties were either leading governments or participating in ruling coalitions in most EU member states, including the largest of the euro area (Germany, France, Italy) and the Benelux countries. In the 2014 EP elections, progressives won just marginally fewer seats than the European Peoples’ Party (EPP). However, the opportunity to influence the European agenda was missed – partly because of a focus on personality, instead of policy, during the campaign and the subsequent negotiation process.

As centre-left forces started winning elections from late 2011 onwards, the composition of the Council (and European Council) started to change, and the EU-level policy focus began to shift at least partially towards growth, investment, employment and social rights. However, in the absence of consensus about the way forward within the progressive family as regards the currency union, the strengthening position of social democracy did not translate into a more
forceful push for EMU reform. Instead, a lowest common denominator was found around the concept of investment, which was supposed to be the key to growth. The push for an investment agenda was not without precursors. For example, one year earlier the German trade unions were campaigning with the new ‘Marshall Plan’, albeit without any immediate impact on either EU or German government policy.

The political debate around the European Parliament elections of 2014 contributed to the shift towards a proper recovery policy in the EU. This debate became somewhat polarised according to party political lines. The centre-right insisted on sticking to the fiscal rules and subsidiarity, while the centre-left looked for ways and means for more stimulus and job-creation. In July 2014, investment was declared a priority by newly elected Commission President Jean-Claude Juncker. He identified one of the vice-presidents as the investment chief of the EU and presented his investment plan to the European Parliament as early as November 2014. Neither leader belonged to the progressives, who as a result could not take credit for the recovery policy they had been pushing for.

Altogether, social democracy was prepared to address the crisis intellectually but not politically. In the 2008-2009 period, the Party of European Socialists (PES) extensively discussed the need for new tools such as a financial transaction tax (FTT) and eurobond. The first, after a while, became official EU policy, although it continues to be stuck in the process of enhanced cooperation. By contrast, the eurobond and other forms of fiscal risk-sharing and mutualisation faded away even in progressive policy fora, despite the long literature about monetary integration, often rehearsed by Nobel Prize laureates like Joseph Stiglitz and Paul Krugman.

### Unhappy progressive families

Long-term trends of social democratic erosion have been explored by various authors, including Giacomo Benedetto, Simon Hix and Nicola Mastrorocco. Some common trends that explain long-term electoral decline can be explained by factors in societal change (e.g. more people participating in higher education and trade union membership falling in the private sector). Such trends mean that when elections were held, social democrats often came second instead of first, or third instead of second, within their national context. This tendency may simply point towards greater pluralism in Europe (due to the decline of both centre-left and centre-right catch-all parties in most cases) and the rise of various off-mainstream political parties (such as radicals, extremists and populists).

Beyond the common trends of long-term erosion, there are also specific causes behind the crisis of progressive parties in various European countries. For example, social democrats collapsed in some countries where the centre-left became associated with harsh fiscal adjustment programmes, or as it is often called, austerity, at the time of the financial and
economic crisis (Hungary, Greece, Ireland). In such cases, national governments found themselves cornered by international creditors, also due to the incapacity of the European Union to shield its members from the harsh consequences of financial sector failure.

At the time of the euro area crisis, voters gave a chance to social democratic parties to prove that there was a progressive solution to the crisis, but this was only partly delivered, leading to a sharp decrease of centre-left support in further countries like France, Italy and the Netherlands. In recent years, the relatively stronger performance of some social democratic parties is either linked to a clearer focus on tackling inequality (UK in 2017, Portugal in 2015 and 2019) or an openness to integrate elements of the nationalist agenda (Denmark, Slovakia, Romania).

Sudden shifts in electoral preferences put the theory of long-term social-democratic decline into perspective. True, the changing class composition of European societies has eroded the base of social democracy; and the end of full employment, together with the fiscal crisis of the welfare state, has created confusion around the progressive mandate. But this has been a trend for three or four decades. The recent volatility of voting patterns is a new phenomenon, requiring fresh analysis and probably new answers.

Voter volatility may leave social democrats more vulnerable than before and perhaps more vulnerable than others in the political landscape. But the proximity of second-preference parties means that those close competitors can also be coalition partners – at the national, sub-national or European level. Furthermore, within the spectrum of voter fluidity, social democrats may well be best placed to form ruling coalitions in most cases. The question then becomes what happens after progressives form governments – alone or, more usually, with others.

From this perspective the key question is whether social democrats maintain a capacity to form coalitions, primarily with green, radical left or regionalist parties (for examples, Sweden, Portugal, Finland, Spain, and various German regions). Arguably, progressive and left-wing coalitions have had a very different effect on social democratic parties than coalitions with liberals and the centre-right (Netherlands, Austria, federal level in Germany). The latter pattern seems more likely to damage the appeal of social democrats, and facilitate a drift towards populism and nationalism.

The examples of relative success offer interesting lessons from which to learn, even if success had no rock-solid foundations in some cases. These examples signal that the progressive mandate always entails an appreciation of society’s needs to be protected. While conservatives tend to reduce this (to national security and public order), the social democratic interpretation has not only to encompass, but also to start with, social protection, as well as consider climate protection a central part of the agenda.

Socialists, social democrats and other progressives oppose conservatives primarily because of the commitment to a future society that is fairer and more equal than that of the past. This general disposition should not prevent us from recognising that in certain periods of the past, social democracy was more successful and European societies were more equal, at least regarding income distribution. While looking back to earlier achievements can serve for inspiration, past models do not provide all the necessary elements for a progressive programme today. And, very importantly, references to past success are not enough to convince the electorate of the capacity of progressive parties to build a better future.
Sources of economic reform policy

In the run-up to the 2019 European Parliament elections, two important texts outlined the orientation and vision of the centre-left at the European level. One was the volume produced by Joseph Stiglitz and FEPS (Rewriting the Rules) and the other was the Report of the Independent Commission for Sustainable Equality 2019-2024 sponsored by the Progressive Alliance of Socialists and Democrats in the European Parliament. The first highlights the need to address the long-term maldevelopment of European capitalism (similarly to Stiglitz’s work regarding US capitalism), while the second creates a fusion between the programmes aiming at tackling inequality and climate change, and a fundamental reform of economic governance at EU level. It is a crucial question whether these programmes can significantly influence EU policymaking in the coming cycle.

The past decade of crises has produced an avalanche of literature about how to reform the EU. Joseph Stiglitz, professor at Columbia University (New York) and chief economist of the Roosevelt Institute, has for long been among prominent authors contributing to the European debate. In 2019, he published the already-mentioned manifesto under the title Rewriting the Rules of the European Economy, in which he offers a Polanyian and post-Keynesian reform of the EU business model, and follows an earlier book about rewriting the rules of the American economy. It starts with the usual critique of austerity but goes well beyond it.

Stiglitz advocates a return to full employment policies, and also a reform of the European Central Bank in order to achieve this. Employment has to be prioritised within monetary policy, and collective bargaining has to be strengthened so as to generate better wage dynamics. Fairer taxation is crucial to promoting both justice and growth, while the welfare states of EU member states need to be upgraded to tackle poverty and inequality. Stiglitz welcomes the enhanced role of the European Investment Bank (EIB) and calls for further reinforcement and greater engagement in supporting public investment.

In recent years, Stiglitz has also contributed to the volume edited by Michael Jacobs and Mariana Mazzucato on redesigning the capitalist system. In their introduction to this book, the authors explicitly refer to Karl Polanyi, Joseph Schumpeter and John Maynard Keynes as indispensable thinkers if we want to understand the dynamics of capitalism and its evolutionary nature (from an institutional point of view).

Such progressive economists, often appearing under the umbrella of New Economic Thinking in the period following the Great Recession of 2009, are often seen as advocates of radical change. However, from a comparative institutionalist approach, what they actually say is that the US and Europe have much to learn from each other with regard to improving their respective performances. What Europe has to learn from the US is fiscal federalism and government-funded innovation, while the US should follow the lead of Europeans on issues like social security and climate protection.

In combination, these are presented as key elements of a strategy that can potentially deliver a higher level of social fairness and environmental sustainability on both sides of the Atlantic. How exactly the political process can lead there, of course, is another question.

**Action time for progressive policy**

The European Union, especially at the time of the euro area crisis, has been found obstructing rather than stimulating the implementation of progressive programmes at the national or local levels. The success of social democratic forces therefore largely depends on whether the EU can be reformed following progressive blueprints. Compared with five years ago, this programme today seems better prepared and more cohesive, and there is a stronger representation of progressive leaders in the EU executive, the European Commission, than before. Social democrats, together with their allies, must focus on three key issues: reshaping the global order in the interest of sustainability, revamping the monetary union to facilitate convergence, and reinventing Social Europe to tackle inequality.

For social democrats, the constant development of Social Europe is a core objective — even if some believe the aim is to be more liberal than the Liberals or greener than the Greens. It should be clear that absorbing policies championed by liberals or greens cannot be a substitute for delivering on key issues, including Keynesian macroeconomic policy. The availability of jobs and the quality of our workplaces today depend on EU regulation, and this has to be updated to ensure that new trends such as digitalisation and robotisation do not undermine the high standards achieved. The success of several legislative cycles at EU level has ended the period when workers from other EU member states were presented as the main threat to national welfare. Further efforts to stamp out ‘social dumping’ should concentrate on proposals such as the co-ordination of minimum income across countries. Although the EU is not and will not be a welfare state, it has to develop a safety net for national welfare systems, for example through a reinsurance of national unemployment benefit schemes. This is the endeavour that gave rise to the term ‘Social Union’.

Missing the opportunity of earlier social-democratic electoral success to reform the EU financial and economic model leaves a crucial and comprehensive task, which no other force is yet ready or capable of tackling. Like Joseph Stiglitz, one can argue for a general rewriting of the rules of the European economy, but there should not be any doubt that the reform of the single currency must be at the centre of this effort. If and when the reconstruction of

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the economic and monetary union (EMU) is relaunched, the most urgent tasks will be the completion of the banking union by adding deposit insurance to the existing pillars and the introduction of a genuine fiscal capacity in support of risk-sharing and convergence. Such measures do not require a federal leap or treaty change. Due to the risk of disintegration if another economic downturn occurs, EMU reform is vital, but neither should further building-blocks of a new business model be forgotten. In particular, the time has probably come for an effective industrial policy, with new potential for innovation as well as regional development.

Finally, the future of EU integration and, within that, the perspective of Social Europe also depend on a progressive global agenda. Europeans, more than others, can and must strive to rescue collective action in the world. The main threat to multilateralism comes from the country which invented the system, the United States of America. The US has been looking for ways to manage its own relative decline and today this has become more disruptive than constructive. It threatens the achievements of the recent past, including in climate policy, nuclear disarmament and economic development. The current juncture calls for a rediscovery of the great generation of social democrats – Brandt, Palme and Brundtland – and a progressive international agenda in pursuit of global solidarities. Saving EU integration and multilateralism from the new authoritarians and nationalists is not about defending the status quo ante, since the laissez faire of transnational finance and the ‘race to the bottom’ generated by unregulated trade over the past 30 years have contributed to some of the alarming political developments of today. The multilateral system should rather be seen as the baby which, once the neoliberal bathwater has been thrown out, is the only possible framework that gives a chance for policies pursuing sustainability and equality.

While the 2019 European Parliament elections find social democrats in a weaker position than in the past, there are constant efforts and experimental adaptation to regain progressive vitality. Putting forward and implementing reforms of the European Union are crucial elements of this historical repositioning.

Reforming the European Union is not only in the interest of the centre left. While looking for ways to restore a meaningful social democratic character for the 21st century, centre-left progressives can also see themselves as part of a broader alliance loosely linked by the commitment to global sustainability, European peace and social justice within countries. Social democratic leadership is arguably a key factor for this broad alliance to succeed.

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Futures(s) of Europe

Maria João Rodrigues

In 2020 a Conference on the Future of Europe is to be launched. The ambitions in facing such an initiative will be measured, on the one hand, against the lessons of the past and, on the other, against the global trends that can already be recognised. What is sure is that it is high time for progressives to leave behind the inertia of the past and seize the opportunity to be more proactive in trying to shape our future and the global order that is unfolding. With this in mind, we here identify the future scenarios that could develop, given the present situations and the many multifaceted challenges that lie ahead – from climate change to digitalisation, and from the persisting tensions in the Middle East to the question of how to manage migration, Trump’s provocations and the threats to multilateralism.

This year of 2020 starts with big questions about the direction of the next decade, for the world, for Europe and for each of us. Is this the decade where humankind will:

- Recognise the vital need to reconcile with its planet? Or reach the point of no return on climate change?
- Bridge tensions among different countries and civilisations? Or move to a fragmented world order?
- Master the potential of an expanding virtual reality in interaction with our traditional material and spiritual reality? Or lose control of both?

And what role will Europeans be able to play in all of this? Or are we heading into a perfect storm because humankind will be too divided by identitarian and nationalistic causes to address its global common concerns? Will Europeans even become irrelevant because they too are too divided?

A Conference on the Future of Europe will be launched in 2020. What should be the level of ambition of such a conference if we learn from past experience, notably with the European Convention which led to a Constitutional Treaty? Let us start by identifying possible futures and possible choices.
Megatrends

For the next decade, some megatrends can already be identified:
• A major rebalancing of global economic activity towards Asia and the emergence of China as the second biggest global payer.
• Different manifestations of climate change and increasing pressure on natural resources.
• Larger migration flows, ageing continents (except Africa), lower absolute poverty but higher social inequalities.
• Digital transformation in all sectors, lower levels of economic growth and net job creation, the emergence of financial bubbles.

These trends will also be happening in Europe, at a time when a major reorganisation of the continent takes shape as one of its major economies leaves the European Union.

Wild cards

Nevertheless, there are also wild cards. Some of these cannot yet be identified, but among those than can are:
• Wild cards with negative consequences: what if major climate disasters take place, such as the fires currently blazing in Australia? What if major migration flows unfold? What if a serious confrontation explodes in the Middle East as a consequence of Trump’s provocations? What if digital tools are developed to unleash major cyberattacks? What if nationalism and great-power games become the main political culture across the world? What if a new financial bubble implodes in the financial system? What if multilateral institutions seem paralysed on the different fronts?
• Wild cards with positive consequences: what if a Democratic president is elected in the USA this year? What if a real global commitment is taken in Glasgow to implement the Paris Agreement on climate change? What if trade agreements start being used to raise social and environmental standards? What if the Sustainable Development Goals (SDGs) are translated into binding plans in those countries taking the lead? What if there is a global agreement on introducing digital taxation? What if the post-Brexit agreement does not undermine EU social standards? What if the alliance for multilateralism becomes stronger across the world?

It is against this general background that some possible futures of Europe can be identified.

Scenario n°1: “Status quo/inertia”

The too little too late scenario would continue despite the actors at the top of the European political system being renewed. The newly announced geopolitical EU would be absorbed and weakened by post-Brexit complications. The EU strategic partnerships and trade agreements with other major global actors would be used neither to support the upward convergence of environmental and social standards nor to strengthen the multilateral system. A European for-
Progress in Europe

Foreign policy would find it difficult to assert itself, even in cases of major international conflict, due to the unanimity voting rule. The development of a European defence capacity would remain hesitant and with ambiguities regarding engagement with NATO. The new partnership with Africa would be disappointing and clearly below China’s engagement with this continent.

In a world of Trump and Xi, with two competing world orders, the EU would slide towards a secondary position in political and technological terms, even if the size of its market remains relevant and interesting. The EU would fail to become a relevant geopolitical actor through a lack of vision and ambition, and also through a lack of internal cohesion.

The internal deliberation within the EU about the multiannual financial framework (MFF) would result in a mediocre budget, unable to support all its member states and citizens to conduct a successful transition to a low-carbon, smart and inclusive economy. This transition would be slow and unbalanced across the continent, with some regions advanced but with many lagging behind. The new Green Deal would remain an undelivered promise or even a source of new social problems in certain European regions.

Meanwhile the digital revolution, driven by American standards, would extend precarious work and undermine the financial basis of the existing social protection schemes. The general deficit of strategic public and private investment would remain evident due to a conservative banking and financial system, conservative budgetary rule, and the political inability to complete a banking union and create a budgetary capacity in the eurozone.

The creation of jobs would therefore remain sluggish and the systemic difficulties of sustaining and renewing the European welfare systems would increase social anxiety, particularly among the younger generations while the baby boom generation enters retirement age. Migration inflows would increase in the face of internal resistance to manage and integrate them as a dynamic factor for European societies.

Underpinning all this inertia we can find not only political hesitation, but also passive and active resistance to real European solutions, in order to protect private vested interests, promote national preferences whatever the collective costs or just to assert the viewpoint of authoritarian and conservative governments.

This would be a very disappointing scenario of external and internal decline. But it is possible to identify another plausible scenario which is even more daunting...

Scenario n°2: “Nationalistic fragmentation”

A shift to inward-looking and nationalistic attitudes might spread across the world in the face of different insecurities: climate disturbances, conflicts over natural resources, technological change and job losses, migration inflows, security threats. The European political landscape
would also move in this direction, building on the weak links of Hungary, Poland, Italy, France and Germany.

A UK led by Johnson would strengthen this trend from the outside by developing a special partnership with a USA led by Trump, which would undermine European solidarities on a permanent basis. The same would happen from a Russia led by Putin and a China led by Xi. The digital revolution driven by an American-Chinese war on spheres of influence would do the rest to turn Europe into an attractive land for this guerrilla action.

In such a scenario, the European Green Deal would fail through a lack of basic political and financial conditions – starting with the incapacity to agree on a multiannual EU budget, not to mention the minimum financial instruments to make the eurozone sustainable in the longer term.

Deeper regional and social differences, despite some nationalistic social protection schemes, would increase Euroscepticism and Eurocriticism everywhere, leading to a decrease in democratic participation at all levels. The inability to define a European policy to manage migration and to set a new partnership with Africa would multiply the tragedies of rejected migrants and refugees, and create a cultural hostility to any kind of foreign presence.

The survival of the European Union would be at stake, when it comes not only to the political union but also to the European single market with a common acquis of economic, social and political standards.

**Scenario n°3: “Liberal-Green European revival”**

A coalition of forces in Europe would relaunch the European project with the triple ambition of responding to climate change, driving EU trade agreements and building up a European defence capacity, despite American resistance.

The European single market would also be defended in its four freedoms despite the attempts of an American-British alliance to undermine it, notably by using the digital revolution and the re-design of global supply chains. Nevertheless, a serious attempt to ensure a win-win relationship with a UK out of the EU would also be key in this scenario.

Internal regional and social inequalities would increase due to the lack of active European industrial, regional, social and taxation policies. Migration inflows would be better managed and would contribute to limiting the demographic decline, but would deepen these social inequalities.

The attention to be paid to the rule of law and to political rights at European level would limit the possibility of nationalistic and authoritarian surges in EU member states, but European citizenship would remain poor when it comes to social rights, education opportunities and real economic chances. The EU project would be modernised but would remain a technocratic and elitist project.
Scenario n°4: “European citizenship at the core of a new European project”

There are moments of paradigm shift.

A stronger sense of European citizenship would lead to the construction of new key-tools of European sovereignty to respond to common challenges while reducing internal differences: a stronger European budget for research, innovation and industrial policy, for energy, digital and mobility infrastructures, as well as for defence capabilities; but also a stronger budget to reduce internal differences in the access to new technological solutions, to education and to social protection. This would require new sources of taxation to be launched and coordinated at European level to ensure more tax convergence.

This European sovereignty would also be translated into a more active role on the international scene when it comes to developing strategic partnerships, building up coalitions and strengthening the multilateral system to bring about more effective responses to the new global challenges: fighting climate change, fostering sustainable development, driving the digital revolution, reducing social inequalities, promoting democracy and human rights, ensuring peace and security. A crucial test would be the European capacity to cooperate with Africa for a visible leap forward on sustainable development, education, gender equality, peace and democratic governance.

The external influence of Europe would increase, not just as a big market but also as a geopolitical entity acting in all dimensions – economic, financial, social, political and cultural. This external influence would be higher if Europe could lead by example when it comes to responding to climate change with social fairness, driving the digital revolution for better working and living conditions, gender equality, updating social rights and strengthening an inclusive welfare system, developing scientific and cultural creativity, and deepening democracy at all levels.

Nevertheless, a big question remains: what might trigger such a scenario to unfold? A climate disaster? A cyberattack? New financial turmoil? The failure of particular social rights? Or a higher awareness and ambition of European citizens themselves, as is happening with climate change?

Whatever happens, the critical factor will be progressive European leadership to turn European citizenship into a new political force able to overturn the inertia of the past.
Progressive Person of the Year

The year 2019 was crucial and challenging for European politics. Did any progressive personality stand out from the rest? Did we see any exceptional performance around us? The answer is yes. With the Progressive Yearbook, FEPS will from now on single out a person of the year, be s/he a politician, an academic, a political or social activist, who delivered a remarkable contribution for our political family. An innovative campaign, a significant political victory, an outstanding achievement in government or academia can all be of equal inspiration for our audiences, and can all motivate progressives, young and old, to renew and reinforce their commitment to our common cause. Such actions or activities are vital for strengthening our movement and for helping improve the lives of Europeans.

How is success created? What is behind the key achievements of our time? An interview helps reveal thoughts and feelings that would otherwise remain hidden behind the façade of politics.

The European Parliament elections dominated 2019 and made our progressive hero shine: Frans Timmermans. He is, in the judgment of FEPS, the person of the year.
László Andor: We have launched a number of new initiatives at FEPS. One of them is to start publishing a Progressive Yearbook. There are many annual publications on the market, but none that would serve the social democratic family on a European scale. When it came to the content for the book, we thought it would be good to identify a ‘Person of the Year’. And whether you are surprised or not, it was in a split second that we thought it should be you!

Of course, some might think we chose you simply because you were a Spitzenkandidat, but from the FEPS point of view – and it has to be admitted there is a subjective choice here too – it has a lot to do with the fact that in January 2019 you faced a panel composed entirely of young people at “THE VOICE: Millennial Dialogue on Europe edition” organised by our Foundation. And I believe this was a very important event for you too. Can you explain what it meant to you to be there and engage with them?

Frans Timmermans: I think to a large, to a substantial, extent this meeting with the young people actually fed into our programme for the European elections. And you know, the European Green Deal is not a result of the conservatives’ election programme, it is not a result of the Renew election programme, it is a result of our election programme. The fact that we put sustainability and the climate crisis front and centre is to a large extent the result of our interaction with the young people then and the discussions we had with young people in the run-up to the campaign, including the many citizens’ dialogues I did with a lot of young people all across Europe in my role as First Vice-President in the Commission.

If that is the starting point, you then look at all the relevant elements. Because what we are doing is changing an economy and societal model that for the last 200 years has been based on carbon into a model that should deliver better well-being, better welfare, better economic growth. I do not think that we have ever seen such a challenge. That is a true revolution in a sense of an industrial revolution combined with an environmental revolution. And young people are at the forefront of this. We had a bit of a preview in January...
By the way – look where we were in January (2019) and look where we are now. One week after a 16-year old activist was named personality of the year by Time magazine.¹ Would you have thought that possible back then, in January?

LA: Definitely not…

FT: So developments are going so incredibly quickly. And would we have had the Green Deal without our elections campaign? Absolutely not. Because the irony is that the conservatives only had one goal – which was not linked to the content, but to positions – and so the content was mainly determined by us. And that is why we are where we are now, with a European Green Deal.

Would we have a Green Deal if there weren’t activists on the street every Friday? Probably not. So there is a direct link between the young people and the Green Deal we have now.

LA: Yes, indeed. And the campaign was a massive marathon. I believe you ought to receive congratulations because your performance was extremely impressive. Our political family thought: “now we have a leader, a fighter, a thinker …” Would you tell me about the most memorable moments for you in this long – wait, it was half a year – endeavour, which was not only collectively formative but, I suppose, also incredibly transformative for yourself?

FT: Yes, of course. Well, our party gave me the experience of a lifetime. It is something I will never forget, and I will be eternally grateful for this experience. And I thank everyone in the party at all levels for having supported me and for being part of this incredible journey. It was really incredible. But if you ask me to name a few highlights, I think – you know – the Congress in Lisbon was something out of this world. It was the time when we showed that we have the courage, the audacity to say that we can win. Whereas until then we could hardly master the courage to say “well, we hope we will not lose that much”. This was a defining moment, from a party that was on the defensive to a party that went into an offensive. And I felt this support incredibly from all sides in Lisbon. After that, we had the Madrid Congress too. But Lisbon was for me the defining moment. When the party and I sort of fired each other up in a very combative spirit. I will never forget this.

The second moment that always comes to mind in this campaign is with my 12-year-old daughter at the Women’s March in Madrid on 8 March. To be part of this huge feminist movement, fighting for women’s rights and then to have the youngest member of my family there – who had a sort of awakening moment during it. Initially she was interested in coming with me because she liked the idea of going to Madrid and seeing all these people. And then in the course of the afternoon and evening, I saw a 12-year-old girl opening up to this idea of fighting for something, for something that is good – not only for oneself, but also for all the other women and girls. Wow. And we even had a picture taken there – her and me – that was used in the Dutch campaign. And it was a telling and powerful picture because this was the moment you can actually see how it really touched my heart and my daughter’s heart.

And then I believe for the campaign, especially the debates, we could clearly state our case. That worked quite well. Also to be able to use different languages in different circumstances – I really liked doing that.

¹ Ed: This interview was recorded on 19 December 2019. Greta Thunberg was nominated person of the year by the US magazine “Time” on 11 December.
Another moment – though not such a positive one – but the one that really woke me up, was my visit to Budapest. Where I had sort of a flashback to the 1980s, when trade unionists were almost scared to meet me. You know, I was a member of the European Commission, I was in an EU member state, and trade unions were just afraid to meet me because they had been intimidated by the government. Subsequently, the government went into the media claiming that ‘trade unions do not even want to see him’. We had to meet in a room without windows, in a secret location, which in the ‘good’ Soviet tradition was not so secret of course – and this too was a defining moment for me. The feeling I had, the very anger that built up in me – saying "I will not be intimidated. Not by you. You are not defining what Europe is".

LA: You have mentioned the Dutch campaign. And it made a real difference. Because your party was uplifted…

FT: Yes…

LA: It was uplifted by your campaign. Could that be a starting point? Because there have been many ups and downs in recent times for the PvdA. Did that help put it on more stable ground?

FT: There is no stable ground in today’s politics. For anyone. The fundamental thing that happened is that after being in the government and especially after the internal fight between two people who were competing for the leadership of the party, we were sort of put in the doghouse by the Dutch electorate. And what happened during the campaign – when we were able to reconnect with people, and with each other in the party – the effect of that was that the people let us out of the doghouse. And now we are back. This does not mean that we will win the next elections, but we will be a contender. Mind you, in the latest polls we are on a par with the biggest party. It’s a very low par – I have to say – because there are about four parties that are at the same level – but we are there again. We used to be at 5% or even less. Now we are much stronger and we have maintained that since the summer. The only conclusion I can draw is that the Dutch people have let us out of the doghouse. Some say “it’s Timmermans” – but no, it is not – it’s because of the content and style of the campaign, and because of the proposals we made that really resonated with voters. And this gives us a fighting chance. Is that a guarantee? Absolutely not. Is that an opportunity? Absolutely yes.

LA: And then we have to discuss what happened between the end of May and early July…

FT: Yes. My favourite part (laughing).

LA: Yes, exactly. But I think – you know – let’s face adversity. From my perspective this is a clash of two principles. One is the Spitzendkandidat principle, which wants to ensure that there is a strong connection between the campaign and how the executive is created. The other is that we have a written Treaty and there are some for whom it is more important to stick to the letter of the Treaty. As opposed to…

FT: Come on, it has nothing to do with the Treaty!

LA: (laughs)

FT: I wish it were that!

LA: So what is it about?

FT: This is about who determines what happens. This is about a tug-of-war between the European Parliament and the European Council. And the European Parliament had as a principle
– and the principle I think is rooted in the good understanding of democracy – you do a cam-
paign, and then you see who comes out of the campaign and then you see if that person can
master a majority in the European Parliament. That person should then also be nominated by
the European Council.

Some of the members of the European Council, however, said to Parliament “hey, wait
a minute, we determine what happens – not you!” And so it became a sort of a tug-of-war
between the two.

Now, there were different understandings of the Spitzenkandidat. The Liberals killed the
idea of picking one candidate, and then came with a Spitzenkandidat after the elections.
Which is interesting. But if that is a definition of democracy, I am a bit surprised. Why did they
kill the Spitzenkandidat? I guess because they did not get their way on the transnational lists.
And look at the contortions Guy Verhofstadt had to go through from being a champion of the
Spitzenkandidat to somebody who said he was against it…

Then we had the conservatives’ side. They were strongly in favour of the Spitzenkandidat
with the thought ‘since we are probably going to be the biggest party coming out of the Eu-
ropean elections, we can then rest assured that our Spitzenkandidat will automatically be the
Commission president’.

We as a family had a different opinion: ‘It will be determined by whoever gets a majority in
Parliament – like in any democracy – so we will fight to be the biggest party and to build a pro-
gressive majority after the elections’. Does the biggest party in a member state by definition
provide the prime minister of the government? No. The prime minister and the government are
determined by who gets the majority. So that was our position.

I have no problem whatsoever with the fact that Poland and Hungary would not vote for me
in the Council. We knew that. And that is not a determining factor. Because Hungary did not vote
for Juncker, Britain did not vote for Juncker, and Juncker still got elected as Commission presi-
dent. In fact, it is not the determining factor what Poland and Hungary did. The determining factor
is that the resistance of Poland and Hungary was used by others to create a blocking minority for
my candidature. Not even a majority against me – but really a blocking minority. And this comes
despite the willingness of Merkel to accept me as Commission president, which was not met by
the willingness of her party. That is where it changed. So whereas theoretically one could follow
your reasoning that some were saying ‘we follow the Treaty’, this was about power politics.

LA: Yes, exactly!

FT: And for the Christian democrats – many just could not cope with the idea that the Com-
misson would not be led by a conservative. The downside of that is that I did not get the
Commission’s presidency – the upside of that is that they were willing to pay a price for getting
the job, so we got to focus and bring in the policies.

And what is more important for us, or rather for the people who voted for us – that we get
a job or that we get the policies that we campaigned for and which improve their lives? I would
argue policies.

LA: Before I dig into your new policy area, may I ask what you were doing between July and
November? Because that is – you know – people see that there is summer, then transition,
hearings… Did you have to prepare a lot for the hearings?
FT: Yes, because it is a complicated subject matter. So, I concentrated enormously on the subject matter. Because my portfolio is so large, I needed to learn about climate, about energy, about transport, about agriculture, about social elements, about buildings, about international relations. I really wanted to be well prepared and I put a lot of energy into that. And at the same time my old job was still going on. On the rule of law, amongst other things.

LA: Is it an issue that the Commission is now even more hierarchical than in the past? Because the Juncker Commission was more hierarchical than the Barroso, and now with two layers, two different types of vice-presidents, even more hierarchical. Is that an issue or we should not deal with that?

FT: I think it is an improvement because with Barroso you had the president and individual relations with the commissioners, as you personally know…

LA: Yes, I do (laughs)…

FT: … which gave the president huge control, because he could bring something immediately to the College with one individual commissioner and then it was very difficult to mobilise opposition against that. Now – when we have more tiers, more layers – what happens is that the political issues become politicised at the lower level and actually we become more collegial. When you then go to the College, it is boiled down to one, two or three really political issues, which can then be discussed. I think it is an improvement of the situation. So, although it is more hierarchical, in principle it would offer more counterweights throughout the system.

LA: I should ask you about the new portfolio. Because indeed, this is absolutely strategic. And very clearly front-loaded. Nobody is currently referring to the ‘von der Leyen plan’, or the ‘Timmermans plan’ – as they did with the ‘Juncker Plan’ – but your new portfolio is the focus now. Very clearly. This is how this Commission wants to differentiate itself from the previous or the next one. How do you see the dynamics unfolding and the chances of success?

FT: Well, the good thing is that the president is truly very passionate about this. She is already very strongly committed to the European Green Deal. So are the two other executive vice-presidents, which creates a dynamic in the Commission but also has an interesting impact on the outside world that sees that we are actually all committed to this.

And I believe that given the fact that the Green Deal is such a complete, holistic approach – it engages almost all the DGs in the Commission as well. So what you get is a sort of war machine because of this. That is really exciting.

LA: Final question. This Commission is different from the previous one, and also from Barroso II, because of the number of progressive commissioners.

FT: Yes.

LA: When we started, we were 6 out of 27. As it was before Croatia’s accession. And now you are 9. It’s a greater share and probably more pluralistic. There is a better balance of the political forces – isn’t that the case?

FT: Yes.

LA: Do you see potential in that for the progressives?

FT: Yes! Not just because we are nine, but also because of the common campaign we’ve experienced and which has brought us here together, and the rallying of our political movement around our manifesto. There is now a natural tendency for the progressive commissioners to
work together as a team and a natural tendency for us to involve each other in everything we prepare. So I would argue – and I have to be careful how I formulate it – that among the political families present in the European Commission the way we organise ourselves is different from the others and is linked more closely to our campaign promises. Because Renew have a leader who really became the lead only after the elections. And for the conservatives, their campaign leader is in the Parliament, not the Commission. Of course, they have a leader in terms of the president – but she is the leader of the whole College so it’s a bit different.

LA: Look, if FEPS can help you in any way – we will definitely be at your service.
FT: Thank you!
Let’s not burn our future

Mary Robinson

Climate has been a vocal and key issue throughout 2019, namely thanks to grassroots movements such as Fridays for Future. It will continue to be so for many years to come, as more political action is being demanded by citizens. This chapter focuses on the different and necessary tracks for action (at the United Nations, national and personal levels) but also advocates an essential change in political mindsets. As the problem is a global one, it calls for global solutions – all scientific reports on climate and nature back this up. However, global solutions can only flourish if there is real solidarity amongst nations. This is about a different vision of society but also a different future – one that must include a liveable planet for all and that leaves no one behind.

2019 was a remarkable year for the fight for Climate Justice – especially with the Fridays for Future movement, where millions of children and supporting adults called humankind out. I can only join their bold and clear messages about the future of our planet. They have rightfully criticised all past generations about the reckless exploitation of our planet and its resources, and about the toxic legacy left behind by climate-denier global leadership. Highlighting the intergenerational injustice of our failure to deal with climate change, these young people are accusing us of potentially destroying their future. Their short and direct message resonates loudly in the highest spheres of power. As Greta Thunberg said in Davos: “Our house is on fire and all you care about is money!”

Just before the UN Climate Summit in New York, the Elders, whom I have the honour to chair, issued a press release on 24 September, in solidarity with young people and calling for “critical climate action”. It urged leaders to listen to the children, to take responsibility – pleading for a voice. Not just for schoolchildren who can and are now using their voices, but for future generations that could be the most affected of all. And there is no voice at the UN system at the moment to make it clear that all our actions now have to be future-proof.

1 The Elders are an independent group of global leaders, founded in 2007 by Nelson Mandela, working together for peace, justice and human rights.
Every day the news on climate change gets worse. On 11 May 2019, scientists at the Mauna Loa Observatory in Hawaii, which has tracked atmospheric CO₂ levels since the late 1950s, detected 415.62 parts per million. The last time Earth’s atmosphere contained this much CO₂ was more than 3 million years ago, when global sea levels were several metres higher. So we are not talking any more about ‘climate change’, we are using the words ‘climate crisis’, ‘climate emergency’ or ‘climate breakdown’, and we have to inject this sense of real emergency. But we do not have to reinvent the wheel – we have scientific evidence to back it up.

In 2015, being in the front seat of the negotiations as Special Envoy of the Secretary General of the United Nations for Climate Change, I was given the opportunity to observe how agreements came into being. During September, 193 countries negotiated the 2030 Agenda with the 17 Development Goals. It was a good package, maybe particularly good because countries knew when they were negotiating that it was voluntary – they could pick and choose. Exactly because of this voluntary nature of approach, they were able to come to a consensus in New York.

High expectations and hard work were directed towards the Paris Agreement – which was supposed to take the shape of a treaty. However, as it got weaker as negotiations went forward, one should not forget the inestimable contribution of the small island states, the least developed countries, the Climate Vulnerable Forum, Indigenous Peoples, all of whom worked very hard to keep the 1.5°C target alive and become one of the agreement’s key achievements. The need to stay well below 2°C was evident and working towards 1.5°C was greatly supported by scientific evidence.

This evidence is clearly supported by the Intergovernmental Panel on Climate Change (IPCC) special report on global warming, whose main message sounds an alarm bell when it illustrates the great difference between 1.5°C and 2°C, and that at more than 2°C we risk eroding our chances of a future on a liveable planet. This difference would put at risk our economies, our health, our access to water, breathable air, food security and, ultimately, human security.

The second report of the Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services (IPBES) focused on the impact that a rise in temperature would have on nature and its ecosystems. Its gloomy conclusions are that such a rise would lead to a disastrous loss of biodiversity and the potential extinction of 1 million species. For example, coral reefs would probably disappear, the Arctic ice would more or less disappear, and the permafrost would melt at a higher pace than that at which it is already melting and emit not just carbon but methane – which is much more dangerous.

3 IPCC (2019), Global Warming of 1.5 °C, Special Report, October. Available at: https://www.ipcc.ch/sr15/.
Time for action and solidarity

As a consequence of the scientific evidence, we can no longer afford to regard the 2030 Agenda and the Paris Climate Agreement as voluntary, as pick and choose, and as a matter for each member state to decide on their own. Instead, science has made it clear that the full implementation of both has become imperative in order to secure a liveable world. This requires a change of mindset at the global level, meaning that governments that have been reporting on a voluntary basis to the high-level political forum on the goals that are set out, have to do it more seriously and inform their citizens about the measures adopted. We should not have reporting by governments on sustainable development goals without citizens being completely informed about this. This would mean that leaders would be held accountable at home and also at the UN.

In addition to this, we need to increase the ambition of the nationally determined contributions (NDCs). While it is common knowledge that action needs to be taken, little information is being shared with communities about their government’s pledges. We have to make this much more significant in people’s minds because, according to the IPCC report, we need a 45% reduction in carbon emissions by 2030. This is doable if we have the political will. It is unfortunate that COP 25, which took place in Madrid in December 2019, did not live up to its expectations, particularly because – in spite of gaining some traction – it missed the opportunity to early ratify the Escazú Agreement for Latin America and the Caribbean. This would have signalled strong political will. In Madrid, leaders came short of a firmly unified position ahead of COP 26, which will take place in Glasgow in November 2020.

Yet with carbon emissions steadily going up, we no longer have the luxury of time and slow electoral cycles. We have to vow to make the 2030 Agenda and the Paris Agreement imperative, binding, measurable and enforceable.

This is the reason why I join my voice to the growing climate justice movement, calling for a Just Transition – as reflected in FEPS’s guiding proposals – for a political change of mindset.

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5 IPCC, op. cit.
6 United Nations ECLAC, Regional Agreement on Access to Information, Public Participation and Justice in Environmental Matters in Latin America and the Caribbean. Available at: https://repositorio.cepal.org/bitstream/handle/11362/45583/1/S1800428_en.pdf.
that will give rise to a world with clean energy and climate actions that fully respect human rights, and that must not leave anyone behind.

We shall not neglect the future of workers of coal, gas and oil, or the futures of the 1 billion people who still lack electricity, or of the 2.3 billion – mainly women – who cook with charcoal, wood, peat or animal dung, ingesting indoor air pollution that kills millions each year. We have the technical know-how (off-grid lights, mini-systems, clean cookstoves) that can transform the lives of a significant part of our world and enable these people to take themselves out of poverty. Prioritising and reaching the furthest behind, first has to become a systematic approach.

With this aim, I believe that all of us, should commit to the following three crucial steps:

• Make climate change a personal issue in our lives and act in order to reduce consumption emissions (e.g. energy conservation, better recycling) or change our eating habits (by becoming a pescatarian as I did, for example).

• Then, get angry and act on it. Get angry with those who have much more power but are not using it, and who are not being responsible – meaning on all levels, including cities, towns, businesses (especially fossil fuel businesses, agribusiness, transport). Then step into the action by using your voice and your vote along with supporting organisations involved in conservation issues or climate change advocacy. This will also help with an issue that I have seen in many young people called ‘climate anxiety’.

• The third step is probably the most important, yet less spoken about. Indeed, it requires us to imagine the world we must be hurrying towards. We have no more than a decade to get the bending of the curve down by 45%. We have to fight for a much healthier world (without the air and the water pollution of fossil fuels) but also for a more equal one. With the 2030 Agenda implemented, everyone would have access to clean energy, and our economies would become circular as we consume less and value more. In addition to this, we would value and create a world of deeper relationships at all levels, living in solidarity.

A feminist approach

Climate change is a man-made problem and as such it requires a feminist solution. And what I mean by that is that man-made is a generic approach, it includes all of us and a feminist solution definitely includes as many men as possible. That is why I applaud women leaders all across the world who have stepped forward in a more prominent way than in the past, taking great responsibility and wanting to be involved on all levels of government. So how do we get that sense of political will and global solidarity? I believe that the answer can be found in a radically different societal approach: feminism. Because a feminist solution is based on equality, it is a different way of ordering our economies. It is a different approach altogether if we conduct a true feminist solution.
Rising to the challenge of addressing climate change can be truly transformative, and to achieve the commitment of the 2030 Agenda, to leave no one behind can truly be an opportunity. But it can only be a successful one if one encourages and fosters more initiatives bringing people together, advocating a common cause (like Amnesty, Green Peace, 350.org and also faith-based, and indigenous, groups).

**Business joining in the fight**

Working with The B Team of business leaders, I have witnessed how business and future-proof investments make a positive impact. The B Team have committed their companies to have net-zero greenhouse gas emissions by 2050 and do it the climate justice way by a Just Transition. They committed actually before Paris, and they continue to work together.

We have entered a new reality where fossil fuel companies are losing legitimacy and licenses to operate. If governments are to retain their own legitimacy and trust amongst citizens, this means they must end all fossil fuel subsidies – in all forms – so that coal and other hydrocarbons are kept in the ground, and resources are invested instead in clean renewable energy sources and green technologies.

For this reason, I believe that business leaders must also speak up for a regular trade environment that protects all human rights – a trade environment that holds business leaders accountable for their actions, the same way as governments. Business leaders must do more to make themselves more visibly accountable and transparent about their activities, communicating about their roles in partnerships to implement the Sustainable Development Goals. We do not want bogus excuses. We want genuine commitment and genuine climate action from all sectors of society.

**Conclusion**

As Pope Francis said, addressing the Second Vatican Energy Transition Dialogue:

"The meeting has been focused on three interrelated points: first, Just transition; second, carbon pricing; and third, transparency of reporting climate risks. These are three immensely complex issues and I commend you for taking them up. Dear friends, time is running out, deliberations must go beyond mere explorations of what can be done and concentrate on what needs to be done. We do not have the luxury of waiting for others to step forward or of prioritising economic benefits. Climate action requires decisive action here and now, and the Church is fully committed to playing its part".

This is, in my opinion, an admirable example of leadership that needs to feed and strengthen the climate justice movement. We need more engaged leaders ready to speak up and take part in action.

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8 The B Team is a group of global business and civil society leaders working to confront the current crisis of conformity in leadership. More information available at: https://bteam.org/who-we-are/mission.
To conclude, I would like to thank the children and the young people who have called us out. I would like to thank them for making their voices heard, starting with Greta Thunberg – but also all the other children and young people. Thanks to their perseverance, their peaceful protests all over the world, the Fridays for Future movement has taken to the streets to make sure that we indeed have a better future. Some time ago, I got a text with a picture of my two-year-old grandchild, named Zoe, in which she held a placard saying: “Do not burn my future”. And I thought: “That is it. That is the movement we want”.
Digital Union: What has happened so far? What should progressives aim at next?

Paul Tang and Justin Nogarede

In this contribution, we will survey some of the monumental events and trends of last year, and look at some of the policy responses in the digital field at European level. In the second part, we will look ahead, to what will certainly be an important year for digital policymaking in Europe. Although it is always risky to make predictions, it is our bet that many of the problems in the digital arena, as well as the solutions, hinge on the question of data, and that this is the key policy debate for the coming year and beyond. What are data? Who controls them? Who can access them? And on what terms? How should they be used? In short, data governance is the key question for progressives, looking ahead.

As we head into the new decade, digital issues are at the very top of the EU policy agenda – from rampant privacy violations and large-scale social media manipulation, to the vast economic, and political, power of big tech, and the idea that Europe has ‘lost’ its digital sovereignty. On top of that, there is the urgent question of climate change, and how the digital transition can support the greening of our economy.

What underpins many of these phenomena is what has been incorrectly called the ‘oil’ of the digital economy: data. The accumulation of data about people’s online and offline behaviour, transformed into detailed profiles, compromises people’s privacy and underpins the personalisation, polarisation and manipulation of how we gather information and communicate online. The extraction, storage and processing of data about European citizens, communities, and businesses has helped create a platform ecosystem that we need to use, but that we do not understand, and that does not embed public values such as democracy, transparency or solidarity. Right now, many of the datasets are controlled and closely guarded by powerful firms, as the datasets provide the means to fortify and expand the firms’ dominant position and profits.
Data could serve a variety of extremely valuable public goals. However, data could also serve a variety of extremely valuable public goals. Data collected via online platforms and apps in the health and education sectors could help to diagnose disease early, or identify children with reading disorder, so that they can then receive timely support. Data collected by the variety of ride-sharing and urban mobility apps could help identify underserved areas, reduce congestion and pollution, and improve urban planning. Platforms could help bring precarious and informal workers within the scope of social security and reduce employer abuse. But this will require different governance.

Looking back: 2019 culmination of a long trend

The rise of ‘surveillance capitalism’

In the long run, we may look back on 2019 as a turning point. In January 2019, Professor Shoshana Zuboff published her seminal work “The Age of Surveillance Capitalism”. The book does a great job in laying bare the existence of a hidden economy, relying on the relentless extraction of people’s data, for manipulation, prediction, and ultimately, profit. Her contention that capitalism itself has changed is probably somewhat overstretched – after all, firms still compete to maximise profit, but in order to reap those profits, they have commodified new domains. In this case, our personal data, and hence ourselves.

Zuboff locates the start of the new business model very precisely: in 2001, when, in the wake of the ‘dot.com bubble’ bursting, Google needed to boost profits to allay investors’ concerns. Under pressure, it realised it could monetise the vast amount of data generated by its search engine, such as search terms, click patterns and location data, and use it for targeted advertising. Facebook quickly followed suit. The use of personal data for targeted advertisements has been hugely profitable for Google and Facebook, which control most of the market. For instance, according to the UK’s Competition and Markets Authority, Google pocketed over 90% of revenues for search advertising in the UK.

Fast forward to 2020, and this model has become pervasive and is no longer limited to advertising. An entire market has been created around the continuous collection, sale and management of personal data, involving thousands of companies. This obviously undermines people’s right to privacy, but that it is only one aspect. The collection of data about citizens, without the latter knowing what data are collected, how they are interpreted,

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1 Morozov, E. (2019), "It’s not enough to break up Big Tech. We need to imagine a better alternative", The Guardian, 11 May. Available at: https://www.theguardian.com/commentisfree/2019/may/11/big-tech-progressive-vision-silicon-valley.
and how they are used, creates significant power imbalances and scope for manipulation.\(^4\)

Increasingly, such data are used for automated decision-making in important areas, including finance, employment, law enforcement, healthcare, housing, retail, insurance and much more.\(^5\) When such data are incorrect, the algorithms are biased, or the decisions are simply arbitrary and not explained, there is a high risk of negative consequences for especially vulnerable groups.\(^6\) In 2019, these issues moved to the top of the public debate, with the discussion around ‘Artificial Intelligence’, and efforts from the European Commission to stake out an ethical path for AI.

At the same time, and more optimistically, 2019 has also seen the start of what Polanyi in his time characterised as the ‘second movement: a reaction against the commodification of people’s lives, and the resulting destabilisation and inequality’. The discussion, both in popular terms, and policy circles, has changed. It is true that the market valuation for the biggest online platform companies, such as Alphabet, Facebook, Amazon, Microsoft and Apple is higher than ever; but they are also starting to face more regulatory pushback.

For example, Alphabet, Amazon, and Facebook have been, and still are, subject to a raft of inquiries from competition, consumer and data protection authorities in both the EU and the US. In 2019, the Federal Trade Commission slapped Facebook with a 5 billion dollar fine for its role in the Cambridge Analytica scandal, and Google-owned YouTube for a total of 170 million dollars for violating children’s privacy laws. Under the leadership of former European Commissioner – and current Executive Vice-President – Margarethe Vestager, Google was fined for a grand total of over 8 billion euros, in three different competition cases. Most significantly, regulation of big tech is a big topic in the US presidential elections, with some contenders proposing to break up some of the biggest online platforms and treat them as public utilities.

In addition, although the market sentiment around the handful of biggest online platforms is still very positive, we may have reached a peak in the model of aggressive venture capital funding in the hope of recouping investments in the form of monopoly profits that come with scale. We have seen a number of well-known start-ups that went public last year, and that immediately saw a big drop in share prices – for example, Uber and Lyft. Most spectacular is the fall of WeWork, which saw its valuation drop from 47 billion to 12 billion dollars in the space of two months, forcing the main investor, Softbank’s Vision Fund, to bail them out with additional liquidity.

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In short, 2019 perhaps saw peak market concentration of big tech, and a continuation of pervasive online surveillance. At the same time, it became clear that regulation is necessary and coming. Even Facebook CEO Mark Zuckerberg admitted in 2019 that the internet, and not least Facebook itself, needs more regulation and that he would welcome it. In the face of this imminent change, big tech firms appear to have made a last run before new rules kick in. Most notable was Facebook’s announcement to move into digital payments, by aiming to create a new digital currency, Libra. Less visibly, Alphabet made aggressive moves into the educational tech sector, and both it and Amazon expanded operations in the healthcare sector. And yes, most of these initiatives, from Facebook’s Libra, to Amazon’s deal with the UK’s National Health Service, came under direct regulatory and public scrutiny that would have been unlikely a few years ago.

**What has the EU done so far?**

May 2019 saw the one-year anniversary of the General Data Protection Regulation (GDPR). It started to apply in mid-2018 and has been rightly perceived as the main EU regulatory response to ensure the internet is a space where citizens’ rights will be respected. Although many of its provisions already existed in previous legislation, the GDPR contains innovative ideas around data portability – allowing users more control over their data – and privacy by default and design, and it allows for much higher fines. It is a signature piece of progressive legislation, and – often forgotten – a hard-won victory over entrenched interests and business lobbies that lasted more than half a decade.

But the proof of the pudding is in the eating: the benefits will only be realised with effective enforcement. At the moment, roughly one and a half years after the entry into application of the GDPR, the balance is decidedly mixed. On the one hand, jurisdictions across the globe have started to copy the legal regime, so it can be considered successful from a standard-setting perspective. On the other hand, tangible enforcement action, and serious fines, have been few and far between, even though it is clear that the provisions of the GDPR are routinely infringed on a massive scale. Finally, the new institutional provisions seem to concentrate competence in the hands of a few data protection authorities, especially the Irish Data Protection Authority, which creates bottlenecks for processing the wide number of complaints received so far.

Of course, the GDPR was first put forward in January 2012, before the start of the Juncker Commission. The latter took action as well, notably deciding to focus on building a Digital Single Market. This, it was thought, would provide the scale and opportunities for European firms to compete internationally, specifically with the dominant platform businesses from the US. According to the Commission’s own assessment, it was successful on the procedural side, as it was able to find political agreements on 28 of the 30 initiatives it contained.

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At the start of 2020, it is too soon to give a fair assessment of the Juncker Commission’s initiatives, as many legislative acts – on copyright, media, e-commerce, online platforms, telecoms and others – have just started to apply, or still have to be implemented by the member states. That said, from a progressive point of view, a number of things are apparent.

First, there is a growing realisation that citizens’ lives play out online, and that a raft of important human rights and public values are affected – from democracy and elections, to citizens’ privacy and data protection, the right not to be discriminated against, and the freedom of speech and assembly. Many of these values and rights have not been safeguarded online, as ‘cyberspace’ in general has been relatively unregulated since the rise of the commercial internet in the 1990s. As some predicted, the absence of democratic governance has led to a space where commercial values and activities have crowded out most else. Against this background, to frame Europe’s digital strategy as a ‘Digital Single Market’ strategy is way too narrow a frame. What the internet lacks is not so much space for market transactions, but space for social and civic interaction, free from surveillance.

Second, when it comes to market freedom, the European Commission has focused on breaking down market barriers created by different national rules, but not enough on the entry barriers and unfair commercial practices from large online platforms. In spite of significant enforcement action, especially by Vestager, the EU has been unable to reduce the unhealthy concentration of market power in key sectors of the online platform economy. Additional actions, such as the platform-to-business regulation, provide more transparency, but that alone will not alter the power imbalance. Furthermore, the European Commission’s tendency to make platforms more responsible, for copyright infringing content, hate speech and other illegal content, may inadvertently entrench their market power, as has been noted by many commentators.

Finally, the focus on creating a Digital Single Market is not a replacement for a proper industrial strategy. It is high time that the EU developed a more coherent industrial strategy for the digital economy. The Digital Single Market Strategy was notably light on this aspect, the implication being that unlocking the benefits of a 500-million consumer market would in itself be sufficient for European businesses to compete globally, based on free trade rules. However, given the pressure on the multilateral trading regime, the state interventions from both the US and China, and the continuing expansion of a handful of very large platforms in a number of strategic sectors, this is no longer tenable. The tense discussions surrounding the role of Chinese telecoms company Huawei in the roll-out of 5G infrastructure across Europe show that attitudes are shifting. The new commissioner for the internal market, Thierry Breton, acknowledged as much, when he said at the start of 2020 that “my goal is to prepare ourselves so the data will be used for Europeans, by Europeans and with our values”.

In short, there is widespread understanding that EU policymaking should change direction. So far, we have seen a great deal of digital disruption, now it is time to start building. In the coming years, authorities need to use their capacity as rule-maker, service provider, and investor to ensure that technologies such as AI raise the productivity of workers instead of

We have seen a great deal of digital disruption, now it is time to start building replacing them, and reduce carbon emissions instead of adding to the energy bill; that the digital infrastructure we use aligns with our values and interests, and that citizens retain agency in an online environment that increasingly operates via algorithmic decision-making systems. If we manage this, we can look forward to a future where increases in worker productivity translate into lower inequality, where our social media supports democratic deliberation, and where the digital transition goes hand in hand with a greening of our economy. However, there is much less clarity on the how. Where can policy have a tangible impact? We will discuss some key issues in the next section.

Looking ahead: New EP, new EC, new opportunities

After the European elections in May 2019, the new European Parliament held its first plenary session in July 2019. The new European Commission took up its duties a few months later, on 1 December 2019. Judging from Commission President Ursula von der Leyen’s political guidelines, the mission letters she prepared for the different commissioners, as well as the way she divided the portfolios, it is clear that the digital agenda is a top priority, second only to the Green Deal.

This offers opportunities for progressives to shape EU digital policymaking, to ensure a more just, democratic and transparent online environment. In particular, there is a clear need for bold measures from the EU on data governance. If the EU wants to have more autonomy in the digital arena, to ensure citizens’ rights are respected, and democracy continues to function, it will need to have more control over the data value chain. If the EU wants to ensure the digital transition supports a more sustainable and just economy, data need to be unlocked and aggregated for use in the public interest. Additionally, if Europe wants to be able to take a more strategic approach vis-a-vis notably the US and China, it will need to take a close look at current rules around dataflows and data gathering practices.

Market concentration

It is no secret that the power accumulated by a number of tech firms is becoming problematic and has to be addressed. For progressives, this is an issue, not just because such concentrations of market power impede fair competition and restrict user choice – which they do – but also because such power concentrations inevitably translate into political power and undermine democratic processes. For instance, big tech firms dominate the lobbying on digital policy issues in Brussels. Of course, monopolies have existed before, but the importance in the digital economy of intangible investments, such as software, training, databases, R&D, and data, means that there are very strong benefits to scale.\(^{12}\) This has led to a handful of firms controlling large swathes of the digital economy across the globe.

In key markets such as search, social media, e-commerce, online advertising, and mobile phone operating systems, concentration is very high, and the same firms keep expanding their market power into new markets. For instance, Amazon is not only becoming increasingly dominant as the go-to platform for e-commerce, but is expanding in too many sectors to count – from operating its own delivery, logistics and payment services, to producing TV shows, publishing books, designing fashion items, and becoming the world’s major provider of cloud services. Beyond that, all the big players are increasingly investing in AI technology, and aim to move into publicly sensitive sectors such as healthcare and education. The data and profit they collect in one business sector, they cross-leverage to expand their market share in others.

It could be argued that these big platforms are simply the most efficient, and, given their investments, simply deliver the best service. In other words, the problem is only one of distribution of monopoly rents, via taxation. This is indeed an important problem, and progressives have fought and should continue to fight for higher and more effective corporate taxation. However, there is a reasonable case to be made that the big tech firms actually stifle the rise of new and better alternatives. For instance, it is very difficult for social media that respect user privacy, and provide meaningful transparency, to grow in the current environment – but many would surely prefer this. Similarly, it is likely that many app developers would prefer another platform than Apple’s Appstore, where they would not then be subject to 30% charges for in-app purchases and would have more control over their data, but they cannot afford not to use the platform.

In terms of regulatory solutions, 2020 will be important. There are broadly speaking two different strands of policy suggestions. Some consider that big platforms’ power to exploit customers and employees is simply too large, and they argue that antitrust law should be used to break up the biggest among these companies. On the other hand, some consider platforms as public utilities that benefit from scale, and argue that breaking up such companies would be inefficient and futile. In this vision, large online platforms could be regulated as public utilities, and for example be forced to give fair access to competitors, or only ask for a certain amount of fees for use of its platform. Or in such thinking, platforms could be replaced by publicly owned alternatives of a similar scale.

In the end, there are variety of platform business models, and both the problems and solutions will depend on the type of service a platform provides. For instance, in markets where powerful platforms own both the marketplace, and at the same time compete in it, which is for example the case for Amazon’s e-commerce platform and Apple’s Appstore, there are clearly structural conflicts of interest: both firms have very strong incentives to promote their own products and services on their platforms, above those of competitors, whom in that case do not stand a chance. In addition, a number of platforms, such as Alphabet’s

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Google Search platform, are the gateway for entire business sectors, and many businesses are crucially dependent on Google’s search ranking. Here, Google Search is what has been called ‘functionally sovereign’: it sets the market rules. Such power should come with accountability, such as transparency and non-discrimination requirements. What could be very effective to dampen powerful network effects is to mandate interoperability, so that users can switch more easily without losing access to other users. This could be an interesting remedy against Facebook’s hold on social media and messaging, especially after its acquisition of WhatsApp and Instagram. Interoperability could be part of the Commission’s proposed Digital Services Act and is something progressives should fight for.

However, what underpins the market power of all these firms, and what sustains it, is the leveraging of data. By accumulating user data, platforms are able to perfect their algorithms, which allow them to better predict user behaviour, and hence to deliver users tailored services, or more problematically, to better manipulate them. Simply breaking up tech firms, could reduce their market power to some extent, but will not necessarily end the ubiquitous surveillance or create better outcomes for citizens. And it will not allow data they hold to be used for more socially beneficial purposes, such as improving healthcare, or reducing congestion and pollution in cities. In other words, yes, we need to apply the competition rules, and re-evaluate their effectiveness. The focus should be less on short-term consumer prices, and more on the competitive value of data, privacy implications, and nascent competition. But beyond that, we need to look at data itself.

### Collection of, access to and use of data

Data underpin much of the power of big tech firms, while their collection and (mis)use is at the heart of the erosion of citizens’ privacy. At the same time, data can be a key resource for development of better healthcare solutions, more efficient public transport, and other public interests. Issues surrounding data access and use will therefore rise to the top of the debate this year, and progressives should find ways to challenge the status quo, in which big platforms collect, aggregate, treat and analyse personal and other data, without any meaningful transparency, for significant profit, and precluding wider societal benefits.

Right now, personal data are handed over by consumers and workers to a few big online platforms, officially with their consent and in exchange for services at little to no financial cost. But in reality, this happens mostly unwittingly, or with no realistic alternative to which consumers or citizens can turn. As to workers, they often do not have a choice at all, and data they generate are mostly collected and used as a matter of course. These data have enormous value for those businesses. Against that background, a key question then becomes how we can provide citizens with more control over their data, and whether there are ways to ensure that data which are socially produced also create societal benefits.

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A first, crucial, point is to provide more control to citizens over the data that are collected. In fact, it can be argued that many of the troves of personal data, which are collected by platforms and sold and re-sold by an opaque network of data brokers, should not exist in the first place. The extremely detailed profiles of social media users and online shoppers are used for commercial manipulation of users, but also for large-scale disinformation campaigns in the context of recent elections. For personal data, EU law requires firms to collect as few data as possible, and for a clear purpose, but this is obviously not working in practice. Protecting people’s privacy therefore requires better enforcement of the GDPR.

However, the protection of people’s privacy will also require a departure from the idea that consent alone will be a sufficient safeguard. We cannot leave it up to individuals to protect their crucial rights, against trillion-dollar companies. Instead, we should remove some of the incentives for this data collection in the first place. This could involve much higher financial risks and legal liability for data breaches, or obliging firms to provide paid alternatives to access their services, which do not require users to hand over their personal data. Additionally, the EU should provide a trusted authentication and identification infrastructure, which would make it easier for citizens to maintain their privacy when using the different online services.

Beyond that, the EU could consider flat-out restrictions on types of behavioural tracking, especially, but not only, in relation to children, and increased transparency requirements, especially for advertisements of a political nature. The new privacy-friendly browser Brave shows that relevant online ads are possible, without companies collecting and holding detailed behavioural data of their customers.

Furthermore, the EU could require rules on the transparency and traceability of data. Right now, the data value chain is largely opaque, so an important first step is acquiring a better understanding of what data are collected, shared and treated by whom, and for what purposes. Citizens and authorities cannot control what they do not understand. This becomes especially crucial in the debate around automated decision-making, or AI, where personal data are used to make judgments that directly affect not just individuals, but entire classes of citizens in ways that can – and do – negatively affect women, minorities, and the poor. The announcement of the European Commission to propose horizontal legislation on AI provides a key opportunity to increase transparency of the ecosystem, and progressives should insist on binding rules, not just ethical guidelines.

There is also some emerging economic literature that looks into venues to redistribute the monetary value of data to those who helped create it. Some propose to treat data as capital, which can be taxed, or as the intellectual property of those who produced the data. Others

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propose to treat data as labour, for which workers should receive an income.\textsuperscript{20} In line with the opinion of the German Data Ethics Commission,\textsuperscript{21} it seems risky to think of personal data as property or an intangible asset, which can be sold or licensed out by individuals.\textsuperscript{22} In addition, recent experiments and initiatives show that the value of an individual’s data is very low and most likely does not provide a meaningful source of income.

Instead, it seems more fruitful for progressives to view data not so much as an individual property, but as a public good. When people share their data, they inevitably share attributes about other people as well (think of your messaging history, or your friends on Facebook). Because data reveal something about social relations, and because benefits become available in the aggregate, progressives should facilitate collective action and governance, to allow citizens and communities to take back ownership of their data. The idea of data labour unions comes to mind, which has been pioneered in the Netherlands, but there are other examples. For instance, the idea of data trusts, where data from members are pooled, and entrusted to a third party to manage, on behalf of all. This could facilitate use of sensitive data for research in the public interest, such as the improvement of healthcare. Patients with a rare condition could, for example, choose to pool data to help speed up development of new medicine,\textsuperscript{23} and such data could be used for AI improvements in diagnostics, evaluations of drug-efficacy, and more.\textsuperscript{24}

Some of the best examples of managing data collectively, and in the common interest, come from cities across Europe, most notably Barcelona. By revamping public procurement procedures to ensure contractors share data and use open standards, via the creation of an online platform where citizens can share their data, and by taking more active control over key infrastructures such as software and data, the municipality has provided a new model for using digital technology in the public and citizens’ interest.\textsuperscript{25}

Data-sharing should be encouraged when it serves a clear public interest, and can be done in full respect of the GDPR. But there are also data that cannot be linked to individuals, either


\textsuperscript{22} We are not talking about copyrighted content here, which can be licensed under the current EU copyright acquis.


because the data have been anonymised, or because they contain, for example, data about industrial processes – for instance, communication between different machines. It should be kept in mind that the boundary between personal and non-personal data is notoriously difficult to draw, and changes with technological developments. Indeed, many datasets contain both types. With this proviso in mind, access to non-personal data should be more widely available. And the EU has taken measures to stimulate their unrestricted flow across the EU, with limited restrictions. Progressives should support this, and notably push firms to share and pool relevant data, via standards and possibly tax incentives. Mandatory data-sharing could make sense to ensure competition in key online platform markets, but it should be looked at case by case, with the use of existing possibilities under competition law.

Nevertheless, the EU should be careful about further extending the paradigm of the free flow of data uncritically to the international domain. Right now, the EU is unique in that most of the data generated in the EU leaves its territory – and control – as opposed to what is happening in China, Russia and the US. Whereas especially the US is pushing to codify the principle of the free flow of data at the World Trade Organisation, the EU should realise that data are not just any commodity. The EU possesses a large number of high-quality datasets, which can provide the inputs to develop new services and business models in strategic sectors such as healthcare, energy, transport, climate change mitigation and defence. The control over data has important implications for the future of our society and our future prosperity. It also has implications for the path of digital development that the EU wants to take. It is an important input for the development of AI, which could be considered an infrastructure. As the European Commission has been tasked with developing an industrial strategy, data governance should be a crucial part of it. Progressives should ensure that such a strategy will not unfairly protect existing industries, but that it will be able to provide the EU with the autonomy to use the digital transition in support of a more just and sustainable economy.

Gender equality: What is the legacy of the last EU mandate and what should we aim for in the year of the Beijing+25 jubilee?

Agnès Hubert

The new European Parliament and European Commission register the largest presence of women ever. The European Commission and the European Central Bank will for the first time be lead by a woman. These are good premises. Yet, the legacy of the previous European institutions is a not a bright one. Despite its commitments, the Juncker Commission has largely ignored the gender dimension and, in general, the European Union movement towards gender equality has been a slow one, as the labour-market participation of women remains much lower than that of men, while the gender pay gap is still too high, not to mention the backlash that the fight for gender equality is experiencing in some member states. Against this backdrop it is arguable whether we can still depict European gender equality policy as a success story. A crucial step forward would the embedding of gender policies into European policies.

Europeans feel strongly about promoting gender equality: three quarters of respondents to a recent Eurobarometer survey (76%) think that tackling inequality between men and women should be a European Union priority. Around nine in ten (91%) agree that tackling inequality between men and women is necessary for creating a fairer society.

The final year of the Juncker Commission, 2019, saw high notes for gender equality: on 15 July, the President-to-be of the European Commission speaking in front of an almost paritarian newly elected assembly mentioned the founding fathers and mothers of Europe. Ursula von der Leyen insisted on having a gender-equal group of commissioners and recognised that equal pay is long overdue and that violence against women is a crime that requires a proactive European response.
In fact, the only President of the Commission to have mentioned gender equality in his inaugural speech before this was Jacques Santer in 1995, after a stormy session with Anita Gradin, the first Swedish commissioner.

Considering the increasing role of language in a Europe in search of the *affectio societatis* of its citizens, this is a significant symbolic move towards recognising women as agents in the European Union. Beyond this symbolic first move, confirmed by the appointment of a commissioner dedicated to equality, what are the opportunities to progress with a feminist agenda in 2020, the first year of the new decade?

For those who have always claimed that political will and having women in power is the number one condition for real progress, we could expect a period of radical change, of ‘integrating gender’ which feminists have been calling for decades.¹ With even more ambition, we could imagine being at a turning point where the value of equality in the Treaties will be used to introduce change towards new forms of economy and society.²

While these first positive signals rightfully fill us with expectations, the European Union is a very large vessel and change of course takes place in slow motion where path-dependency takes its toll. So the first step to predicting what could/should happen in 2020 is to know where we stand today. Where have the last five years left us as progressive achievements which can be built on, and what are the failures or missed opportunities from which to draw lessons?

**A poor start**

Five years ago, when the Juncker Commission took up office, the economic and political context was, to say the least, ‘ambiguous’. The damage caused to the social situation of women and disadvantaged groups by the economic and financial crisis persisted, especially in eastern countries and where austerity measures were introduced.³ This left scars which, as we will see later, right-wing regimes took advantage of.⁴ It also increased inequalities between women.

The new Commission also started off on the wrong foot, with a blind implementation of rules: the ‘better regulation’ agenda agreed under the Barroso Commission hit gender equality first as one of the first texts to be taken away from the 2015 legislative agenda (along with the climate change strategy). It became a ‘strategic engagement’ accountable only to the services

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3 "Despite a moderate recovery, part-time employment has increased and women remain underrepresented in the labour market … and they take the bulk of unpaid work", in European Commission (2016), Report on equality between women and men 2015, Brussels. Available at: https://ec.europa.eu/info/sites/info/files/aid_development_cooperation_fundamental_rights/annual_report_ge_2015_en.pdf.
of the Commission rather than an official communication endorsed by the college, scrutinised by the European Parliament and approved by the Council. This was seen as a move to put gender equality on the back burner when the most important priority of the new Commission was to relaunch the economy (that economy that was precisely so detrimental to women) by attracting investments with the Juncker plan. This major endeavour, which mobilised the college and human and financial resources of the EU on a grand scale (and, finally, claimed to be the major success of the last five years), used public EU money to guarantee loans to start-ups and small- and medium-sized businesses (SMEs) as well as infrastructure projects in a gender-blind way. The Investment Plan for Europe did not integrate the fact that ‘access to finance’ is a very different thing for a man or a woman.5

Despite the ‘social’ commitment of Jean Claude Juncker (let’s remember his social triple A Europe and announcements of ‘social stress tests’), the Juncker fund, or Investment Plan for Europe is ‘gender blind’: no impact assessments took into account the impact of these investments on the creation of equality or inequalities between women and men, leaving the great majority of funds to find their way into the hands of men.

The decade did not start on a high note for gender equality. When the Juncker Commission took office, economic and social indicators were still in the red, inequalities were widening and populist regimes were flourishing.

Still, except for the European pillar of social rights, all the major projects of the Juncker Commission ignored the gender dimension. This was blatantly the case for another major initiative of the Commission: the scenarios for the future of Europe which, according to Petra Ahrens and Anna van der Vleuten, reduced equality in these scenarios to the harmonisation of the quantity of fish in fish fingers and EU-wide access to vaccination against measles.6

From the double approach (gender mainstreaming plus specific action) which had been the hallmark of EU gender equality policy since the end of the last century, only specific actions were actively pursued. They concentrated mainly on fights to increase the number of women on boards, accession to the Istanbul Convention and on a revision of the maternity directive.

**Gender equality policy 2015–2020: Incremental changes and hot potatoes (tough nuts)**

According to the Gender Equality Index published in 2019 by the European Institute for Gender Equality, “the European Union has continued to move towards gender equality at a snail’s pace”. With a Gender Equality Index score of 67.4 out of 100, the EU is still far from fulfilling its promise. Improvements are slow. Since 2005, the EU’s score has increased by only 5.4

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5 [https://www.oecd.org/gender/data/do-women-have-equal-access-to-finance-for-their-business.htm](https://www.oecd.org/gender/data/do-women-have-equal-access-to-finance-for-their-business.htm).
points (+ 1.2 points since 2015). In some member states (all the eastern member states less Slovenia plus Greece and Portugal), the index scores at less than 60%.

Equally the European gender equality report, which is one of the monitoring documents of the European strategy for gender equality, enumerates incremental progress like the provision of training of officials and NGOs in Italy to prevent violence against migrant women, measures to tackle gender discrimination in academia in Ireland, a manual for political parties highlighting stereotypes which affect women in politics in the Czech Republic, the publication of a database of women in business in Croatia, media attention to the ‘equal pay day’ awareness-raising campaign in Sweden, “Vouchers for the provision of flexible child-minders service to workers with nonstandard work schedules” in Latvia, the implication of labour inspectors into monitoring wages and working conditions in Belgium and Portugal.

It also reports that the labour market participation of women remains at about 11.5 percentage points lower than that of men. The pay gap is solidly set at 16%. Women’s participation in the highest management positions is ridiculously low, with only 6.3% of CEO positions in major publicly listed companies in the EU being held by women and more than 20% of older women are at risk of poverty or social exclusion, compared to 15% of older men. In some countries, more than 10% of older women cannot afford the necessary health care.

As to progress on legislative initiatives for gender equality during the last five years’ mandate, the last Commission found three ‘hot potatoes’ (tough nuts) on its plate: the ‘women on boards’ directive (to improve the gender balance among non-executive directors of companies listed on stock exchanges) which had been discussed since 2012 and is still blocked in the Council; the ‘maternity directive’ presented in 2008 which was eventually withdrawn by the Commission in July 2015 and replaced by an initiative on work-life balance; and the ratification and accession of the EU to the Istanbul Convention.

On work-life balance, relative success was registered eventually as the negotiation was finalised and a directive introducing a set of legislative actions designed to modernise the existing EU legal and policy frameworks (inter alia encouraging a more equal sharing of parental leave between parents) entered into force on 1 August 2019.8

As for the Istanbul Convention, 21 member states have ratified, while other ratifications are still pending as the opposition of the remaining governments is focusing on the use of the term ‘gender’ in the Convention.9 The question of the accession of the EU to the Convention which would strengthen the implementation of the Convention’s measures to prevent violence including domestic violence, protect the victims and prosecute the perpetrators, is currently on hold, awaiting the opinion of the European Court of Justice.

This inventory would not be complete if we did not mention work done by the services of the Commission on Equal Pay (evaluation), on the reinforcing of equality bodies in the member

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states and on the sustainable development goals agenda for 2030\textsuperscript{10} as well as two punctual initiatives for mainstreaming gender equality in the digital\textsuperscript{11} and transport\textsuperscript{12} sectors.

**Winds of change and disrupters**

The institutional legacy of the last EU mandate on gender equality took place in a specific context where factors linked to the policy had a positive and/or negative impact on progress. They will definitely have an influence on the first year of the new mandate. We will look in particular into: 1. the resistance to gender equality and the possible ‘backlash’; 2. the advances towards parity democracy; 3. the effects of the #metoo movement; 4. the sustainable development goals and the Beijing+25 anniversary. We take it for granted that attention to these factors is necessary to making a success of the coming period.

**Turbulent times: Backlash?**

In November 2017 the annual colloquium of the European Commission on Fundamental Rights focused on Women’s rights in turbulent times, indicating the concern of EU decision-makers regarding the spread of anti-gender ideas and nationalist backlash against women’s rights, both of which threaten the principles and commitments embedded in the Treaties.

This colloquium drew on findings laid down in three documents: a special Eurobarometer survey, conducted in 2017;\textsuperscript{13} the EU gender equality index, showing that gender equality has been advancing “at a snail pace in all the member states”;\textsuperscript{14} and a study compiled by the Fundamental Rights Agency (FRA),\textsuperscript{15} underlining the persistence of gender discrimination and gender-based violence, experienced mostly by women and girls, across the EU. All three documents suggest that the EU and its member states have not done enough to safeguard the dignity and rights of women and girls, much less to advance gender equality, in general, “severely limiting their ability to enjoy their rights and to participate on an equal footing in society”.

Backlash? Only the FRA report used this term explicitly, but for many policy makers, this event marked a clear realisation that – far from following the linear progression that one could

\textsuperscript{13} Special Eurobarometer on gender equality 2017. Available at: http://ec.europa.eu/commmfrontoffice/publicopinion/index.cfm/Survey/getSurveyDetail/instruments/SPECIAL/surveyKy/2154.
have imagined some 15 to 20 years ago – one of the EU’s biggest policy success stories, gender equality, is being progressively undermined and deconstructed.

The threat to women’s advancement represented by the rise of political intolerance, neo-liberalism, neo-nationalist movements and politicians who praise ‘traditional family values’ all over Europe is real. This translates into an assault on the real lives of women: many feminists are verbally assualted online on a daily basis, some even receiving death threats. In one of the perversions of the #metoo facts, a prominent woman in France claimed that “rape can be pleasurable” and that sexual harassment is not an offence… and it was published! This cultural backlash advocates the return of a natural gender order in which so-called traditional family values were imposed by representatives of the state, backed by churches, courts, and other institutions.

This rising intolerance is a source of concern to a majority of democratically minded people everywhere, and rightly so. Having declared gender equality a fundamental principle, the EU not only has a legitimate right to fight it: it also has a moral responsibility to do so.

This new context is not simply cultural: it is political, it is economic and ‘manmade’. Researchers analyse the ‘backsliding’ of gender equality and the impact of neo-liberal policies. Recently, a report commissioned by the European Parliament’s Commission on Women’s Rights and Gender Equality tracked the regressive strategies adopted by governments in six countries: Austria, Hungary, Italy, Poland, Romania and Slovakia. Despite great variations in both the intensity of the backlash in individual states and the nature of the policies that have been implemented, a few frequently adopted measures stand out. These include: restricting the space for egalitarian civil society mobilisations; defunding or otherwise marginalising gender equality institutions; redefining institutions and policies from a focus on women (or gender) to a focus on ‘the family’; and tacitly or overtly supporting a campaign that constructs and elevates ‘the theory of gender’ (also referred to as ‘gender ideology’) into a casus belli. Other recurrent features include support for ‘men’s rights’ movements, and critiquing, including by declining to ratify or threatening to withdraw from, the Istanbul Convention on addressing violence against women and domestic violence.

These political positions stand and get their proponents elected in the absence of policies to promote women’s decent employment, the lack of affordable childcare, a minority of women in decision-making positions and unpunished violence against women. They exploit the absence of policies for gender equality which the new Commission could address with a wide-ranging use of targeted instruments within the framework of the structural funds.

This said, gender equality is a fundamental value of the EU according to article 2 of the

Treaty on the European Union and, in case of proven violation of the rights of women, article 7 could be invoked. This threat, which could take the form of sanctions, while not desirable, exist and could be used.

**Parity democracy: Not only numbers matter**

Women members make up 40.4% of the European Parliament, 12 out of 27 commissioners are female including the President – this cannot but make a difference to achieving a balanced set of high-level decision-makers. Equally important is the leadership of the European Central Bank by a woman.

This said, it seems important to recall at this stage that change for a more balanced use of power will not happen only with numbers. The concept of parity democracy, which was developed at the end of the last century, aims to acknowledge the equal value of women and men, their equal dignity and their obligation to share rights and responsibilities, free from prejudices and gender stereotyping. This creates a radically new approach to gender equality policies, where the correction of past discriminations is complemented by the fundamental right to equality, which becomes a legal requirement. Eliane Vogel Polsky, the Belgian lawyer who championed the concept, explained parity democracy in the following way:

“The construction of the right to equality as it has been developed so far is difficult to implement because it is subject to legal systems created without women. If parity representation is recognized to be a necessary condition of democracy rather than a remote consequence, then the rules of the game and social norms will have to change. This could radically transform society and allow for real gender equal relations”.

As we are nearing parity in numbers, decision-makers should remember not to take for granted rules and norms as they are but to reassess systemically their fitness for the needs of women and men alike.

**‘Me too’**

This expression, first used by grass-roots activist and victim of sexual assault Tarana Burke in 2006 to create solidarity and help sexual assault survivors, became viral with a # on social media following the exposure of the widespread sexual-abuse allegations against Harvey Weinstein in early October 2017. Social media rapidly spread the movement across the world, inciting women of all backgrounds to share their stories of sexual harassment. Beyond the headlines, data show the far-reaching impacts of the #metoo movement. Hundreds of women and men have filed harassment complaints, called hotlines and come forward with their own #metoo stories.

For EU policy-making, the visibility of the movement has had clear and implicit impacts: the European Ombudsman, for instance, drafted a list of good practices based on a review of the anti-harassment policies in 26 EU institutions and agencies ranging from awareness-raising, workplace risk assessment and regular policy-monitoring to mandatory training, swift procedures and rehabilitation measures. Also the extensive media coverage of sexual harassment and its

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20 “EU Ombudsman creates ‘good practices’ list to combat harassment”, The Parliament Magazine, 2 Janu-
consequences brought gender inequalities out of the dark and gave more legitimacy to debates on the Istanbul Convention and the use or development of EU legal instruments to fight sexual harassment. It also empowered women across the globe to speak out against what would earlier have been seen as their unfortunate fate. Many more women and men started to embrace a ‘feminist’ vision, while criticism and backlash contributed to a very welcome politicisation of the issue. As addressed in our recently published FEPS pamphlet looking at social media data, the movement did not take the same form or make the same claims in all member states but many governments were compelled to address the issue and discussions about EU protection against gender-based violence reached the kitchen sink.²¹

Never before had an opportunity to visibly develop Europe-wide policies that contribute to protect citizens arisen in such a favourable context. This should be seized upon to advance with the Istanbul Convention, but also to use the binding power of the European Court of Justice and propose a directive.

The year of Beijing+25

One of the EU major contribution to the 1995 Beijing UN Conference on Women, Peace and Development was the insistence on gender mainstreaming. At the end of each of the 12 critical areas of the Platform for Action, the EU insisted on a paragraph stating that the parties to the conference should, in all their actions, ensure that they were conceived to “promote equality and eliminate discriminations”.

As we are reaching the 25th anniversary of the Beijing Platform for Action, this is, for the EU, the main message to carry: how the integration of a gender perspective has been developed into EU (and member state) policies, with what tools, what effect and how it can be improved.

In line with the concept of parity democracy which can only be effective if the rules of the game and the norms are fit for women and men (health check), the concept of gender mainstreaming, which has the potential to be a game changer, will be effective if no policy, action or programme is left unconsidered, be it in education, energy, transport, the economy… you name it.


**Time for a reset**

The rather meagre progress accomplished in the last five years by the yardstick of the potential at stake (gender equality as a transformation factor) confirms an intuition which I have carried for a long time: we cannot continue to present the European gender equality policy as a success story when the main narrative is always hampered by failures to convince the member states or the second-rate status of gender equality when it comes to attracting investments or balancing national budgets.

I nurtured this intuition when working on the Beyond GDP agenda following an inspiring Commission conference in 2007 and the Stiglitz, Sen, Fitoussi Commission on the measurement of economic performance and social progress of 2008/9.

Then, in the few years following the 2008 financial crisis, I was comforted by the fact that a number of academics and politicians were seriously arguing for a radical change in the economy. The neo-liberal model had lived and proven its inadequacy in terms of redistribution and creation of welfare. Economists were developing alternative models putting forward the need to create well-being rather than blind economic growth, arguing for caring and for the ‘real’ economy rather than the growth of financial markets, for respect rather than exploitation of people and the environment. Sylvia Walby even attempted a feminist interpretation of the crisis. “If the Lehman brothers had been Lehman sisters!” For a short while even an essentialist discourse pleaded for having less testosterone and no longer a culture of permanent competition, expecting women to be systematically caring and cooperative.

Unfortunately, it did not last long before the unchanged pursuit of growth and jobs came back to the forefront of the EU agenda. The teachings of the crisis were in the end rather thin and in particular it did not seem to affect the perception or situation of women or the emergence of new governance methods.

In the context described before, gender inequalities are a threat to democracy, and of what can be seen as positive factors for change. I was particularly comforted very recently by the content of the report *New Visions for Gender Equality 2019* as part of the preparation for the new European strategy for gender equality revealed in March 2019.

By scrutinising existing research, measures, policies and trends in relation to the gender equality commitments of the Treaties, the authors pave the way for logical but radical changes. Masselot’s plea for using gender mainstreaming to advance a value-based economy, is particularly convincing. She argues that despite the strong Treaties commitments to gender equality and gender mainstreaming, economic issues in particular are treated as gender neutral, ignoring that “Gender dynamics are part and parcel of any society and as such, they are at the heart of European integration.” The recognition that “gender equality and the economy are

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strongly interconnected in a mutually constitutive relationship” would be in line with promises of the Treaty. “Yet the ‘EU’s economic/social binary places women’s interests outside this sphere”, entrenching gender equality concerns as political rather than economic. This exclusion (or lack of implementation) of the gender mainstreaming commitment bears many consequences. For instance, as the economic model, which the EU subscribes to, does not incorporate the values it has proclaimed in the Treaty. Such an economic model considers these values to be too costly, as it was well illustrated when the proposed amendments to the Pregnant Workers Directive (COM(2008) 637) were rejected by the Council in December, withdrawn by the Commission in June 2015, because they were deemed too costly.

The European semester is another example of this phenomenon as it subordinates social aims to fiscal and macroeconomic imperatives and prioritises economics-oriented policy.

“Even when social policy is increasingly incorporated into the European semester, some recommendations have much stronger legal standing than others. Recommendations connected to the Stability and Growth Pact have a Treaty basis, while social policy recommendations often do not. This means that any conflict between recommendations is biased towards the economic recommendations. The asymmetry in the legal standing of the different recommendations from the European Semester, according to whether they are economic or social, is harmful to the achievement of gender equality.”

Moreover, the state of the knowledge of EU economic experts contributes to the practical segmentation between economic and gender equality issues. Such knowledge is, overall, homogeneous and reflects little understanding of feminist economics. Consequently, European integration has developed on the basis of a common economic space constructed through the pursuit of gender-blind and gender-biased economic goals promoted by the EU.

32 From the 2019 Report on equality between women and men, page 8: “in the 2018 European Semester, eight member states received a country-specific recommendation under the European Semester framework linked to women’s labour market participation (Austria, Czechia, Germany, Estonia, Ireland, Italy, Poland, and Slovakia). The recommendations covered issues such as improving the labour market participation of women, addressing the high gender pay gap, ensuring the availability, affordability and/or quality of (full-time) formal childcare services and reducing tax-benefit disincentives for second earners”.
And the authors of the above-mentioned *New vision for gender equality 2019* conclude: “If gender mainstreaming is to drive a value-based economy, it should evolve in a way that: includes enhanced knowledge relating to the interdependence between gender equality and the economy; substantially reduces male dominance in key decision-making positions; and embraces an intersectional approach”.

**Conclusion**

Expectations are high in this first year of a new decade when for the first time in history a woman presides the Commission, for the first time in history a Commissioner is in charge of equality, and the number of female MEPs is at its highest ever. Expectations are high not only in the EU, but also outside. The Beijing+25 celebrations in June this year will be an opportunity to show the world that gender equality is a value that counts in Europe and is worth fighting for.

There are expectations for a strong specific gender equality policy, framed by a binding gender strategy which will commit the EU institutions and the member states. It will be presented in March. It will certainly address the pay gap with more than cosmetic measures, it will have to avail resources to finance work–life balance measures and it will have to promise legislation and resources to eradicate gender-based violence. Beyond specific measures however, it is the effectiveness of mainstreaming gender equality into policies which will be the test case of the new programme. Properly implemented, gender mainstreaming has the potential to shift the way we measure the economy and to implement a value-based economy, where the value of gender equality could guide the EU economy rather than the other way around. A value-based economy requires gender mainstreaming to include gender budgeting more effectively. If the economy is understood as a basic human need, then gender equality, childcare and education do not necessarily represent costs, rather investments likely to result in long-term economic growth.

Next June at the Beijing+25 event, the EU will have the opportunity to show a turbulent world that values count.

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Since the arrival and residence of selected groups of migrants started being treated as a major security issue, complex management systems have been put in place to curb and control their mobility into Europe. Today, new and interconnected sets of policies operate to deter unwanted people from migrating; detect those crossing the border unauthorised; detain those already in the territory without documentation; and finally, deport them back to their countries of origin. Moving from a critical assessment of the ground-level functioning of each of these 4Ds, I here question the efficiency of such measures and show how they eventually serve to increase societal anxieties towards migration. I thus finally offer a view of how desecuritising and liberalising migration could, instead, solve much of the tension that Europeans experience or feel as a consequence of the numerous so-called ‘migration crises’ which keep unfolding at Europe’s border.

Despite the sharp drop in the number of recorded arrivals of undocumented migrants to Europe, media and political attention was once again focused in 2019 on a series of ‘crises’ in the Mediterranean. The closed ports policy of Italy’s (former) interior minister Matteo Salvini polarised the public and monopolised the European political debate on migration. With NGO and coastguard boats stuck for weeks outside the ports of Sicily with their loads of rescued people on board, European governments argued for weeks about whether and where to relocate the migrants – including children and pregnant women.1

In a similar way to the last (too many) years, the arrival of third country nationals (TCNs) was thus treated once again in problematic terms. Dealing with a number of extremely politicised ‘crises’ unfolding at the border, which attracted enormous media attention, politics could only concentrate on ad hoc and eventually short-term solutions. There was, in sum, no questioning of Europe’s long-standing repressive approach to the governance of migration. If anything,

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with anti-migrant parties gaining momentum, political discourse worsened in tone as policies to target unwanted TCNs turned tougher than before.

Since political formations such as Vox in Spain or Fidesz in Hungary understand the immigration of selected groups of foreigners as an existential threat for Europe, they often advocate draconian policies to keep these foreigners out of the continent.² However, alternatives coming from other parties – including progressive ones – do not differ significantly. One example comes from the leader of the Spanish Socialist Party (PSOE) Pedro Sánchez. Advocating relocation as the only possibility to deal with the Italian refusal to allow NGO vessels to enter Italian harbours, he implicitly reinforced public perceptions of foreigners as a burden for the host society.³ In a way, he turned the stances of anti-migrant parties sitting in the opposite section of the Spanish parliament more credible.

Due to such widespread consensus in framing migration as an economic, social, political and even cultural problem,⁴ policy responses can only concentrate on keeping unwanted foreigners away from the EU. This means that efforts are made solely to create increasingly restrictive and selective legal and policy environments for international migrants. Starting from this security-focused approach, policy efforts of the last two decades have developed along four main strategies – i.e. the 4Ds of Europe’s governance of migration.

National and European policies operate today, both inside and outside the EU, first to deter would-be migrants from deciding to move. To this end, authorities set a variety of strategies whose effects are to increase the perceived and actual costs of migrating without documents. Furthermore, thanks to upgraded surveillance at the EU’s external border, authorities have concurrently improved their ability to detect undocumented foreigners. Moving inside the European territory, several facilities have been established since the 1990s to detain unwanted TCNs, and eventually deport them back to their country of origin.

Regardless of the ruling coalition, such a combination of strategies has been developed consistently over the last two decades at both the national and EU levels. Yet even by assuming that migrants could constitute a danger for the host societies – which is something contested by much academic research – empirical data suggest restrictions to be scarcely efficient in controlling and managing migration. Rather than reducing perceived and experienced societal risks, the implementation of these restrictions actually serves to (re)produce most of the tensions related to migration in Europe.

Based on the 4Ds model briefly presented above, I here first deconstruct and critically assess European securitised approaches to the governance of migration. Moving from more empirical evaluations, I then offer an alternative – and eventually progressive – option to de-securitise and

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liberalise international migration. By marking a real difference from what is promoted by the increasingly popular anti-migrant political formations, this might be the only option to counter undemocratic tendencies in most of the EU. As demonstrated by the Portuguese case for instance, promoting more humane and inclusive migration policies does not imply losing public support.

This discussion builds both on the vast academic literature on the subject and on the primary data that I collected from a number of fieldwork studies conducted since 2008 in some key locations of Europe’s prolonged ‘migration emergency’ – namely Lampedusa, Melilla and Morocco, Malta, the Canary Islands, and the Strait of Gibraltar.

**The 4Ds of Europe’s securitised governance of migration:**
A critical assessment

Following the dramatic events of 11 September in New York, the Laeken European Council of December 2001 laid the foundations of today’s integrated governance of migration in Europe. Since selected groups of TCNs came to be treated as major public dangers, national and European authorities began developing new and interconnected strategies to limit and control their immigration into the EU. As a result, today a complex governance system operates at the external frontier of the Schengen area of free movement of people, as well as inside and outside the European territory, to perform four main functions.

First, a wide range of policies serve to deter would-be immigrants from deciding to move to Europe. For this purpose, authorities have introduced, for instance, new and tougher visa regimes with selected non-EU countries. Similarly, since 1993 authorities have imposed sanctions on private carriers transporting undocumented people across any section of the European external border. More importantly, starting from the 1990s, several international agreements have been signed with countries such as Turkey, Libya, Tunisia, Morocco and Niger. With these deals, the EU and single member states have externalised the control and repression of unauthorised migration abroad.

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Second, due to the lifting of border checks across member states as a result of the deepening and expanding of Schengen, border surveillance has cumulated at the external frontier of the new area of free movement of people. In order to detect unauthorised border crossings there, several surveillance devices such as radars, drones or helicopters, and law enforcement officials have come to be deployed at the outer frontier of the EU – often under the coordination of FRONTEX, today’s European border and coast guard agency. In practice, efforts have concentrated on small and remote border (is)lands due to a number of migration-related tragedies that have unfolded there.9

Third, as authorities have enhanced deterrence and detection capabilities, they have also established countless facilities to detain unauthorised foreigners and limit their mobility.10 While the terms of migrants’ detention vary across member states, there is today no EU country without facilities of this kind in place. As stated by the state secretary for migration of the first government of Pedro Sánchez in Spain, national detention systems for migrants are central to “fight against irregular migration”.11

Fourth, officially detention is meant to allow authorities to identify undocumented people and eventually deport them back to their countries of origin. From a securitised perspective, deportation consists of ‘the final act’ in the governance of unauthorised migration, since it removes the societal threat from the national territory.12

With migration being framed as a top security issue, an interconnected set of policies has been integrated into system in order to target unauthorised TCNs entering or living inside Europe. While significant differences exist in the specific approaches promoted by distinct parliamentary forces, the actual opportunity to use the 4Ds to govern migration is hardly contested. However, little or no empirical data exist to demonstrate the validity of these policy options to limit and control unauthorised migration. On the contrary, the on-the-ground observations of the micro/local functioning of these strategies reveal how they eventually serve to make migration more dangerous and visible – thus increasing societal anxieties towards undocumented migration. In other words, designed to grant safety to Europeans against the threats brought by undocumented migrants, the 4Ds seem to work to make Europe feel less secure.

In general, it is almost impossible to determine the efficiency of deterrence in stopping potential migrants from deciding to move abroad. Figures relative to Europe certainly do not show any steady decrease in the arrivals of undocumented migrants over the last two decades. Significant fluctuations derive arguably from other factors such as the intensity of conflicts, or national as well as international political (in)stability.

Most of the migrants and asylum seekers whom I met in Lampedusa, Malta or Melilla, came from Libya, Tunisia or Morocco after they had spent years living and working there. Somewhat surprisingly, deterrence was one of the reasons why they decided to move further north in Europe. After these North African countries started collaborating with the EU to manage undocumented migration in their territories, law enforcement, which historically turned a blind eye to the presence of irregular people, suddenly began chasing them. Persecuted by the police and with only limited access to the national labour markets, migrants decided to leave.

Furthermore, as deterrence combines with increased surveillance at the border, people today cross into Europe through more isolated and dangerous lands and waters. One example is the Sicilian Channel and other parts of the Mediterranean where thousands have perished in their attempt to reach the EU. Here, it is not just that deterrence makes detection at the border more complicated. In addition, deterrence plus detection contribute to making Europeans feel less secure.

The numerous tragedies that are generated at the border are frequent reminders of a ‘migration emergency’ taking place (almost permanently) at the edges of the EU. Because of the extreme visibility of these tragedies, they represent undocumented migration in Europe for politics, the media, and thus the general public. Most ‘illegal’ residents in the EU are overstayers: they have entered for instance via an airport, and have remained after their visa expired. This means that, despite the obsessive attention on what happens in Lampedusa or Lesbos, what happens there tells little about unauthorised migration in Europe. Additionally, this means that it is not at the border where unauthorised migrants can be found.

Yet increased surveillance at the border means that those unable to obtain a valid permit to enter the EU are forced to put their destinies in the hands of smugglers. This increases business opportunities for criminal organisations, as well as actual insecurity for both migrants

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and Europeans. Such considerations become even more controversial if we consider that, despite the many technological advancements and the policy efforts made to enhance surveillance at the border, there remains simply no way to gain substantial control of frontiers.

As recommended by scholars from the University of Palermo, I first went to other tiny ports on the Southern coast of Sicily before moving to Lampedusa. I was told that in these tiny ports I could see "as many Lampedusas as I wanted". Accordingly, the port of Portopalo di Capo Passero – located on the southernmost tip of the island – was littered with numerous wrecks of so-called 'migrant boats'. Locals told me that these wrecks were frequent as people arrived in overcrowded fishing vessels, on board sailing boats and other yachts, or in small tenders pulled to the limits of Italian territorial waters by bigger fishing vessels – the so-called ‘mother boats’. In practice, given that search and rescue at sea takes hours, when authorities are busy dealing with one vessel others are meanwhile crossing just close by. While Salvini stopped NGO vessels just outside the ports of Sicily, thousands of other people managed to reach the Italian shores independently by boat. In the very days when the Italian government stopped the Sea Watch 3 with 42 people on board before it could enter the port of Lampedusa, over 300 African and Asian migrants reached the same tiny island.

If border control is complicated at sea, it is no more effective on land. Even the fortified six-metre-high triple fence installed along the border separating the Spanish city of Melilla from Morocco is not enough to guarantee closure and control. This small detached Spanish territory came to the attention of European media when hundreds of sub-Saharan Africans climbed the fences en masse to enter Europe unauthorised. As I went there a few weeks after one of these episodes, I was surprised to notice that the residents of the migrant reception centre came mainly from Algeria, China, Bangladesh and Pakistan. According to the director of the centre, this was the normality. As he said, in order to enter Melilla undocumented, people use forged documents and cheat – or bribe – a border guard.

As regards the detention of undocumented migrants, similar considerations apply. Because of the non-criminal nature of undocumented migration – which remains an administrative record in most European countries – there is no evidence demonstrating that, if free, unauthorised migrants would be more prone to commit crime than regular residents. In other words, limiting migrants’ freedom does not automatically or implicitly improve public order – or thus

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security – for Europeans. Yet by detaining undocumented migrants behind the bars of detention facilities, authorities project these migrants as public dangers, consequently fuelling society’s fears towards foreigners.25

However, it could be said that detention facilitates deportation because authorities have full control over the mobility of the deportable foreigner. Nevertheless, data show that only a small number of ordered deportations are actually executed.26 As a representative of the Maltese government told me, when the authorities from the migrant’s country of origin are unwilling or unable to collaborate, identification can become a very complex business. Furthermore, he added, deportation implies the existence of extremely costly repatriation agreements with the countries of origin27 and the existence of these agreements has reshuffled power relations at the expense of European states – as demonstrated, for instance, with the EU-Turkish agreement of 2016.28

Is an alternative governance of migration possible in Europe?

Even by problematising migration as a burden and a risk for host societies, there remains a significant implementation gap to be tackled. It is not only that the EU security-centred governance of migration fails to deliver more control on unwanted migration. What seems to be the case is that securitised policies are quite central in (re)producing migration as a danger and a threat. Policies developed so far seem to activate a vicious circle where their implementation produces more societal insecurity; this, in turn, increases the public demand for more securitised options and the likelihood of politicians to deliver them.

This might explain why Europe’s political imagination has only recently begun deviating from this obsession with security-centred understandings of migration and the governance of it. Over almost two decades, no alternative to the strengthening of the 4Ds has been suggested – let alone implemented. While divergences exist between different political formations, these are about the intensity with which securitised strategies should be implemented.

The New Social Contract for Europe, put together by the Socialists and Democrats Group for the European elections of May 2019, refers to the need to “manage migration better [by opening] safe and legal channels” for people to enter the EU. Yet this statement is merged with

Securitised policies are quite central in (re)producing migration as a danger and a threat

others referring, for instance, to “cooperation with countries of origin and transit” and the need for Europe to maintain “effective control of its borders”. After all, the contract was drafted a couple of months after the Spanish socialist leader signed an agreement with Morocco to return undocumented migrants rescued at sea directly to the Moroccan authorities.

Using the words of an important member of the Walloon Socialist Party (PS) in Belgium – Paul Magnette – “there is not, on the one hand, the Right which is attached to the nation-state and citizenship, and on the other, a naïve, lax or ‘cosmopolitan’ Left which advocates the opening of all frontiers”. While significant differences distinguish the approaches of right and centre-right parties from those proposed by parties on the left and centre-left, the terms of the equation remain the same. Here, for social democrats as well, migration remains somehow problematic and must be handled with a series of differently repressive control strategies.

Allowing people to travel regularly would divert most would-be migrants away from smugglers or traffickers

Somewhat counterintuitively however, a stop to dealing with migrants as a security issue and, as a consequence, the liberalisation of international mobility – that is, allowing people to cross frontiers in an orderly and legal way – can potentially solve most of the tensions that migration to Europe today seems to generate. First of all, it must be understood that contrary to what it is often assumed, no data show that opening up borders implies any automatic and massive increase in immigration. Figures concerning international mobility in Africa for instance show that, similar to most other areas of the world, migration happens mainly within the continent. When deciding to move, people tend to remain close to their countries of origin or they move within national boundaries – i.e. rural/urban migration.

While it is unclear whether liberalising migration would imply any sudden and significant growth in the number of TCNs reaching Europe, opening legal paths could potentially solve many of the tensions Europeans feel with respect to migration. First, allowing people to travel regularly would divert most would-be migrants away from smugglers or traffickers.
regularly would divert most would-be migrants away from smugglers or traffickers – thus undermining the expansion and profitability of criminal networks. Furthermore, to cross the Sahara Desert first, and then the Mediterranean, often takes months or years, and costs thousands of euros for smugglers and the corrupted police. A flight, on the contrary, would cost much less and would allow TCNs to arrive in Europe with more financial capital to be invested, for example, in settling. As a consequence of liberalising migration, at least part of the financial burden would be removed from public administrations which run reception centres in their territories. Importantly, allowing people to travel regularly would also put an end to the many migration-related tragedies taking place on Europe’s periphery. It would make it much easier to desecuritise and would normalise national or European media and political debates concerned with unauthorised migration.

More generally, allowing foreigners to enter Europe legally would make the management of migration more orderly and effective. In fact, liberalising migration does not mean removing control on people’s international mobility. On the contrary, by registering their cross-border movements, individuals remain identifiable. This, in turn, would facilitate the work of law enforcement agencies, as most migrants would become more easily detectable. After all, when successful, unauthorised migration goes undetected.

What is more, as legally recognised subjects, newcomers will less likely enter informal labour markets or crime – further reducing risks for the host society. One argument which is frequently put forward to sustain the implementation of tougher measures to control migration is that, without restrictions in place, European workers will suffer the unfair competition of cheaper non-European labour. However, these views usually do not account for the social and economic effects of restricting legal mobility. It is because people reside unauthorised in a country that they will most likely work in the informal labour market. Due to the precariousness of their residence permits, they will accept to work under all possible conditions to keep their job and, with it, the right to remain in the country.

On the contrary, liberalising TCN mobility to, and within, Europe could change migratory patterns and reduce risks for national labour markets. First of all, if migration is made cheaper both in financial terms and those of lost human life, people will find it easier to adapt their trajectories to available opportunities. This means that they will eventually move somewhere else if they do not find living conditions satisfying in the destination country. Opening borders would then favour the best match between labour market demands and the availability of workers: unemployed migrants would search for a job elsewhere if they were allowed to move without facing big legal and administrative costs to do so. By contrast, restrictive migration policies go against an efficient distribution of labour because, given the very high human and financial costs of migrating, people will rarely decide to leave a country even when they have found no job there.

As we have seen, liberalising international mobility can potentially push the whole of Europe away from the prolonged ‘migration crisis’ which has monopolised and somewhat paralysed policymaking in Europe. Signals are finally coming, especially from progressive political forces, of attempts to stop (re)producing migration as a risk or a burden for the host society. Yet despite some traces of such attempts to desecuritise migration, policy efforts do not seem to be shifting away from the more traditional – and securitised – approaches which have structured the governance of migration in Europe for at least two decades.

Depending on the specific issue at stake, the arrival and presence of TCNs should be treated merely as a demographic or humanitarian issue, for instance – without having to mobilise keywords in public discourse such as fear, danger or risk. After all, as has been seen, migration is not dangerous per se: what turns it risky and problematic in Europe are the securitised policies designed and implemented to govern it thus far.
NATIONAL FOCUS
Brexit Britain 2020: Johnson triumphant, Labour in meltdown, where next?

Roger Liddle

This chapter examines the political prospects for Brexit Britain in the light of the December 2019 general election result. It examines the reasons for Boris Johnson’s decisive victory and Labour’s devastating defeat. Brexit has now happened, but there is no clarity about Britain’s future post-Brexit national strategy and political economy. Much depends on the outcome of the ‘future relationship’ negotiations with the EU in 2020, which the chapter considers. A ‘bad’ trade deal for Britain must be likely: a major political clash with the EU is possible that could have large consequences for the future EU-UK relationship. Boris Johnson, with his victories in former Labour seats in the industrial towns of the midlands and the north, has created a new Conservative coalition. But the politics of this new coalition are as yet uncertain. Will they still lead in the direction of ‘Global Britain’? By what means will the Conservatives seek to retain their newfound working class support? The chapter ends with a discussion of the huge challenges facing Labour in remaking itself as a credible party of government.

The historic significance of Brexit

Legally Britain ceased to be an EU member on 31 January 2020. This not just marks the closure of a seven year political and parliamentary controversy (since David Cameron made his fateful promise of a referendum on our EU membership in January 2013), or at least its first stage. It is the end of an epoch in British history with untold, unknown consequences. This epoch began in 1962 when Prime Minister Harold Macmillan launched Britain’s first application to join the European Economic Community; since then, until 2016, our EU membership was regarded by governments of every party as a vital part of Britain’s ‘national strategy’, both in terms of the UK’s ability to compete in world markets (and pay for the imports on which our standard of life depends) and our leverage post-Empire to punch above our weight in the world.
1962 in turn marked the close of three decades of national protectionism and imperial preference which the economic crisis of 1931 had ushered in. And 1931 marked the final retreat from free trade which had been the orthodoxy since the repeal of the Corn Laws in 1848, though Joe Chamberlain bitterly divided the Conservative party in the early 1900s by launching his campaign for Tariff Reform. We are now entering a period of what must be a profound reassessment of Britain’s place in the world and how as a country we earn our living.

What will be Britain’s new national strategy post Brexit? The general election offered few clues. Andrew Gamble, in a brilliant lecture last November,1 sketched out four broad possible futures for the UK political economy beyond Brexit.

- **Global Britain or Singapore-on-Thames**: the UK positioned as a low tax, light regulation jurisdiction able to trade freely and take commercial opportunities wherever they arise. To achieve this, Brexiteers are prepared to accept if necessary, an economic shock “if it is the catalyst for a significant restructuring of the UK economy, pushing the Anglo-liberal model further in a deregulatory direction, resuming the journey that was interrupted after Thatcher’s fall in 1990”.

- **European Britain**, or **social democratic Britain**: a close relationship with the EU, effectively keeping the UK in the single market and geopolitically, “firmly within the orbit of the EU, committed to multilateral cooperation and upholding the rules-based international order”.

- **Green New Deal or Red/Green Britain**: a significant rupture with the Anglo-liberal status quo, but support for the EU on the basis that ‘another Europe is possible’. “An interventionist, entrepreneurial state to enable a shift to a decentralised non-hierarchical economy, answerable directly to local communities, with financial services and corporate capital reorganised to support a local, sharing, everyday economy and a radical redistribution of wealth”.

- **Protectionist Britain or Fortress Britain**: “anti-globalist, anti-free trade, and anti-immigration, as well as anti-EU and multilateral institutions”. Gamble believes this world view would draw support from those most adversely affected by Brexit in the older industrial areas. “Populist, nationalist, anti-establishment and anti-elite”. “Unlikely to capture the Conservative and Labour parties as presently constituted” but historically strong – among the Tariff Reformers and Social Imperialists in the first half of the 20th century and in Labour’s ‘alternative economic strategy’ of the 1970s and 80s, championed by Tony Benn against successive Labour leaderships.

Which course Britain will take (and in Gamble’s judgement, this may take several general elections to determine) depends on the large uncertainties of domestic politics in the coming years: the character and political positioning of Boris Johnson’s ‘new’ Conservative party, and how Labour responds to its devastating defeat.

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Britain and Europe post Brexit: The looming clash

It pains me to write this, but the brave attempt to force a second referendum with the hope of stopping Brexit is over and done. Yet the general election has resolved little else.

‘Brexit is a process, not an event’, as new Conservative MPs are about to discover. Michel Barnier, the European Commission’s chief Brexit negotiator, made this clear from the start of the Article 50 negotiations in the early summer of 2017. Three major issues had then to be settled in the first stage: the status of EU citizens living in Britain; the financial aspects of the ‘divorce’ settlement; and the avoidance of a hard border in Northern Ireland. The original Brussels plan was to sort these so that a Withdrawal Agreement could be ratified by early 2019 and negotiations on the future relationship then begin. For these negotiations a transition period of two years to the end of 2020 was agreed, extendable by a further two years by mutual agreement.

Barnier identified four baskets of issues for these negotiations:

- **Trade**: in Brussels’ eyes, that covers everything from market access and customs issues to state aid rules and competition policy, data protection rules for cross-border data transfers, social, environmental and consumer regulation, free movement of people and much else besides.
- **Security**: police and intelligence cooperation, access to common databases, the European arrest warrant (a growing area of EU activity).
- **Foreign policy and defence cooperation**.
- **Other areas of potential cooperation such as research and education programmes**.

In truth, each of these baskets contains multiple parcels, the full complexity of which will only be appreciated when in due course each is unwrapped. We hear a lot about the first basket – relatively little about the rest – in part because elite opinion in Britain has always seen the EU as about economics and trade and ignored its wider reach.

The Johnson government has chosen to downplay the complexity of the task it is facing: in the Conservative view, Brexit has been ‘done’ on 31 January, with only a few irritating technical details about the future relationship to tidy up. It is rumoured that the term ‘Brexit’ is be banned from Whitehall and ministerial discourse. The Department for Exiting the European Union is to be wound up (probably a good thing because inter-departmental coordination is probably best achieved through the Cabinet Office under the direction of the prime minister). Yet, call it Brexit or not, the reality is that the UK is about to embark on the most complex set of international negotiations in its history.

The future UK-EU trade deal covers around 40% of UK exports of goods and services, over 12% of total UK GDP, broadly like the whole of UK spending on health and education combined. The huge economic significance of this bilateral trade negotiation far outweighs the significance of any trade deal with any other part of the world, including the United States, but I somehow doubt ministers will acknowledge that fact. Even if advocates of ‘Global Britain’ are correct in their assumption that...
in time the UK’s new sovereign right to strike its own trade deals will reorient the UK economy
to parts of the world with higher growth potential (I am sceptical), the economic relationship
with the EU is likely to remain by far the most significant of all external relationships for years to
come, certainly for the duration of a Johnson premiership.

Little has so far been ‘agreed’ on the future trade relationship. The Political Declaration
accompanying the Withdrawal Agreement contains what little there is. This is not a legally
binding mandate for the forthcoming negotiations, rather a political statement skilfully drafted to
mean what both the UK and EU wanted it to mean for their own immediate purposes. The British
point to the ambition for a ‘no tariffs, no quotas’ deal in goods and the creation of a “free trade
area, combining deep regulatory and customs cooperation”; the EU adds the crucial qualification
that “the future relationship will be based on a balance of rights and obligations (…) must be
consistent with the Union’s principles, in particular with respect to the integrity of the Single Market
and Customs Union and the indivisibility of the four freedoms.” Textual exegesis of the Political
Declaration however reveals some subtle shifts from the May to the Johnson draft: the ambition
for “frictionless trade” and a “high level of regulatory alignment” in goods has disappeared. The
Johnson government talks of a ‘looser’ relationship, whatever that may mean.

On two big issues the Political Declaration amounts to little more than waffle. (To avoid
sounding like an anorak, a little more detail is added in footnotes.) First ‘no tariffs, no quotas’
amounts to a significantly lower level of ambition than “frictionless trade” because it does not
avoid border checks (in themselves time-consuming and costly) due to the potential absence
of regulatory alignment on standards and compliance with EU rules of origin. Without a solution
to these issues, huge, potentially existential, problems for some UK manufacturers could arise,
especially for firms that have built their business models on extensive cross-EU border supply
chains. This is a key issue for high profile foreign manufacturers such as Nissan, Airbus and
Siemens, which are often situated in the Midlands, Wales and the North and whose continuing
presence in the UK has huge symbolic as well as economic significance.

Secondly, the absence of tariffs and quotas is irrelevant to trade in services. This amounts
in all to 40% of British exports and the share is growing. We also enjoy a big surplus with our

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2 Most trade economists believe geographical proximity is the most important factor in determining the de-
gree of potential trade integration between countries. An interesting exception to this rule was the UK recov-
ering in the decade immediately following the Second World War, when global exports boomed, especially to
markets protected by Imperial preference in the British Empire and Commonwealth.

3 Political Declaration setting out the framework for the future relationship between the European Union and
the United Kingdom. 19 October 2019.

4 On regulatory alignment, while it is difficult to envisage a manufacturer with an extensive Continental export
business wanting to diverge from EU standards, how do they ensure their UK suppliers have complied with
those standards, especially if as a result of new trade deals that the UK concludes, goods have been admit-
ted to the UK market which are not EU-compliant. On rules of origin, even if a deal could be negotiated with
the EU that for these specific purposes continued to treat the UK as part of the single market (a contentious
proposition in itself), there would be no legal obligation on third countries in the rest of the world that have
deal trades with the EU, to treat the UK as compliant in a similar way. For example, UK car exports to Korea
could be hard hit.

5 For UK service companies, the key issues where the EU single market matters are legal rights of establish-
ment in EU member states, mutual recognition of professional qualifications, and free movement of people.
Also, as a member of the EU, UK-based companies have been able to bring claims of unfair discrimination
before Continental courts and ultimately the Commission and the ECJ: with Brexit that protection will auto-
matically be withdrawn.
EU partners in services trade with the UK unlike the large deficit in goods. My suspicion is that the Conservatives calculate that they can afford to neglect services. While opinion in the City of London is divided on the future relationship, the Bank of England is insistent that the UK financial services cannot be an EU rule-taker. For different reasons, the hedge fund and private equity millionaires, many of whom are big Conservative donors, want to escape EU rules in the belief that deregulation will follow and make them richer. The demonology of the Left helps them get away with it. When people think of services, they think of greedy bankers. But only a third of our EU service exports consist of financial services, and indeed much of that is highly worthy and respectable activities in the City of London such as capital raising for businesses throughout the European single market. The remaining two thirds include great British success stories such as law, accountancy, consultancy, architecture, design, digital companies, TV and film production, and cultural centres of excellence. Of course, a bad Brexit deal for services will hit profits, but the greater loss will be the number of creative and rewarding jobs for this and future generations of young Britons.

The third problem the Conservatives face is their self-imposed deadline: no extension of the transition period beyond this coming December. In the government’s view, this timetable is perfectly achievable because the starting point for the negotiations is that Britain and the EU are already fully aligned. But that misses the whole point of Brexit to which the Johnson government is particularly attached – the ability to diverge in the belief that this restores national sovereignty and sets Britain free to steer a destiny as Global Britain without the ‘burden’ of EU laws and regulations.

There is no way that the EU will be relaxed about this ambition. In the eyes of our partners, the creation of a freewheeling competitor, right on their doorstep, is a huge threat. This is not just an obsession of Commission bureaucrats, though it is: Chancellor Merkel and President Macron have made it clear that if Britain goes its own way in this manner, then a price will be paid in the conditions of access to EU markets. These will become a lot more difficult. The choice is Britain’s.

In my view, a ‘barebones’ trade deal on goods might be negotiable by next Christmas, leaving lots of other issues for 2021 and beyond. Such a deal will most emphatically not be a good deal for Britain – in the jargon, more Canada minus, than Canada plus plus. In all reputable forecasts, such a deal would seriously diminish UK growth potential in the medium term. Its content might involve some ‘mutual recognition’ of technical standards, sector by sector and the possibility of some divergence if ‘equivalence’ is maintained. However, for the EU, such flexibility would be conditional on across the board binding commitments to maintain equivalent standards of social and environmental regulation as well as EU-model rules on

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6 Measuring regulatory quality by outcomes not by an exactly similar rule book.
governance of state aid, competition and public procurement. Such commitments could not simply be aspirational: they would require enforcement mechanisms (perhaps through joint EU-UK committees, but where the European Court of Justice basically remains the decider of what complies with EU law) and penalties for non-compliance, for example the ability on the part of the EU to withdraw ‘equivalence’ at short notice and the rapid imposition of trade sanctions if the rules are breached.

Brexiters bluster that EU member states will not allow such insistence on ‘doctrine’ to put at risk their huge trade surpluses in goods with the UK. I am not so confident. The member states with the largest trade surpluses with the UK – Germany, France, Belgium and the Netherlands – are also the strongest defenders of the integrity of the single market, in contrast to member states to the EU south and east, which sometimes take a more relaxed view as being in their own interests.

Another major problem for this autumn is fishing. Brexit restores Britain’s position as an independent coastal state: the UK regains sovereignty over who fishes in UK waters. Brexiters promise a renaissance of UK fishing. Maybe. However, half the fish presently landed in the UK is sold to the rest of the EU. Will the EU agree to unfettered access for UK fish to EU markets if the fishing boats of EU member states are banned from UK waters? One would have thought a sensible compromise was negotiable here, particularly as fishing accounts for only some 0.5% of UK GDP, but the politics of fishing are not calm and rational: Continental member states have significant fishing interests as well as the UK. To say Spain will be vocal on this subject is a massive understatement. Also, President Macron, facing elections in May 2022, cannot afford to be denounced as a soft touch.

On the EU side, the politics of determining this ‘future relationship’ with the UK will be far more complex than those shaping the Withdrawal Agreement. On the latter under the Lisbon Treaty, the EU took decisions by qualified majority. In trade deals with “third countries”, which Britain has now fatefuly become, unanimity is the rule. Every EU member state has a potential veto. When it comes to doing a deal, the ball is no longer only in Britain’s court. The hard December deadline exposes the UK to high risks. The combination this autumn of a confrontation over fishing rights, with an EU determination to secure provisions that limit the potential for a ‘race to the bottom’, is potentially toxic. National interests will come into play: some member states will be tempted by the prospect of UK-based financial institutions and global companies reassessing their longer-term commitment. Sir Ivan Rogers, the former UK Permanent Representative to the EU, forecasts a difficult, even poisonous autumn.8

I have no doubt that for sound geopolitical reasons, at a time of great turbulence in transatlantic relations, crisis in the Middle East and a see-sawing China-US relationship, European leaders want to maintain a close relationship with Brexit Britain. On defence and security, President Macron could not have been more explicit. I am sure this is Boris Johnson’s first instinct as well.

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7 There are also differing interests within the sector. Inshore fishers on the west coast of Scotland are more concerned about maintaining their strong exports of salmon, lobsters and shellfish to the Continent while on the east coast deep sea fishers are itching to break free of the EU quota regime and EU competition in UK waters.

8 Speech by Sir Ivan Rogers to the University of Glasgow, 25 November 2019.
as the January 2020 Iran crisis suggests. But the EU system is not set up to deliver political ‘grand bargains’, at least very easily. The core of European unity is economic, based on complex Treaties and a patient construction of common rules enforced by supranational mechanisms. The EU will never accept that Britain can enjoy the ‘market access’ benefits of membership without meeting the obligations that go with it. Given the Johnson government’s preference for a loose trading relationship, the British government will have to accept that Britain will face discrimination against its exports in EU markets that it does not face now: that is the harsh reality of Brexit. It must try to reach a deal that safeguards UK economic interests to the limited extent it can. Britain will in the medium term at least, be the poorer therefore. It is a tough political sell.

Can a destructive clash be avoided? Boris Johnson has a Master of Arts in political escapology. The Withdrawal Agreement he negotiated last September displayed on his part, a remarkable flexibility of approach. In ditching his solemn commitment to the Northern Irish Unionists that there would be no border in the Irish Sea, he showed a supreme gift for turning a fundamental betrayal into a famous negotiating triumph, with Conservative backbenchers cheering him on. To achieve a deal within his self-imposed timescale, he will most likely have to accept unpalatable safeguard clauses and make some concessions on EU fishing in British waters. This will annoy the Scots (on fishing) as well as the ERG group of hard line Brexiteer backbenchers.\(^9\) He may have enough political capital in the bank to pull this off. This may follow a period of bluster about ‘no deal’, though why a course of action he rejected in the early autumn of 2019 could suddenly seem attractive in the winter of 2020, is unclear. He may agree to extend the transition deadline if he can put the blame on the hopelessness and divisions of the Europeans. There is real risk he will try somehow or other to excuse his own failures with a populist attack on Brussels. He may simultaneously switch his attention to a trade deal with the US, which will enrage member states even more. There could well be adverse consequences for all the other elements of the post Brexit relationship with the EU, such as the defence and security partnership as well as future research and industrial cooperation. Who knows, but we are in for bumpy autumn, and a ‘bad deal’ could hit the economy hard against a background of weak economic growth.

The new Conservative party

Much depends on the character of Boris Johnson’s ‘new’ Conservative party, his strategy for re-election in 2024 and his government’s national strategy for post-Brexit Britain. Johnson has transformed the Conservative party. Many Tory supporters of Britain’s EU membership either

### The EU will never accept that Britain can enjoy the ‘market access’ benefits of membership without meeting the obligations that go with it
retired at the last election or had the Whip withdrawn before it. In addition, there are new Con-
servative MPs for many midlands and northern constituencies which would previously have
been regarded as ‘hopeless’. A significant number of successful Conservative candidates
were selected at the last minute from shortlists drawn up by the Johnson office.

The true character of this ‘new’ parliamentary party will take time to emerge. Many
commentators have pointed to a potential tension between the Global Britain enthusiasts for
a free economy, deregulation and Singapore-on-Thames, on the one hand, and those on
the other, who find themselves representing old industrial constituencies where, as Gamble
has pointed out, the instincts of their electorates are likely to be protectionist and populist.
There is a genuine tension here, but I suspect it is exaggerated. The new northern MPs were
elected to deliver Brexit. I doubt if they will be pushing for a ‘soft’ Brexit in order to protect their
constituents: rather they will be cheering Johnson on, when he tells Brussels to get lost. The
new ‘Red Wall’ MPs will be more rank populist than ‘One Nation’. The core of Conservative
support in these ‘Red Wall’ seats comes from the elderly and retired who are impervious to the
economic arguments against a hard Brexit. Pro-Europeans never found a way to persuade this
large group to put the futures of their grandchildren first. A significant factor is that since 2010,
pensioners have been protected against the hard edge of austerity, enjoying steady real-terms
increases in their standard of living while poorer working families have been harshly squeezed.
This is the phenomenon of materially contented but nonetheless resentful populism.

Populism is part of Johnson’s political currency. In the General Election campaign, he
sought to exploit the release from prison of the London Bridge suspected killer as an example
of Labour being ‘soft on crime’, backed by a Conservative press demanding that the only
remedy for such offenders was “to lock ‘em up and throw away the key”, a response that
ministers cravenly did little to contradict. We can expect an attitude in that vein to welfare
scroungers, irregular immigrants, refugees and asylum seekers (unless the conscience of the
nation can be stirred). Yet in all probability the immigration policies that will be pursued after
December 2020, when free movement ends and Britain regains full control of its own border,
will do very little to curb actual numbers. The UK has always had full control of its borders in
the case of non-EU citizens: since the Brexit referendum, their number has soared while net
migration from the EU has dramatically fallen.

Where the Conservatives may have more difficulty in meeting the expectations of their
new supporters is on public services such as the National Health Service (NHS) and effective
reforms to Britain’s creaking social care system. When it comes to immigration it may be
possible to square Global Britain’s support for lower taxes and an open economy by means
of an opportunist populism. When it comes to additional large amounts of additional public
spend, the task is harder.

This goes to the core of the new post-Brexit ‘national strategy’. In my view they are bound
to recognise (internally, if not for public consumption) that the Brexit they are opting for will
cause economic disruption. They need to develop a new growth model for the UK. This new
model economy will, I suspect, be based on three big domestic initiatives:

• Increased public spending on research and innovation, where Dominic Cummings,
the prime minister’s Rasputin, is emerging as British universities’ best friend, including
initiatives, such as creating an MIT of the North, outside the ‘golden triangle’ of Oxford, Cambridge and London.

- A step change in infrastructure investment to integrate labour markets across and between regions and enable the benefits of new poles of economic growth to be more widely spread beyond their city centre cores.

- A new effort (where much before has failed) to enlarge training opportunities in apprenticeships and technical skills (essential to ensure that new money piling into infrastructure and research does not simply lead to sucking in better-educated EU citizens).

When it comes to real impact, all this is medium to long-term stuff. It may not have produced clearly visible results much before the 2024 general election. For the coming five years, the general economic outlook does not look promising and if the forecasters are right, the immediate impact of Brexit will make matters considerably worse. The Conservatives will not want the central plank of their policy – Brexit – to take the blame for weak economic performance. That suggests that the government will be desperate to cover up any bigger hole in the economy that their Brexit deal creates.

Weighty arguments will be made for a large fiscal stimulus while the economy goes through an inevitable period of adjustment and restructuring. This stimulus will ensure that living standards continue to grow and public services are protected, while the government’s plans for new investments raise growth potential and tackle weak productivity, which in turn should boost tax revenues and close the public deficit. Such a policy will be awkward for the Chancellor as he may need to breach his own recently announced fiscal rules. But I cannot see this problem over-concerning the prime minister. Rising public deficits and debt will not discombobulate the financial markets if they are presented as part of a clear investment plan to set the economy on a new path. Such a problem might come later if the supply side shocks of Brexit are bigger than anticipated and result in a widening UK trade deficit and cast market doubt on the government’s ability to finance its programme due to its dangerous dependence on overseas borrowing – the “kindness of foreigners”, as the Bank of England governor Mark Carney put it.

But Johnson will also seek to keep the flame of Global Britain alive. While for tactical reasons, the government will avoid any suggestion of a ‘bonfire’ of EU regulations and standards in pursuit of competitive advantage, it will nonetheless work towards this goal incrementally. This is likely to go hand in hand with the negotiation of new trade agreements with the rest of the world, particularly a new trade deal with the United States, which the government will regard as a hugely symbolic victory for the goal of Global Britain.

In other words, the national strategy will be Global Britain eased by public spending ‘goodies’ and laced with a strong dose of opportunist populism. Who can tell now whether this programme will succeed or fail – or somehow be blown off course? A ‘bad’ Brexit may create a political opportunity for a revived Labour party and a resurgence of pro-European
feeling. But equally the Conservatives may turn to anti-Brussels populism to explain their woes, which may or may not be effective. We shall see.

How will Labour respond to defeat, Brexit and the new Conservatives?

The historic pattern of UK politics when governments are elected with a large parliamentary majority, is for the Opposition to disappear into irrelevance. Its profile may then slowly rise as mid-term blues damage the incumbents, government backbenchers start to be restless about the prospect of holding their seats, leadership challengers to the prime minister emerge and the next general election begins to loom ominously across the horizon. Oppositions always bluster about ‘holding the government to account’. However, with a solid majority of Johnson loyalists, the executive under the control of Boris Johnson is now the master of the legislature, though this is not good enough for the Conservatives. Their manifesto makes clear that they are looking for ways to strengthen the executive over remaining dissident voices such as the House of Lords and the Courts, in the name of enforcing the ‘people’s will’. This Rousseau doctrine has gained new legitimacy as a result of the 2016 referendum. Johnson wants to curb a Supreme Court that can strike down government Bills and executive decisions in the name of human rights, or some Strasbourg or ECJ precedent. In their eyes the strengthening of the executive against the courts is one of Brexit’s great prizes: they call it the re-assertion of parliamentary sovereignty!

This Conservative dominance gives Labour a much-needed opportunity to sort itself out and begin the long and painful task of remaking itself as a credible governing alternative. But the first doubt one has is whether the party’s MPs, trade unions and members fully grasp the true depth of the existential crisis Labour faces.

Labour has now lost its fourth general election in succession – 2010, 2015, 2017 and now 2019, by far the largest margin of all. Assuming the Conservative government lasts its full five-year term, the Conservatives will by 2024 have been in office for fourteen years, a longer period than New Labour’s three terms from 1997 to 2010, and comparable in length to the other two post World War Two periods of extended Conservative rule 1951-1964 and 1979-1997. In the 79 years since 1945, Labour will have been in power for a mere 30 of them.

One of the comforting (and potentially misleading) findings of the British Election Study is that voter volatility has dramatically increased: only half of voters supported a single party consistently over the last four elections. So big swings of opinion are theoretically possible in

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10 In 2010 the Conservatives had to form a coalition with the Liberal Democrats to provide a stable working majority. In 2015 the Conservatives gained enough seats from the Liberal Democrats to secure a small overall majority of 12. In 2017 Theresa May, despite a poll position as strong initially as Boris Johnson’s in 2019, fought a disastrous campaign. Against the predictions of most experts, and the expectations of most Labour ‘moderates’, Labour with Jeremy Corbyn as leader surged to 40% of the vote. Deprived of their overall majority, the Conservatives were forced into a ‘confidence and supply’ agreement with Northern Ireland’s Democratic Unionists. However, in 2017 Labour still lost badly – winning only 262 seats against the Conservatives’ 318. The two-party system reasserted itself in a remarkable way. It seemed Labour had done brilliantly, but in cold reality it hadn’t.
future, but so far that volatility has expressed itself in all kinds of different and contradictory directions. At the next general election, Labour faces a huge mountain to climb. Without a humble recognition of that reality, the climb may prove insurmountable.

In 2019, the pattern of recent general elections was reinforced. Labour performed nearly as well as in 2017, and in some places better, in London and big cities, university towns, among most ethnic minorities, graduates and in areas with concentrations of younger people. Labour’s 32% vote share was boosted by massive victories in ‘cosmopolitan’ urban seats. Labour is now a party of progressive cosmopolitan city dwellers: the workplace with the strongest Labour identification is the university!

Look now, by contrast, at Labour’s working-class support:

- Among the most disadvantaged social category (social class DEs) the Conservatives had a 13-point lead, as against an 8-point Labour lead under Ed Miliband in 2015. This 2015 lead sank to 3 points, despite Corbyn’s ‘brilliant defeat’, in 2017.
- Among households with an income of less than £20,000 a year, the Conservatives were ahead 45-34, an 11-point lead as against a 7-point Labour one in 2015.
- Among voters with an educational level no higher than GCSEs (exams young people take at 16) the Conservatives led by a staggering 58-25. This group includes the Conservative bastion of self-employed trades people and people who did well for themselves in earlier generations, before going to university became the norm for half 18-year olds.

These figures are brutal for Corbyn Labour. The Corbyn leadership pitched itself as Labour party shorn of neo-liberal Tory-lite Blairism, once again proud standard bearers of the working class against the elite vested interests lining their pockets. The truth is that working people in all parts of Britain overwhelmingly rejected Corbyn Labour. Whatever claim Corbyn can justifiably make for his principled integrity and consistency, he will tragically now have to live with the fact that Gordon Brown and Tony Blair did far more for working people, through the minimum wage, tax credits, Sure Start, wider educational opportunities and radically improved NHS, than he will ever now achieve.

Labour did particularly badly in the old industrial towns of the English north and midlands, and especially former mining areas. This so-called ‘Red Wall’ crumbled with often massive swings against Labour. Shocking as these results are, they reflect long-term international trends, not confined to Britain. Witness Hillary Clinton’s loss of Michigan and Pennsylvania to Donald Trump. Witness the switch in socialist support to Marine Le Pen’s Front National in the old left-wing strongholds of France’s Pas de Calais and Nord.

Labour is now a party of progressive cosmopolitan city dwellers

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11 Ed: Social grading in the UK divides up households based on the job of the highest earner. The grades range from A (people in higher managerial and professional roles) to E (which includes casual workers and the unemployed receiving state benefit).

12 In Blyth Valley in the one-time Northumberland coalfield, the swing against Labour was 10.19%; in Bassetlaw in Nottinghamshire it was 18.42%; in Bolsover in Derbyshire 11.45%; in Rother Valley in South Yorkshire 10.8%; in Workington in Cumbria 9.73%; in Leigh in Lancashire 12.28%; in North West Durham 10.48%.
This long-term decline in areas of once overwhelming strength well predates the emergence of Brexit as an issue. Brexit may have been a trigger for Leave-supporting working class voters, but it is hard to argue that there is a long-term underlying cause. For example, in the old mining seat of Ashfield in Nottinghamshire, the Liberals ran Labour very close in 2010. In West Cumbria, the fascist British National Party (BNP), UK Independence Party (UKIP) and strange collections of independents have been running Labour hard in local elections for a decade or more.

Many Labour activists blame this situation on economics. “If only socialist policies could bring back decent paid jobs” and reverse the deindustrialisation of the 1980s; the decline of shopping centres in the towns; the drift of talented young people away to universities and the cities where the jobs of the future are found. “If only!” I firmly support a more active regional policy with a place-centred focus, a greater emphasis on investment in transport and digital connectivity and localised regeneration, together with genuine decentralisation of decision making.13 However, there are formidable problems in making such policies work and creating a new economic backbone for areas in structural economic decline. It is socially justified to make the effort, and it would help, but I am not persuaded it would resolve Labour’s political problem.

Political analysis must be based on objective truth. These constituencies are not the poorest areas in Britain: they are not as deprived as some inner-city areas, such as in Glasgow and London (both of which, incidentally, voted Remain in the Brexit referendum) or Leave-voting Cornwall. Employment remains relatively high, though they do contain real pockets of poverty and worklessness (often through several generations). Regional differences in pay exist, but they are not nearly as high as regional differences in productivity (for example because of public sector national pay scales), and in terms of disposable household incomes, they narrow once social security benefits and differential housing costs (very large in London) are considered. The redistributive welfare state still works to an extent, even under the Tories!14

It is a big error to ignore the cultural and sociological explanations (that are related to economics and occupational structure) that have long been undermining the foundations of traditional Labour support in midlands and northern towns. What characterises many of these seats is that their historic occupational base was the coalfields and in some cases, iron and steel and railway jobs: jobs where the nature of the work encouraged a high degree of collective solidarity, where the nature of the work gave men status and self-respect (unlike some service jobs of today), where commitment to the trade unions was central to daily life, and where loyalty to the political expression of that collective spirit, the Labour party, was unquestioned. For two or three decades after the old jobs had disappeared that spirit survived. Now it is mostly gone. I am not arguing that there is no longer a ‘working class’, but there is no longer working-class solidarity of the old kind. The trade unions are now strongest in the

13 The last Labour government tried very hard through the Regional Development Agencies, which the Conservatives abolished. Policies for the regeneration of the great northern cities were on the whole a great success: the RDAs found the policy problem of ‘towns’ more intractable and to make any real impression takes far more money than they had available.

14 I am grateful for these insights to a presentation given by Torsten Bell, Director of the Resolution Foundation.
public sector and sociologists would classify most of their members as middle class: they have limited reach into the modern working class, which is predominantly based in the service sector, where the typical workplace is fewer than 50 employees, and are particularly weak in their appeal among women and young people. With collective anti-Tory solidarity broken by structural change beyond repair, the deep unpopularity of Jeremy Corbyn with traditional white working-class voters proved an even bigger trigger for the collapse of the Red Wall than Brexit. One can complain about the unfair bias of the ‘mainstream media’, but all Labour leaders have had to face this and overcome it.15

Labour, however, must be very wary of the argument that the road to recovery lies through renewing ourselves as the party of the working class in its heartlands. Yet, at the time of writing, this seems to be the predominant Labour response. “How does Labour win back working-class support?” should be a different question from the emotionally charged and in my view erroneous question of “how does Labour once again make itself the party of the working class?”. Yet in the early weeks of the Labour leadership election, candidates are absurdly falling over themselves to stress their working-class roots and their activism on the picket lines in the industrial disputes in the coal mines and Wapping in the 1980s. (For the record, I write this as the son of a Carlisle railway clerk: my mother was the daughter of a West Cumbria colliery and leading trade union activist). This is not the route to remaking Labour.

For one thing regaining the seats lost in Labour’s ‘Red Wall’ is a necessary condition of winning an election, but it is by no means a sufficient one. The focus on Labour’s collapse in its former heartlands underplays the scale of Labour’s defeat. After the 1992 election defeat, Labour member of the House of Lords Giles Radice famously ascribed Labour’s electoral problem to ‘southern discomfort’: the party’s inability to win marginal seats in the southern and midlands regions of England, below the line between the Wash and the Bristol Channel. Tony Blair’s massive victories in 1997, 2001, and to a lesser extent 2005, were based on an ability to win and hold such seats. Take some examples of the Conservative majority today in such seats compared with Tony Blair’s victories.

<table>
<thead>
<tr>
<th>Majority</th>
<th>1997</th>
<th>2005</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crawley (Gatwick Airport)</td>
<td>11,707 (Lab)</td>
<td>37 (Lab)</td>
<td>8,360 (Con)</td>
</tr>
<tr>
<td>Dartford (Kent’s Thames estuary)</td>
<td>4,320 (Lab)</td>
<td>706 (Lab)</td>
<td>19,160 (Con)</td>
</tr>
<tr>
<td>Harlow (Essex new town)</td>
<td>10,514 (Lab)</td>
<td>97 (Lab)</td>
<td>14,063 (Con)</td>
</tr>
<tr>
<td>North Warwickshire (Birmingham outer suburbs)</td>
<td>14,767 (Lab)</td>
<td>7,553 (Lab)</td>
<td>17,956 (Con)</td>
</tr>
<tr>
<td>Nuneaton (Warwickshire ex-mining)</td>
<td>13,540 (Lab)</td>
<td>2,280 (Lab)</td>
<td>13,144 (Con)</td>
</tr>
<tr>
<td>Stevenage (Hertfordshire new town)</td>
<td>11,582 (Lab)</td>
<td>3,139 (Lab)</td>
<td>8,562 (Con)</td>
</tr>
<tr>
<td>Swindon North (Wiltshire expanded town)</td>
<td>7,688 (Lab)</td>
<td>2,571 (Lab)</td>
<td>16,171 (Con)</td>
</tr>
</tbody>
</table>

15 Remember the ‘demon eyes’ campaign against Tony Blair.
Of course, some may say: “look how many votes Tony Blair lost between his first victory in 1997 and his third in 2005”: but after the disaster of 2019, what chance of persuading some ambitious young potential candidate that Labour might be in with a chance in one of these seats? ‘Southern discomfort’ has become ‘Southern despair’.

Labour will never win an election unless it sees itself as the champion of these more dynamic parts of England and develops a policy platform that can unite the old industrial areas with the seats it needs to win in the South. This is not an impossible goal, but a bad starting point is to imagine Labour’s recovery strategy as one of reasserting its traditional working-class identity, and particularly if that is combined with an explanation of defeat that gives centre place to Brexit. In the 2019 election, this would have been a major tactical error: if Labour had advocated a stronger Leave position, it would have lost at least as many votes as it gained and perhaps contributed to a strong Liberal Democrat revival.

But there is a bigger danger in bowing the knee to Brexit populism. The argument is that Labour must listen to ‘our people’, not that they are right. If Labour governments in the past had been a slave to mass working class opinion, they would never have fought against colonialism, legislated to outlaw racial discrimination (despite the London dockers marching in support of Enoch Powell), or legalised homosexuality. The big risk with Brexit populism is that it leads Labour down the path a Protectionist and Fortress Britain national strategy. One can imagine the slippery slope: we got it wrong on Brexit, therefore we got it wrong on immigration. When factories are threatened with closure, we should offer an open cheque book to preserve jobs and find ways to block imports. And we should never ever contemplate the idea of deepening cooperation with our European friends across the Channel because the ‘working class’ won’t wear it. Such a course would be a disaster for our long-term prosperity and national security.

Labour needs to argue for a different national strategy: one in my view based on a mix of social democratic pro-Europeanism and the Red/Green New Deal, implemented by a state that steers rather than directs a sustainable economic path. The Red/Green ambition will never work without a European commitment to common rules and the mobilisation of the European Union as a force for leadership in the world. That requires a European Britain that seeks partnership with the EU and there should be no commitments made now, or in the next few years, that rule out where this partnership might lead in years to come.
Italian politics: 
The great escape

Eleonora Poli

The so-called yellow-red coalition government (formed by the 5 Star Movement, the Democratic Party and some other small political parties) has so far been costly for the Democratic Party (PD). When it comes to national parliament voting intention, the PD currently scores 18% (-5%), followed by the 5 Star Movement (M5S) with 16% (-4%), thus lagging far behind the League (33%).\footnote{For updated data on voting intention, see “Poll of Polls”, Politico. Available at: https://www.politico.eu/europe-poll-of-polls/italy/}. To regain electoral support, the PD needs to deliver what is an anti-Salvini coalition and transform it into a coalition that functions properly. Effective economic reforms that both respect the EU parameters and benefit middle- and low-income families are of vital importance. Yet there is also a need for innovative green policies aimed at more sustainable economic development and civil rights reforms, against the diffusion of the intolerance upon which Matteo Salvini has been building a successful political propaganda. Given that these needs are also shared by the M5S, they represent strong common political terrain for a workable political coalition.

The aim of this paper is to offer an assessment of the rollercoasters that characterised the Italian political landscape in 2019, when Italy changed from an unprecedented full populist coalition government, forged upon an agreement between the 5 Star Movement (M5S) and the League, to an even more unthinkable coalition government between the M5S and the Democratic Party (PD). By highlighting the salient moments of the 2019 Italian political scene, this paper will try to assess the reasons behind the PD’s decision to form such an unusual coalition. Indeed, no party in the Italian plethora has been more critical of the PD than the M5S. Against this backdrop, given that in recent years the PD has been struggling to maintain support from its traditional electorate, the party needs now more than ever to demonstrate that this coalition is a bold but successful choice for the progressive forces. This paper will therefore not only highlight the PD’s big achievements so far, if any, but also how such a coalition could be useful in revitalising the PD. Indeed, going beyond the M5S populist patina, there might be
room for the PD to find common terrain with its coalition partner and transform an anti-Salvini coalition into a coherent and functioning political cooperation.

Some background information

As a sort of space-time hole, August normally exists to provide the majority of Italians with a well-needed break from any sort of work-related matters. Most notably, any battle in the Italian political arena ceases to be fought, and politics disconnects from “business as usual” to enjoy a couple of weeks’ break and to recharge. 2019 was different. From August to September 2019, not only did one of the most unexpected political coalitions break down – that between the M5S and the League – but an equally unexpected coalition developed between the M5S and the PD.

Those who are happy with such an outcome should be thanking Salvini, the leader of the League – one of the most anti-European parties on the EU landscape. Until the moment Salvini demanded a vote of no confidence in the Italian prime minister Giuseppe Conte, an agreement between the PD and M5S had been unthinkable. Indeed, when in March 2018, the 5 Star Movement won the national elections (32% of the vote), it was Matteo Renzi, the former secretary of the Democratic Party, who stopped any chances of a coalition with the M5S. With a blunt public declaration and a soon-to-become-viral hashtag #senzadime [without me], he ruled out any form of political cooperation between the Democratic Party and the M5S. Not that the M5S was any keener to ally with the PD. Indeed, the M5S had been a ferocious opponent of Renzi’s government (February 2014-December 2016) and had campaigned against the 2016 constitutional referendum, which led to Renzi’ resignation as prime minister. However, following the election, Beppe Grillo’s 5 Star Movement had to find a partner to reach a majority within the parliament and form a government. At the time, the PD seemed the most natural ally, or at least the closest. Indeed, with Grillo excluding any coalition with Berlusconi, it seemed impossible that the League would abandon its historical centre-right coalition with Silvio Berlusconi’s Forza Italia and Giorgia Meloni’s Brothers of Italy to find an agreement with the M5S, as in fact unexpectedly happened. Although it took several months to reconcile the two parties’ contradictory political programmes, a coalition government with nationalist and populist features – a combination defined as ‘sovereignist’ – was formed under the leadership of prime minister Giuseppe Conte. Since then, the Italian political story has

2 For the electoral result of the March 2018 election, see: https://elezionistorico.interno.gov.it/.
ceased to be about the triumph of the M5S or the PD's catastrophic electoral results (18%), the worst in its history.6

It became about Salvini and how he managed to transform a regional party, such as the Northern League, developed in the shadow of Berlusconi's Forza Italia, into the League, a national and nationalist party, able to lead the Italian government almost alone. Indeed, following the national elections in 2018, Salvini obtained the majority of his party's vote from the North of Italy. Pushing a campaign based on the fear of migrants, the anxiety of losing welfare, and nostalgia for the past, Salvini attracted both voters that used to support Berlusconi and the electorate of the traditional Northern League. However, he obtained only 17% of the vote – more than Forza Italia (14%) but less than the PD and the M5S. Nevertheless, within a year, Salvini doubled the League’s support, also attracting voters from the South of Italy, and attained 33% of the vote at the European Parliament (EP) elections in May 2019. After months of political wrestling with the M5S on several strategic issues, from the construction of the Trans Adriatic Pipeline (TAP) in Apulia to that of the Turin-Lyon high speed railway (TAV), the striking success of the League at the European elections encouraged Salvini to demand a vote of no confidence in the Italian prime minister Giuseppe Conte in August 2019.7 In Salvini's calculation, this should have triggered a snap election in autumn that, according to the polls, he could easily have won. Yet he failed to take into due consideration the fact that Italy is a parliamentary republic, which formally allowed the M5S and the centre-left Democratic Party to form a new political majority without the parliament and create a new government without the need for new elections.

In less than a month, from being the interior minister and one of the most powerful political figures in Italy, Salvini became a simple senator.
a simple senator. Now being in opposition (with popular support of around 32%), Salvini is free to criticise the government for a budget law that was inevitably going to be difficult when passed by the yellow-red government in December 2019. He is also able to enjoy not being responsible for it. At the same time, however, the new yellow-red coalition has also been costly for the PD as it resulted in the former prime minister and PD secretary, Matteo Renzi, leaving the party in September 2019. After pushing for such a coalition to be formed in order to prevent Salvini from taking over the lead of the country, Renzi then decided to leave the PD. He formed a new party called Italia Viva, which positioned itself at the centre of the Italian political spectrum with the aim of taking over some of the more moderate Berlusconi voters and those left-wing supporters who were unhappy about the PD’s coalition with the M5S. This incoherent political move has not yet, however, turned out to be winning. Italia Viva is still at 5% and, as the situation currently stands, it is not predicted to grow any further. As difficult as it might be for the PD, Renzi’s exit could nevertheless be positive. Certainly, he has been a political heavyweight, whose political intuitions, right or wrong, have been difficult to contain and redirect within the party’s general political line.

**Strengths and weaknesses of the yellow-red coalition**

Although the alliance of convenience made by the two parties has been successful in keeping Salvini away from the government, it is evident that their different political identities make day-to-day political cooperation increasingly difficult. While the PD is deeply rooted in a well-defined left-wing ideological camp, the M5S has a colourful political make-up. It is a fiercely populist movement which reflects both right- and left-wing ideas. When it comes to the socio-economic agenda, the M5S has introduced the so-called ‘reddito di cittadinanza’, a basic income scheme to fight against the increasing number of Italians living in poverty. In 2019, their number reached 5 million, representing 1.8 million families and 8.4% of Italy’s total population.8

While the basic income scheme does not tackle the sources of the problem, and has not so far contributed to reducing the number of poor people, the M5S has been attempting to introduce more guarantees for workers through the Dignity Decree, and to increase employability by empowering national employment offices.9 Leaving aside the effectiveness of such reforms, it is evident that their connotations are closer to a traditional progressive agenda. Yet with regard to security and migration, the M5S and 72% of its electorate seem to be more on the right of the political spectrum, as demonstrated by their support for the anti-immigration policies put forward by Salvini when he was interior minister.

Given the undefined nature of the M5S, it is difficult for the PD to predict its partner’s political moves, and several areas of friction make day-to-day cooperation quite difficult. Certainly, the M5S has become a more institutionalised party, and since leading the Italian government it has

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abandoned much of its anti-European rhetoric, such as the idea of a referendum for exiting the eurozone. While one of the conditions upon which the new yellow-red coalition was formed was a declared discontinuity with respect to the previous M5S-League government (yellow-green) on European issues, the yellow-red coalition’s position on the EU is still ambivalent given that 45% of its electorate, compared with 7% of the PD’s, still supports the idea of an ‘Italexit’.10

Nevertheless, the M5S has accepted the election of PD member David Sassoli as president of the European Parliament, and the appointment of former prime minister Paolo Gentiloni (PD) as European commissioner for the economy. Considering the support granted by the M5S to the new Commission president as well as its attempt to enter a pro-European group after the European elections, the movement can no longer be considered openly anti-European. Granted, such a wind of change is not everlasting, however. As its last political switch demonstrates, having no ideology of reference or a precise political identity, the M5S is able to change its political stance more easily than the traditional parties and PD. This recent – albeit volatile – political turn did not come without losses: in December 2019, three M5S senators decided to abandon the party and joined the League, as they voted against some resolutions discussed within the Italian parliament and approved by the yellow-red majority on the European Stability Mechanism (ESM).

In this respect, being in a coalition with the M5S is certainly a political gamble for the PD. To this, one must add that the coalition government is not seen positively by the majority of the Italian electorate, who were outraged that a new government was formed between two parties which are very different, and without calling a new vote. This regurgitated the idea, already widespread among Italians, that politicians’ primary goal is to keep their power rather than to think about how they can benefit citizens at large. At the same time, the M5S and the PD electorates respectively do not trust the other party’s leader. Only 6% of M5S voters trust the secretary of the PD, Nicola Zingaretti, while only 5% of the PD’s voters trust the M5S leader, Luigi Di Maio.11

Against this backdrop, it is evident that the yellow-red coalition has been costly for the PD so far, especially when it comes to national parliament voting intention. The PD currently scores 18% (-5%) of electoral support, and the 5 Star Movement (M5S) 16% (-4%), thus lagging far behind the League (33%).12 Since there is no magic cure for re-establishing trust in the party and in the government, the PD needs to put forward a set of credible and effective political economic reforms, taking the M5S on board, in order to regain electoral support.

11 Ibid.
12 For updated data on voting intention see Poll of Polls. Available at: https://www.politico.eu/europe-poll-of-polls/italy/.
PD political achievements, losses and current challenges

So far, the biggest PD achievement in the new yellow-red coalition can be said to be its capacity to secure strategic offices such as the Ministry of Economy. Yet this is also very risky from an electoral point of view. For example, the minister of the economy Roberto Gualtieri had to draft the 2020 budget law, and had to increase tax revenues and apply spending cuts to cover the €23 billion needed to avoid an increase in VAT. Although Gualtieri maintains that Italians are paying the price for the economic damage caused by the last government, the introduction of new taxes, even if cleverly labelled as 'micro', will certainly raise social discontent and anger, providing Salvini with room to increase his electoral support.

The political legitimacy of the Democratic Party is linked to the success of the government's budget law in bringing about healthy and balanced economic growth, while respecting the 0.6% structural deficit target for 2020 imposed by the European Commission. This is certainly not going to be an easy target to achieve. Italy’s GDP is currently forecast to grow 0.1% in 2019, while its public debt is projected to rise to 136.2%. At the same time, there is no improvement in socio-economic conditions. The number of families in absolute poverty increased from 5.7% in 2015 to 6.9% in 2017, while the proportion of employed persons at risk of poverty has risen continuously, from 8.3% in 2010 to 9.6% in 2017. Against this backdrop, it is absolutely crucial for the PD to bring forward a set of welfare and economic policies that tax the richest and provide assistance to the middle and working class. Despite increased taxes and cuts in public spending, the new budget law provides a set of welfare policies, such as the introduction of fiscal bonuses for families as well as for enterprises hiring young people or opening new businesses in the South of Italy. These reforms should benefit low- and medium-income people.

Another of the PD’s achievements is linked to the nomination of prefect and migration expert Luciana Lamorgese as the interior minister. Indeed, the question of migration is very delicate in Italy and was used by Salvini to build on social anger by depicting migrants as the main reason behind Italians’ economic struggles. Having a technician rather than a political figure to deal with migration means that someone with hands-on experience might be able to negotiate technical agreements with other European countries, such as the Malta Agreement, which has so far proved to be effective. Certainly, much still needs to be done to solve the migration crisis successfully. This is evident. However, for the time being, migration has ceased to be an everyday topic on the news. This in itself is a significant result, given that the overloads of information and misinformation Italians have received in recent years on the problem of migrants have contributed to increasing the perception that the country has been invaded and left alone to deal with the incoming flows of people.

The third, and so far most evident, PD achievement within the yellow-red coalition has been to leave Salvini and the League outside the government. However, this is a short-term success. Indeed, to win the battle against sovereignty in the long term, the PD needs to fight on the political battlefield every day. Yet the party has failed in this. For instance, after half a century of left-wing rule, the central Italian region of Umbria ended up supporting Matteo Salvini’s candidate, Donatella Tesei, in the regional elections. Tesei was backed by the far-right Brothers of Italy and Silvio Berlusconi’s Forza Italia, and she won 57.5% of the vote while the PD and M5S candidate Vincenzo Bianconi obtained just over 37% of the vote.15 The result was a major blow to the government, but mostly to the PD. While Umbria has only 700,000 voters, it used to be one of Italy’s left-wing fortresses. The defeat in Umbria is less related to the coalition with the M5S, and more related to a failure of the previous PD government in the region. Indeed, scandals involving the previous president of the region, Catuscia Marini, a member of the PD who was forced to resign after being investigated, resulted in voters opting for the radical right. The next regional elections will nevertheless be of fundamental and even vital importance for the PD. These will be in Emilia-Romagna, a historically left-wing stronghold. A defeat of the PD in the region, which is one of the most developed in terms of welfare state and services and which has good economic indicators, could destroy the party’s reputation to the point of becoming life threatening. Indeed, the region has always voted for left-wing regional governments since the second world war.

**Recommendations**

While Italy’s economic situation does not allow the current government to have expansive fiscal policies (Italy still has the second highest public debt in the EU and it has not registered sufficient economic growth to justify more public spending), the PD could win its battle against sovereignty and the League by working towards a reduction of the socio-economic gap. In 2018, 20% of Italians owned about 72% of the entire national wealth. The top 10% (in terms of capital) of the Italian population today possesses over seven times the wealth of the poorest half of the population.16 Introducing reforms, such as those planned by the government to fight against tax evasion, could be of help. Yet there is a need to restructure and reinforce the Italian welfare system. Some of the reforms of the 2020 budget law go in this direction. However, the PD’s political war horse should also deal with the protection of the environment and civil rights. In line with other European countries, many Italian city squares have seen a number of

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young people demanding more action to fight climate change in the Fridays for Future Move-
ment. Climate change is an issue of concern for one in five Italians, with an increase of 12% 
since 2017, but no substantial political parties, including the PD or the 5 Star Movement, 
have been able to represent the issue adequately.\textsuperscript{17} The introduction of a “plastic tax” by the 
2020 budget law goes in this direction, as it might lead Italy towards the adoption of a more 
sustainable economy. Apart for climate change and the environment, where it is easy for the 
PD to find an agreement with the M5S, civil rights must be central to the PD political agenda 
and to the process of building a more solid coalition with the M5S. For instance, the majority of 
the electorate from both parties (84\% and 78\% of PD and M5S voters respectively) back the 
freedom of expression and family rights for the LGBT community.\textsuperscript{18}

\textbf{Civil rights must be central to the PD political agenda}

Beyond the need to make a workable coalition with the 
M5S, the development of a new anti-Salvini social movement, 
called the “Sardines” could foster the political support granted 
to the PD. The movement is not a party one, but since its 
spontaneous development, it has gathered a number of 
people in different Italian cities to protest against Salvini, his 
hate speech and the rise of racism and xenophobic discourse 
in Italy. The Sardines could thus represent a valid electoral 
pool for the party. If the PD is able to mobilise these people, it 
will have enough support to win the next elections. So far, Politico’s Poll of Polls gives the PD 
a mere 18\%, followed by the M5S at the 16\%. The League still dominates with 33\% of the 
consensus.\textsuperscript{19}

\section*{Conclusion}

While it is impossible to predict the life of the yellow-red government, and whether this coalition 
will last longer (or not) than the previous one, the PD’s relationship with the M5S is fundamental 
for it to be able to deliver effective results – which are needed if the PD is to re-establish its 
political legitimacy.

In this respect, the PD needs to work closely with the M5S on shared issues, building a 
set of credible political and economic reforms on welfare, the green economy and civil rights, 
in order to transform a patchwork government, born simply to avoid the League winning the 
election, into a well-functioning coalition. This is the only way for the PD to defeat Salvini on the 
electoral battlefield, and not just at the institutional and parliamentary level. Indeed, the crisis of 
the PD is not directly related to the rise of sovereignism but more to the inability of the party to 
better interpret changes in Italian society and provide clear and coherent answers.

\begin{itemize}
\item \textsuperscript{17} European Commission (2019), Special Eurobarometer 490, Climate Change.
\item \textsuperscript{18} Angelucci, D., P. Isernia, G. Piccolino and A. Scavo (2019), “From one marriage of convenience to another: 
Will Italy’s new M5S-PD government last longer than its predecessor?”, London School of Economics. 
Available at: https://blogs.lse.ac.uk/europablog/2019/09/05/from-one-marriage-of-convenience-to-anoth-
er-will-italys-new-m5s-pd-government-last-longer-than-its-predecessor/.
\item \textsuperscript{19} Poll of Polls, Politico. Available at: https://www.politico.eu/europe-poll-of-polls/italy/.
\end{itemize}
No time for sleepwalking

Georgi Pirinski

The year 2020 is promising to further exacerbate the overlapping imbalances and contradictions after 30 years of transformative disruptions from the collapse of state socialism, plus the dissolution, after 75 years, of the Yalta post-war order, topped by the climate crisis in the context of rising fears of a new recession. The cleavages have grown ever more drastic – between the several mega rich versus the overwhelming majority in growing precariousness, oligarchy versus citizens, urban concentration versus rural decline, humanity in existential conflict with nature.

These precipitous developments evoke two very different responses. One is of denial, of seeking the reassuring comfort of continuing as usual.

The American colour company Pantone has chosen Classic Blue as colour of the year for 2020 (something between Navy Blue and Royal Blue, though with an “undertone of red”), arguing that people are seeking a “reassuring presence instilling calm, confidence and connection, a sense of safety and protection, of evening, rest and tranquillity” versus the chaotic tensions of a crazed and speeding world – all this admittedly carrying “very real political implications”. This sort of preference can be expected to persist, motivating people to revert to the conservative, the traditional and seemingly stabilising choices, thus perpetuating the status quo to the interests of those profiting from it.

But it is precisely the opposite awareness, one for radical and urgent change that will be vital for successfully rising to the unprecedented challenges of the multiple crises that unavoidably will be deepening. Hence in 2020 progressives must engage in launching broad new approaches, building awareness for action to reject the diktat of markets over peoples’ lives in favour of rebalancing societies and the biosphere. The 2018 Club of Rome report entitled “Come On! Capitalism, Short-termism, Population and the Destruction of the Planet” can serve as a useful reference point, putting things into perspective by documenting the suicidal features of modern capitalism and making the case for a new kind of Enlightenment.

As to the immediate policy responses for Europe, the ones I feel most relevant are those outlined in the “Rewriting the Rules of the European Economy” 2019 FEPS report by Joseph Stiglitz and others. Pointing to the sad truth that Europe has not been performing well in this century, it argues that the real problem is not with inadequate enforcement of Europe’s rules, but with the rules, institutions, and structural reforms themselves, based on the belief
that markets, on their own, would lead to economic efficiency, stemming from the moment of capitalist triumphalism after the fall of the Berlin wall. Hence the need to clearly reject the nine doctrines of austerity, debt, price stability, markets-know-best, privatisation, shareholder capitalism, banks-know-best, markets-will-provide and free trade.

Members of the European Parliament of the Progressive Caucus, fostering increased exchanges, links and actions between progressive allies in the European Parliament and across Europe, have called for a radical policy paradigm shift, changing the current economic rules by adopting a new Sustainability Pact to replace the Stability and Growth Pact. May their call inspire resolute action now!
What to expect for Europe in 2020?
Five predictions

Alberto Alemanno

The new political leadership seems to have overpromised, by generating outsized expectations that might prove too difficult to manage, notably in relation to the EU commitment to:

1. Defend the EU’s interests against the United States, China and Russia
2. Take the lead on climate change
3. Tackle rebellious EU illiberal democracies
4. Tame big tech
5. Overcome the trauma of Brexit.

Let’s briefly analyse why the EU might have over-pledged on the above commitments.

1. The assassination of Iranian commander Qassem Soleimani has already put the self-proclaimed first ‘geopolitical’ European Commission to the test, offering a flavour of what to expect from the new EU foreign policy. In a matter of hours, the von der Leyen Commission lost the major EU foreign policy legacy left by the Juncker Commission and its high representative Federica Mogherini: the Iran nuclear deal (Joint Comprehensive Plan of Action, JCPOA). The EU is set to remain a bystander of the unfolding situation in Iran, as well as of the situation in Libya, the next big civil war at the EU’s borders after Syria – with important unintended consequences.

2. By pressing on with a major economic plan to confront the climate emergency, despite Poland’s opt-out from a net-zero emissions target by 2050, the EU might have oversold its Green Deal. Although its legislative adoption will not require unanimity, its political acceptance by Poland and other green discontents may come at a high price. In addition to making demands on the €100 billion Just Transition Fund to help European economies make the green transition by moving away from fossil fuels, these countries are set to formulate many requests on other contentious policy areas such as the seven-year budget, as well as on redline issues such as respect of the rule of law. As the EU takes the green road, the East-West divide will deepen further.

3. On rule of law, the von der Leyen Commission is ‘politically captured’ by the very same political leaders it should be holding accountable. The ruling parties of both Hungary and Poland were instrumental in the confirmation of Ursula von der Leyen. Her new commissioners, from
Didier Reynders to Věra Jourová, appear too shy and cautious in exercising their oversight prerogatives on the respect of the rule of law. This will be another major battle line of 2020, set to further accelerate as soon as Victor Orban’s Fidesz party leaves the European People’s Party to join the European Conservative and Reformists Group (ECR), the EU political group of Kaczyński’s Law and Justice Party (PiS).

4. On big tech, the EU is set to confine itself to playing its global regulator’s role, thus letting China and the US strengthen their market dominance on Artificial Intelligence. Despite all the talk about the Digital Services Act, it will not be yet another regulatory regime to give the EU the ‘digital sovereignty’ it aspires to and eventually change GAFA’s1 underlying business model.

5. 2020 will see an acceleration of the Brexit process through a difficult and contested implementation of the unprecedented withdrawal agreement in parallel with a rocky renegotiation of future UK-EU relations. As novel and untested trade arrangements are put on the negotiation table, we might expect the EU27 no longer to speak with one voice and to be more exposed than ever to UK demands.

The imminent Conference on the Future of Europe will further raise expectations, in particular from EU citizens, but prove incapable – by design – of delivering. The template put forward by the European Parliament suggests there is a considerable risk that it might soon transform into a top-down experiment masked as bottom-up, a participatory moment aligned to Zeitgeist.

In other words, will the EU Citizens’ agoras be useful sounding boards for the main Conference, or an unescapable add-on imposed by the growing participatory Zeitgeist? Watch out!

To sum up, the Europeanisation of our societies and economies will persist in 2020, while our domestic political systems will continue to pretend to be in the driving-seat of our shared future. Yet as these systems’ inherent inadequacy to take up actual challenges will reveal, 2020 will be the year in which more people realise – and call for – Europe to require its own genuine political system.

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1 Ed: The Big Four tech companies: Google, Apple, Facebook and Amazon.
2020 for more growth and investment in Europe

Paolo Guerrieri

In 2020 deep change will continue to define the global trading and investment system. From a multilateral regime based on a set of rules and institutions, we are moving towards a system mostly characterised by bilateral relations where managed trade and economic tools are increasingly used by countries to achieve strategic political goals.

This new global context is dominated by the US-China trade war. This is not only a trade dispute, but a geopolitical conflict as well. The two sides have recently announced a truce, but this mini-deal is not going to resolve the biggest problems facing US-China relations – from emerging technology to intellectual property protection. The risk of relations deteriorating therefore remains high. A dense fog of uncertainty will continue to cloud the world economy and trade flows in 2020 and beyond.

How the European Union should respond is a matter of increasing urgency. As the largest and most open trade bloc in the world, the EU cannot simply wait and see the outcome of the current US-China confrontation. If it did this, the EU would risk both diminished influence and huge commercial damage.

There is need for a European strategic response on two main fronts. In terms of macroeconomic policy, the EU will no longer be able to follow its traditional ‘export-led growth model’. The euro area as a whole has a current surplus of around 3% of GDP but huge external surpluses are no longer sustainable in a world dominated by the US-China trade war. European dependency on exports to the rest of the world must be reduced by promoting domestic growth and investment in Europe. A new growth strategy should predominantly be based on strengthening European domestic growth by increasing investment at the EU level and completing the European internal market.

An opportunity to move in this direction in the next few months is provided by the Green Deal that was presented by the European Commission as ‘Europe’s new growth strategy’. The Commission claims that its plan will stimulate €260 billion in additional investment annually. If implemented effectively, this investment has the capacity to increase Europe’s domestic growth in the near future and reduce its dependence on exports.

The EU should also push for a more ambitious European foreign trade and investment policy. Europe’s response to the Trump tariff war has been quite effective so far. But it is still too
piecemeal and defensive. A more encompassing overall strategy is needed at different levels: first to address the EU-US bilateral relationship, second to respond to China’s challenge, and third to maintain its commitment to an open, rules-based global trading system.

Additionally, the EU needs to continue establishing deeper economic relations with the rest of its international partners. Bilateral agreements cover more than two-thirds of the EU’s trade relations today and could be used as a sort of Plan B in case the multilateral system breaks up.

Bilateral trade agreements could also be used to advance EU social and environmental standards. It is therefore crucial for Europe’s defence of the world trading system and the global environment, including the fight against climate change, to go hand in hand. The stakes are high and there many good reasons for the EU and its member states to move in this direction.
What is the main challenge we are collectively facing today? When asked this question, the majority of political leaders as well as a large proportion of citizens answer without long hesitation that it is climate change. In Europe, we are rather surprisingly united that we need to do more to prevent global warming and to remain leader in this field. In December 2019 we committed ourselves to reaching carbon neutrality. A very ambitious green agenda will therefore significantly define the EU’s new institutional cycle. While finally agreeing on the goals and principles that will make our global leadership credible in this area, we, social democrats, need to make sure that we keep hold of the steering wheel when it comes to the measures and policies that will lead us to meeting our climate goals. While doing so, we need to ensure that transition to carbon neutrality will not negatively impact those parts of our society that cannot afford to bear the costs of this enormous transformation. We need to come up with policies that will make this environmental transition first and foremost fair and socially just. These policies need to strengthen social cohesion in Europe instead of undermining it, they need to prevent any increase in social inequality in the Union. Instead, they need to provide new opportunities for all while making our economy really sustainable and competitive.

At the same time, we need to work on a new, clear and believable narrative that will alleviate the growing unease in large parts of our society, especially among workers, that is provoked by these necessary changes ahead of us. While we cannot compromise on reaching climate sustainability as soon as possible, we have to give Europeans credible guarantees that we will not embark on a journey towards a jobless and less prosperous future when adopting our ambitious green policies over the next three decades. In a way, this task will be even more challenging than finding the measures for achieving carbon neutrality. When thinking about this new social democratic narrative, we should probably bring this big issue closer to citizens. First, everyone is embedded not only in a social environment, but also in the natural/physical environment. We are already witnessing the direct impact that climate change has on our planet – we are facing regular droughts and problems with water supply, crops are being devastated by extreme weather conditions which causes a rise in the prices of certain produce, and our forests are increasingly under stress because of rising average temperatures. When we speak about climate change policy, we first need to focus more attention on these issues,
which Europeans are already experiencing. Second, we need to give green/climate policy a
dominant social policy dimension. We need to emphasise that our social democratic path is to
create new and better jobs, to have healthier cities and to care in a comprehensive way about
citizens’ health and quality of life. Moreover, we need to emphasise that our action aims at the
empowerment of every European, enabling him or her to exploit future opportunities effectively,
keeping the way of life we are used to and at the same time allowing the changes that are
needed to make our way of life more sustainable. While this might seem for some like squaring
the circle, I firmly believe it is possible. I consider this dual task – of defining credible policies
and a believable political narrative on this environmental and climate transformation – to be the
main duty of our movement in 2020.
Three issues on the EU 2020 agenda to bring us closer together

Vladimír Špidla

Debate in society as a whole must be comprehensive. It needs to be about goals rather than measures. Only rarely should we arrive at specific technical steps. However, due to the widespread accessibility of information, public debates are today getting bogged down in technical steps or details. This is because almost anyone can understand them. Many of today’s political philosophers say it is no longer possible to tell grand narratives.

But without grand narratives, we are unable to find our bearings in politics. The experience is that individuals lack something on which to reflect and into which to fit. The constant effort to tell a social democratic grand narrative is therefore a major point on the political agenda that needs to be addressed pragmatically alongside daily political operations. The instruments are a political essay as well as a good metaphor.

I shall briefly mention three practical points on European agendas for 2020. In view of the unpredictable actions of the US administration, the question of the common European army and foreign policy will come to the fore. If at least one step towards a common army can be taken, it will bring us closer to the federalisation of Europe, which we need.

The European Labour Authority will truly start to work at European level. It is important for social democracy that social issues (wage convergence on the one hand and suppression of precarious employment on the other) are at the centre of European public debate. It is good that the European Labour Authority is based in Slovakia given the importance of the topic for the new EU member states.

And finally, without a debate about social security and without guaranteeing our citizens that their state takes care of their social future, we will not manage to transform our countries’ economies from ‘grey to green’ – as Croatia’s Social Democrat Zoran Milanović aptly put it in his successful presidential campaign – and to smart.

Indeed, even if we were on the best path to manage this technically, the general public would oppose such a policy, despite the fact that no one encouraged them to. It is not better engine-tuning that brings success to big changes, but the idea that I can rely on people around me and that a change for the better is possible even for me individually.
2020 must be the year of tech for good

Ivana Bartoletti

Over the past year, we have seen the best of tech: Artificial Intelligence is progressing at rocket speed, with great benefits to health, social care and security alike. But we have also seen the worst of tech, as our digital ecosystem is posing threats to democracy, freedom and personal autonomy. Technology is never neutral. Rather, technology is about power: the power to re-shape labour and work, enhance inequality, threaten privacy and code stereotypes into the products we create.

It doesn’t have to be like this. 2020 needs to be the year where we define what tech for good is, and establish regulation so that we can hold organisations accountable.

Technology is shaping our life, and most of it is great. But it has to work for everyone and, to make it do so, we need to leverage our European values of dignity, freedom and privacy. The optimistic headlines of the PR departments of the major tech companies need to be balanced with an inclusive, equal and equitable vision of tech. If unfettered and uncontrolled, the Fourth Revolution will not bring its promises to create a better society.

Collaboration is the key word here.

First, there is no tech revolution without workers. Our digital revolution will take us far if we make employees central to it – not an afterthought.

Second, as we have done with privacy, where our rules have become a beacon for data protection and human rights across the world, we now have to do the same with AI, robotics and the digital ecosystem. True ethics is not a buzzword. It is a choice to be practised all day every day, and it can drive how we see technological development and its governance. Tech must be person-centred, dignified and an enabler of growth for individuals and the economy alike.

Regulating the impact of AI properly oxygenates, rather than stifles, the European economy, raises the bar at a global level and drives competition and innovation.

Third, the fight for clean air and a carbon-free economy has to go hand in hand with a clean, safe and empowering digital space. Progressive thinking means that we value the environment around us – be it the digital environment or our physical one. As citizens navigate through both spaces almost seamlessly, we need to rethink how we fight exclusion and maintain participation and quality of life.
Artificial Intelligence can be a force for good, but it could also wreck our society and harm democracies if the unchecked global swarming of tech continues. 2020 will need to be the year where we set our path – before it is too late.
Will 2020 see real leadership for the climate emergency?

Stephen Minas

2019 ended with a reality check for everyone who wants to see an effective global response to the climate emergency. At the COP25 UN climate conference in Madrid, the heroic efforts of the Spanish hosts, the ambitious and constructive positions of the EU and many others, and the passionate advocacy of youth and civil society, could not prevent some disappointing outcomes. After a year in which devastating fires erupted from the Amazon Rainforest to the Arctic Circle to Australia, the world is nowhere near an adequate collective response to climate change. A step change is needed.

In 2020 the EU is attempting to provide real leadership for the climate emergency, both domestically and externally. Within Europe, the new Commission is working to make the proposed European Green Deal a reality, in response to citizens who overwhelmingly supported parties promising more ambitious climate action in the 2019 European elections.

The Commission will propose an EU climate law, writing the 2050 climate neutrality target into legislation, and will present plans to strengthen the 2030 emission reduction target from at least 40% to at least 50%, compared to 1990. These proposals respond to the need for the EU to update its Paris Agreement Nationally Determined Contribution and submit its long-term strategy prior to November’s COP26 UN climate conference in Glasgow.

Among the important elements of the Green Deal work programme, including sustainable finance standards and a ‘climate pact’ to engage citizens, there is the proposed Just Transition Mechanism to assist carbon-intensive regions and sectors. Its design and implementation are critically important, both to achieve a viable and inclusive transition within the EU and to demonstrate globally that it is possible to have robust measures that leave no one behind. Delivering the European Green Deal will require sustained cooperation between the pro-European political forces, but also healthy competition to be the most ambitious, progressive and innovative.

My prediction is that the EU will take to November’s Glasgow conference the most ambitious and credible climate policy of any major economy. But with 9% of global emissions, the EU cannot solve this problem alone. Our success will be defined by the partners we succeed in bringing with us. This is why the Green Deal is inseparable from its external dimensions.
These include the mainstreaming of climate in EU international development assistance and private sector financing, the growth of carbon markets and pricing, multilateral and bilateral diplomacy including with key partners like China and India, and the possibility of a carbon border adjustment mechanism to address carbon leakage.

During his 2012 re-election campaign, Barack Obama remarked that “the future never has lobbyists like the status quo does”. That comment, from what now seems a distant past, should inform our approach to climate action. Opponents of necessary measures often claim to be protecting jobs and industries. However, in the long term, the contradiction between prosperity and climate action is an illusion. Our task in 2020 is to work on behalf of future generations while leaving no one behind in the present.
The future of Schengen at stake?

Tanja Fajon

For many European citizens the European Union project embodies prosperity, freedom, democracy, cooperation, conciliation, stability and security. The very symbol and one of the most tangible achievements of European integration is without a doubt the Schengen area, where not just people move freely, but also goods, services and capital.

The area without internal border controls has brought significant benefits to European citizens and the economy, and today stretches across 26 European countries where people can easily travel for pleasure or business, for study or retirement, to exchange cultural and social ties. The once war-torn and divided European continent has again been united in a peaceful, free and borderless area.

However, the Schengen area has never been under greater threat than it is today, as six countries have been illegally prolonging internal border controls for more than four years, despite the two-year legal limit. The reason for this is seemingly not because of migration and security threats, but because of failing common European asylum and migration policies and a complete lack of mutual trust among member states. Reintroduced border controls have put the future of the Union’s political integration at risk, as well as our economies. We must therefore act before it is too late, and 2020 will thus be crucial.

Hoping for a way out, and instead of taking member states to the Court of Justice for clear breach of the EU acquis, the Commission proposed a reform of the Schengen area in 2017 with which it tried to legalise what is currently an illegal practice. Under my command as rapporteur, we at the European Parliament adopted a progressive and legally-sound text, which would address the key concerns of member states and which would prevent abuse of the rules by providing more legal clarity and transparency. Sadly, due to a complete lack of political will among European governments, the negotiations with the Council left us deadlocked a year ago.

The question now arises as to who most benefits from the status quo and what follows. If we have learnt anything these past few years, it is that everything is interlinked. Schengen cannot be restored without a truly reformed and common European migration and asylum policy, but the road there seems extremely difficult. This is not only due to the rise of populists in many EU countries, but also to the undermining of core European values and principles and total rejection of key common policies by the member states, which leaves a grim prospect for the future.
The new European Commission is up against an enormous task and we all anxiously await the new pact on migration. Security and migration policy cannot be solved merely by border controls, but by a European consensus, sound structural policies, better cooperation between member states and addressing the root causes of the migration crisis. The European Parliament has put forward all the solutions. It is now time for EU governments to do the same!

I sincerely hope that we will be able to reach an agreement on the Schengen reform this year. We have to do everything in our power to restore Schengen before it is truly too late. Too much is at stake if we do not. Because if we lose Schengen, we lose the European Union.
Rethinking migration: Europe’s indispensable obligation

Anna Diamantopoulou

It is not an exaggeration to claim that the enduring migrant crisis, which began in 2015, was a tipping point as regards the way European people think of their societies and their own position on the global scene. For the last four years, the European public sphere has been captured by images of refugees and migrants crossing borders, escaping detention camps, landing on Greek shores and sometimes drowning in the Aegean Sea. Much of European public opinion does not consider migrants as “part of our social fabric”, or as part of our “very make-up as a human family”, as Ban Ki-moon famously proclaimed some years ago. Nor as a way to deal with the growing demographic and economic imbalances facing our continent. Instead, migration has spread a condition of discomfort and anxiety, triggering persistent security and cultural fears that believe large flows of uninvited foreigners are here to overtake our countries and distort our way of life. This new condition has forced European peoples to re-evaluate their view of the preaching of globalisation for a ‘borderless world’. Indeed, this widespread insecurity has implied a breach of confidence between citizens and their political leaderships, which have seemed to fail to protect them from what it is perceived as a threat. Crises of legitimacy, internal disruption and changes of political agendas are what have followed.

The migration crisis has played a key role in the decline of Europe’s traditional political parties, which have failed to rally Europeans behind a convincing new political narrative. Viktor Orban’s fearmongering polemic and Matteo Salvini’s anti-immigration crusade have resulted in these leaders’ power being solidified, while fears of uncontrolled migration contributed to the electoral gains of far-right parties all across the continent during the last European Parliament elections, even in countries whose political system used to guarantee a high degree of stability, such as Sweden.

In 2020, Europe should largely rethink its migration policy and reform its framework in a way that respects the needs and rights of incomers, while considering the legitimate concerns of European citizens and prioritising the need for a functioning European society, with its solid values and indispensable liberal democratic rules. Indeed, the long-term vision of federal Europe assumes an understanding of the culture and function of nation states. Ursula von der Leyen’s New Pact on Migration and Asylum proposal is moving in the right direction.
The relaunch of the reform of the Dublin Regulation and of the Common European Asylum System, and the reinforcement of the European Border and Coast Guard Agency, are bold ideas seeking conversion into reality.

To deal with such a complicated phenomenon as migration, the new Commission should, however, put more bold initiatives on the table. Despite the pragmatic 2016 deal with Ankara, people’s arrivals from Turkey remain largely uncontrolled. Ankara is undoubtedly capable of controlling irregular departures to Europe, but it does not, thus creating the impression that it is exploiting the issue for its own economic and geopolitical ends. Europe should therefore enter into talks with Turkey and help it in order to ensure that migrants do not attempt this perilous journey across the Aegean.

Additionally, the Commission should introduce a more just and functional distribution scheme, ensuring that member states receive the number of migrants and refugees that reflects their economic capacity (that is, their GDP), so as to guarantee efficient economic integration as well as avoid disparities that trigger feelings of injustice and discomfort in those countries that have been receiving the largest numbers of people. After all, it is not an exaggeration to say that the continuation of such an inefficient migration policy could even threaten Europe’s internal peace.

Lastly, the Commission should put forward a plan for comprehensive investment in Africa. African demographic growth is closely linked with Europe’s migration challenge. Africa’s economic environment is one that does not help working-age populations save and invest or, in some cases, even live decently. This condition provokes working populations and especially young people to move to Europe. Creating a concrete and sustainable framework that brings more private investment to Africa (with the mandatory involvement of all member states according to their capacities), as well as providing support to build a modern and adaptive educational and health system, will therefore improve job opportunities in the African continent and create the conditions for people to remain in their home countries rather than try to migrate to Europe in the years to come.
To play an active role in global politics the European Union needs more inner unity. It therefore needs to find solid common ground concerning questions over which it is divided but on which decisions should be made together.

Amongst these questions are the European regulation of the welcome of asylum seekers and refugees, as well as the regulation of migration in general. For years the European Council has tried and failed to find a solution, instead entering into sharp disputes. We should therefore turn this divisive issue into an attractive win-win-situation: no more obligation to welcome migrants but instead positive incentives for those who are willing and interested in doing so. The political actors to organise this are cities and municipalities, as well as rural regions and the places where integration really happens – not national governments which currently have the exclusive right to decide about entry to the European Union.

In line with the UN Sustainable Development Goals (Goal 17), European municipalities should set up multi-stakeholder advisory councils with the representation of mayors and administrations, organised civil society and business. These councils should develop strategies for the sustainable development of municipalities. They could start with special questions (such as demography, the labour force, housing, and climate) and would immediately discover their interconnectedness if these questions were considered from the aspect of sustainability.

The European Union should create a ‘Fund for Integration and Participatory Municipality Development’. The municipalities could apply to this for the funding of integration. As an incentive for welcoming refugees, the municipalities could additionally be financed for their own development needs, for the same amount as the integration costs. Furthermore, the organisation of the administration of the advisory councils and their yearly transnational European meetings to exchange experience should be paid by the fund, in a similar way to the LEADER programme.

This should be accompanied by a European integrated asylum system with European hotspots following the model of the Dutch asylum system, with lawyers for refugees from their arrival and the presence of organised civil society representatives throughout the process. This would make the process short and credible. The hotspots should not be limited to the Southern European arrival countries.
To start such a European strategy, a coalition of voluntarily cooperating states could invite their municipalities to make proposals for welcoming refugees and for developing their own projects. National states and municipalities could thus experience institutional, financial, structural, cultural and demographic renewal. By strengthening a transnational network of cities and municipalities, a natural integration process of Europe based on subsidiarity could take place, and a revival of citizen participation.

The European Union would become the leader in the implementation of the Sustainable Development Goals 2030 by uniting itself through municipalities and regions, giving them much more room for their democratic and participatory activities.
MOVING FORWARD
In 2020 we will commemorate the 70th Anniversary of the Schuman Declaration. This Declaration was the start of the European Union and brought us permanent peace, freedom and democracy. We, Europeans, will be celebrating this anniversary with the launch of the Conference for the Future of Europe, which will be a valuable opportunity to relaunch our common European project. After 70 years, the Union is at a crossroads and it faces three choices: an anti-European choice that aims to dismantle the Union; a conservative choice that pretends to maintain the status quo; or a new progressive choice that aspires to bring a fairer Europe.

This year will unfortunately be marked by the departure of the United Kingdom, which leaves the EU after 47 years of contributing to our common European goals. I cannot hide my sadness and disappointment, and I continue to believe that the UK’s place is within the Union. However, we have to accept that the House of Commons now has a Conservative majority with a mandate to pursue an orderly Brexit and ratify the Withdrawal Agreement as negotiated, avoiding any ‘no deal’ scenario. The Group of the Progressive Alliance of Socialists & Democrats in the European Parliament (S&D) will continue to take a constructive approach in building a future relationship that serves our common interests while safeguarding the integrity of the single market and protecting citizens’ rights throughout the transition period and beyond.

This year, 2020, brings us other challenges, like the new EU Commission work programme, the new European Green Deal, the Just Transition Fund or the above-mentioned Conference on the Future of Europe. Unfortunately, 2020 will also bring threats to our democracies and the rule of law; actions aiming to strike at equality, women’s rights or social justice; and turbulence for multilateralism in the international arena.

These last elements are rocking the European Union to its core, and the S&D Group must tackle them with determination and courage. What’s more, I believe that we should treat both challenges and threats as an opportunity to be seized, and that we should make sure we deliver a new progressive starting point to Europe and its citizens. We must turn these weaknesses into a new opportunity to strengthen our views for a fairer future for the new generations.

After the 2019 EU elections, our social democratic family ended up as the second largest group in the European Parliament. Our political family managed to obtain key top positions in
the EU, including those of the president of the Parliament, the vice-president of the Commission with the mandate to lead its work on the European Green Deal, the High Representative, and commissioners in charge of our most emblematic flagships.

This new Commission will carry the S&D mark and it will deliver our agenda. Through our negotiations with President von der Leyen, we, Socialists and Democrats, managed to determine the agenda and portfolios of the next Commission. It was possible to achieve this thanks to the political credibility and arbitration of our Group during the negotiations. We prioritised the need to put forward political agreements with other political families, respecting the current Parliament’s pluralism, to achieve our political goals and priorities. And we succeeded! The Parliament and the European Council are now more fragmented than ever. We are the only political family that can form a progressive and pro-European majority to stand up to far-right, nationalist and populist forces. These commitments will be our Group’s roadmap in working constructively with the Commission.

**New social and sustainable growth for Europe**

For us, the future of Europe must lie in the economic, social and ecological transformation of Europe without leaving anyone behind. We are leading the green transformation of Europe with social justice at its core: the ecological transformation has to guarantee social equality and create new opportunities, and not generate additional exclusion and divergences between regions and groups of people.

The S&D Group did a very good job in the last mandate. It was thanks to us that the target of a 40% reduction in greenhouse gases by 2030 was set. However, we need to go further. If we continue to consume and live as we do now, the planet’s resources will very soon be gone. That is why the S&D strongly defends the ambitious strategy to implement the UN Sustainable Development Goals (SDG) by 2030.

The S&D Group will therefore push hard for implementation of the European Green Deal and will make sure that this is translated into a Climate Law proposal. The European Green Deal must be the industrial revolution that combines social rights, workers’ rights, sustainability and industrial competitiveness. Binding targets and measures should be in place, both at the EU and member state level. All sectors need to contribute. Fossil fuel subsidies should be phased out and stopped. Policies in favour of direct investments for cleaner technologies across the board and in all sectors should be implemented. We need at least 50% – and towards 55% – CO$_2$ reduction by 2030 to be able to reach the target of carbon neutrality by 2050.

Ensuring a just transition to a sustainable economic model is crucial for us, and we want to make sure that new indicators according to the SDGs are added to the European semester so that not only is macroeconomic growth taken into consideration, but also people’s well-being and a respect for the environment. Having a commissioner from our political family coordinating this transformation reinforces our conviction that the new Commission will have the vision and determination to accomplish it. Our political family must ensure that key economic, social and ecological targets have the same importance in the policy process.
To ensure that the Green Deal becomes real and not just words on paper, we need a robust Sustainable Investment Plan. This plan will promote sustainable investment and quality job creation and a Just Transition Fund. We need to anticipate and provide for the effects of climate change and digitalisation on the workforce. This fund needs to be financed with ‘fresh money’ and not at the cost of the cohesion and agriculture policies. We cannot close our eyes to the impacts on certain sectors, regions or groups of people, and we need to fully address the social consequences of this transformation. We need to turn this transformation into an opportunity. It is understandable that people might react against change if that means losing their jobs and quality of life without the guarantee of a credible alternative.

We need to admit that the financing for the Green Deal proposed by the Commission is not enough to achieve a climate-neutral and environmentally sustainable economy by 2050 without leaving anybody behind. Estimates show that Europe needs about €1.2 trillion of sustainable investments per year. I strongly believe that financing climate change should be a joint effort between both the EU and member state budgets.

This is why we need a more ambitious EU budget (multiannual financial framework – MFF) and to increase the financing earmarked for tackling climate change to at least 30% of the MFF. The EU budget needs to be combined with a new basket of own resources, such as a levy on non-recycled plastic-packaging waste, a strengthening of the EU Emissions Trading System, a digital tax, and a financial transaction tax, or own resources based on the common consolidated corporate tax base.

We also need to create more space in the national budgets in order for countries to be able to invest in their sustainable path. This is why we need to reform the fiscal rules to exempt sustainable investments from the calculations of deficit and debt within the Stability and Growth Pact.

However, it will only be possible to meet the investment needs with the joint efforts of all actors, both from the public and private sectors. The S&D Group welcomes the introduction of an EU classification system to ensure that financial institutions and private investors can better identify sustainable investments (EU taxonomy). We also support the efforts to turn the European Investment Bank into the European Union’s green bank.

Sustainability and growth need to ensure social justice. This means better equipping our citizens with the right skills to cope better with the ecological and digital transitions. For us, no policy is complete if it does not ensure a better life for everyone, regardless of their gender, sexual orientation or ethnicity. To strengthen the social dimension that we fight for we want full implementation of the European Pillar of Social Rights. This means ensuring fair working conditions with fair wages for all European workers. It means implementing binding pay transparency measures to fight the gender pay gap. It means a credible plan to fight poverty and social exclusion through a Child Guarantee to be included already in the next EU budget for the 2021-2027 period. To ensure this social dimension, the S&D Group will continue to put pressure on the new Commission and the Council to take concrete measures.
The Conference on the Future of Europe: 
A new set-up for the EU

To strengthen our common democracy, we need to renew the trust of citizens in the European Union and to make it more transparent. The S&D Group will engage with the Conference on the Future of Europe, which will bring together civil society, leaders and representatives to discuss what needs to be done to regenerate the EU project.

In the 2019 European elections, citizens sent us a clear message that they wanted change. Europe needs to regain its strength to be able to act. We will start debating the future of Europe in May 2020, but we need to do it in a different way from before. The S&D Group has led the way in citizen engagement in recent years, with a bottom-up approach to regular debate and conversations with local people all over Europe. We must have citizens and civil society at the heart of the Conference on the Future of Europe. With citizens’ agorae, which are representative of our diverse European society, we want to ensure input from people from every corner of Europe. The future belongs to young people, so the S&D Group has also pushed for dedicated youth agorae to participate in the conference. With a bottom-up approach and the European Parliament leading the way, we can start a real conversation with people on a future Europe that we all believe in and that provides sufficient solutions for current and future challenges.

Strengthened democracy for an equal Europe

For the S&D Group, the future of Europe is about equality, democracy and the rule of law. These have always been fundamental pillars of the EU.

The S&D Group will work with the Commission to mainstream the gender perspective in all proposals and to have a binding gender equality strategy. This strategy will need to ensure the economic independence of women, a balance between professional and personal life, equality in the decision-making processes, and the fight against violence against women. Regarding this last issue, I will continue to support the follow-up on the Istanbul Convention on preventing and combating violence against women. We will also push to include sexual and reproductive health rights within the European Health Strategy. With regard to pay, women earning smaller salaries just because they are women is inadmissible. We will therefore work to adopt a pay transparency directive, which will aim to reduce the gender pay gap by 2% each year.

Any type of discrimination is unacceptable. To ensure equality and diversity, we will push to unblock the directive on anti-discrimination. We need to be united in our work to protect our democratic societies against hate speech, fake news, homophobia, transphobia and xenophobia.

When it comes to xenophobia, Europe cannot continue to watch news about people dying in the Mediterranean. We need to reform the Common European Asylum System package. Funding for search and rescue needs to be increased to prevent more tragic deaths at sea. We need new laws to define humanitarian visas and to develop legal channels for migration. We need to address this challenge in a rational and humanitarian way and not by destroying Schengen and bringing back internal borders in Europe.
Over recent years, we have seen populist governments and movements that have pushed the boundaries and undermined democracy, the rule of law and fundamental rights. On the future of democracy, the S&D Group will continue fighting against any type of violation of our democratic system, be it direct or indirect. We need to ensure total respect of its principles and the rule of law. To do this, the EU institutions need to use all the instruments at their disposal to defend democracy in Europe, including budgetary consequences for those governments that neither respect nor guarantee the democratic basis of the EU.

**For a key global Europe in the international arena**

The S&D Group needs to keep on promoting the values and the agenda I have mentioned above – not only within our borders, but also worldwide. We also need to contribute to making the EU a stronger geopolitical actor in 2020. We, progressives, are very much aware of the challenges facing the rules-based international order, and we strongly defend an effective multilateralism to address the current international challenges.

In a world increasingly dominated by US-Chinese geopolitical competition, the EU should reconsider its ‘silos’ approach. The stance of the current US administration emphasises the urgency for the EU to better align its foreign and economic policies to ensure the continued security and prosperity of its people – in a way that is consistent with our values. Principled pragmatism should guide all our external relations.

On trade, the S&D Group will fight for a trade policy based on values with sustainability, human rights and labour rights at its core. We will work closely with the High Representative to oversee the Enlargement and Neighbourhood policy, with a strong commitment to reaffirming the place of the Western Balkans in the European family.

To sum up, the S&D is ready to contribute to shaping European foreign policy. We are very much looking forward to joining forces with the European Parliament, the Commission, the Council and the European External Action Service, to promote Europe as a key global force for peace, justice and sustainable development.

**For a courageous restart in 2020**

It is our duty to bring new hope and a future for Europe. We already know that conservatives and populists will not. I am aware that this is indeed a very ambitious agenda, and we will need sufficient resources, agreements and negotiations to guarantee it. In addition, what we will need as the socialists and democrats of Europe is courage. We already have a brave, strong, united and committed S&D Group ready to fight for a fairer and better society. I am sure that in 2020 our political group will reinforce our political movement to expand our ideas for the future of our movement, but mostly for the future of Europe.

The history of our movement is linked to the EU, and it will continue to be so. As Schuman stated 70 years ago: “Europe will not be made all at once, or according to a single plan. It will be built through concrete achievements which first create a de facto solidarity”. These
concrete achievements for the future will be the result of our working tirelessly to implement our political agenda.

Indeed, we will have a smaller EU this year, new challenges and threats. However, we have our experience, our leadership, our ideas and, above all, the capacity to work fearlessly for a better society for future generations. We must turn the current weaknesses to new opportunities. As president of the S&D Group, I am sure that if we combine our efforts, our political movement will be able to put forward a new progressive restart for Europe.
Biographies

Alberto ALEMANNO is a Jean Monnet Professor of European Union Law and Policy and the founder of The Good Lobby, a non-profit startup committed to equalising access to power. He is the author of *Lobbying for Change: Find Your Voice to Create a Better Society*. He is also a Visiting Professor at the College of Europe in Bruges and at the University of Tokyo School of Public Policy. Alberto was named Young Global Leader by the World Economic Forum in 2015 and an Ashoka Fellow in 2019 for his public interest work bridging the gap between academia and public debate.

László ANDOR is a Hungarian economist, and former EU Commissioner for Employment, Social Affairs and Inclusion (2010-2014). Since stepping down from the Commission, he has been Head of the Department of Economic Policy at Corvinus University (Budapest), Senior Fellow at Hertie School of Governance (Berlin) and a Visiting Professor at ULB (Brussels) as well as Sciences Po (Paris). He also became a member of various think tanks (EPC, RAND Europe, Friends of Europe) in an advisory capacity.

Between 1991 and 2005, Andor taught political science and economic policy in Budapest, and was editor of the progressive social science journal *Észmélet*. He was also a regular columnist for the weekly business magazine *Figyelő* and the daily *Népszava*. He has authored, edited or co-edited a dozen books in Hungary, including books on economic and political history, comparative economics and globalisation. Andor has also taught at Rutgers (State University of New Jersey, USA) as Visiting Fulbright Professor (1997-8) and worked as an advisor for the World Bank on SAPRI (Structural Adjustment Participatory Review Initiative). He also worked as an advisor for the Budget Committee of the Hungarian Parliament (1998-9) and the Prime Minister’s Office (2002-5). From 2005 to 2010, he was a Member of the Board of Directors of the EBRD (London), representing the Czech Republic, Croatia, Hungary and Slovakia. Andor holds a degree in Economic Sciences from Karl Marx (now Corvinus) University, an MA in Development Economics from the University of Manchester, and PhD from the Hungarian Academy of Sciences (1995). He was awarded Doctor Honoris Causa at Sofia University of National and World Economy and the Legion of Honour by the French President in 2014.
Ivana BARTOLETTI is a privacy and data protection professional and the Chair of the Fabian Society. A public speaker and commentator on issues where technology intersects politics and freedom, Ivana won the Woman of the Year Award in the 2019 Cybersecurity Awards. Her first book on the socio-economic impact of Artificial Intelligence will be published in May 2020.

Giacomo BENEDETTO holds a Jean Monnet Chair in European Union Politics at Royal Holloway, University of London. Before moving to his current post, he held a lectureship in European Politics at the University of Manchester. He was awarded a PhD in Political Science by the London School of Economics, the subject of which was “Institutionalised Consensus in the European Parliament”. He is a co-author of the Study on the Potential and Limitations of Reforming the Financing of the EU Budget prepared for the EU’s High Level Group on Own Resources, and he has authored briefings and provided evidence on the EU’s budget for the Budgets and Budgetary Control Committees of the European Parliament. He has published on matters concerning the EU budget in scientific journals, and he has co-edited with Simona Milio a collection of essays on the reform of the EU budget published by Palgrave-Macmillan in 2012.

Anna DIAMANTOPOULOU is the founder and President of DIKTIO – Network for Reform in Greece and Europe, a leading Athens-based independent, non-partisan policy institute. She previously served as the European Commissioner for Employment, Social Affairs and Equal Opportunities and as Minister of Education, Lifelong Learning and Religious Affairs and Minister of Development, Competitiveness and Shipping of the Hellenic Republic, having also been an MP for over a decade. She is, inter alia, a Member of the Scientific Council of FEPS and a Council Member of the European Council on Foreign Relations (ECFR).

Tanja FAJON, a former journalist, is a Member of the European Parliament from Slovenia and is currently serving her third term. She sits with the Socialists and Democrats group (S&D) and has been its Vice-President in the previous term responsible for migration. She continues as an extremely active member in Home affairs (LIBE) and foreign affairs (AFET) committees. She has worked extensively as Rapporteur on the Schengen area, migration and asylum policy, on fundamental rights, as well as on foreign policy, in particular the Western Balkans. She is married and likes climbing and hiking.
Iratxe GARCÍA PÉREZ has been a Member of the Group of the Socialists and Democrats in the European Parliament since 2004. She was born in Barakaldo (Basque Country) in 1974, but her family moved to Laguna de Duero (Valladolid) when she was three, and this is where she grew up. She has a degree in Social Work from the University of Valladolid (1995) and started her professional career as a social educator in vocational training courses. She became engaged in politics in 1993, in municipal and regional youth organisations. Between 1995 and 2000 she was a Member of Laguna de Duero Municipal Council and a Member of Valladolid Provincial Assembly. From 2000 until 2004 she was a Member of the Spanish Parliament. Iratxe García has been a Member of the Federal Executive Board of PSOE since 2014, when she became PSOE’s Federal Secretary for EU affairs. From 2014 to 2017 she was the Chair of the Parliamentary Committee on Women’s Rights and Gender Equality, and then from 2017 until the end of the last term she was the S&D coordinator for this committee. She was President of the Spanish Socialist Delegation in the European Parliament from June 2017, and July 2014 to October 2016. In previous legislative terms, she has been a Member of the Committee on Regional Development; Member of the committee on Agriculture and Rural Development; Member of the Delegation for Relations with the Arab Peninsula and Member of the Intergroup on ‘Disability’. She has also been the first Vice-President of the Party of the European Socialists (PES) since 2018, and before that, she was a Member of the Executive Board of PES Women.

Hedwig GIUSTO joined the Foundation for European Progressive Studies (FEPS) in May 2016 as Senior Policy Advisor working predominantly on migration and the Balkans. She holds a PhD in History of International Relations from the University of Florence and an MSc in History of International Relations from the London School of Economics. From 2006 to 2015 she worked at the Fondazione Italianiaeupeoi, where she was in charge of the foundation’s international relations and activities. She has also taught Politics and Economics of the European Union, and Italian history and politics in academic programmes for US students spending a semester in Italy.

Paolo GUERRIERI is currently a Visiting Professor at the Paris School of International Affairs, Sciences-Po (Paris) and Business School, University of San Diego, California. Formerly Professor of Economics at the University of Rome ‘La Sapienza’ He served as Senator of the Italian Republic and member of the Economic Budget Committee and the European Policy Committee from 2013 to 2018.
As the author of several books and articles on international trade and policy, technological change, international political economy, industrial patterns, European integration issues, he has served as consultant to European and international institutions. These include such organisations as the European Commission, the OECD and the World Bank and CEPAL. He has been a Visiting Professor at the University of California, Berkeley, ULB (Belgium), Complutense (Madrid, Spain), ESADE Business School (Barcelona, Spain) and at the University of San Diego School of Business.

Currently he serves as the Editor of *The Journal of European Economic History* and is President of the Advisory Board of the Italian Economics Review.

Author or editor of some 16 books, monographs or anthologies, more than 100 articles and book chapters on European economy, International Political Economy, International trade and technological change, Digital Economy.

**Agnes HUBERT** is an experienced policy maker and a recognised author on EU gender equality policy and on social innovation in the EU. She is currently Associate Researcher with PRESAGE (Programme de Recherches et d’Enseignements des Savoirs sur le Genre) Science Po Paris, Visiting Professor at the College of Europe in Bruges, and President of the first European feminist think tank, Genderfiveplus.com.

An economist by training, she was a journalist before joining the European Commission where she held senior executive and advising functions dealing with gender equality and social innovation, contributing in raising these issues at the highest levels in European institutions.

**Roger LIDDLE** is a Labour member of the House of Lords and Co-Chair of the Policy Network think tank. He was European Political Advisor to Tony Blair and served in Brussels in the cabinet of Peter Mandelson when he was Trade Commissioner. A former Member of the Lords EU Select Committee, he is currently a Labour Member of Cumbria County Council and Pro-Chancellor of Lancaster University.

**Steven MINAS** is Assistant Professor at the School of Transnational Law at Peking University, Senior Research Fellow at King’s College London and a Member of the IUCN World Commission on Environmental Law. Stephen has been a member of the UNited for Climate Justice steering committee and the FEPS Young Academics Network. He participates in UN climate negotiations as part of the EU team and co-edited the book *EU Climate Diplomacy* (2018). This article is written in a personal capacity.
Justin NOGAREDE joined FEPS in summer 2018 to lead the digital policy portfolio. He previously worked as Policy Officer in the Secretariat-General of the European Commission. He started in the Directorate for Better Regulation, and then proceeded to take on the digital policy portfolio in the President’s and Vice-President’s Briefing Unit. After that, he became a Policy Coordinator working on digital and single market policy files.

In recent years, Justin has been among others involved in drafting the European Commission’s mid-term review of the Digital Single Market Strategy, and in policy on standards and standard-essential patents, audio-visual media, Internet governance, the collaborative economy, product liability and the internal market for goods.

Giacomo ORSINI concluded his doctoral studies at the Department of Sociology of the University of Essex in 2016 and started his first postdoc there in that same year. He now works as a postdoctoral researcher at the Université Catholique de Louvain where he collaborates in the Legal framework’s Impact on Migrant’s Agency (LIMA) project exploring the ways in which national and European law influence migrants’ trajectories in Belgium. He also teaches international migration at the Université Libre de Bruxelles, and he is a Senior Associate Member of the Institute for European Studies of the Vrije Universiteit Brussel. His work concentrates on the European governance of migration and the multiplication of physical and non-physical boundaries of exclusion/inclusion, the securitisation of migration, governmentality, and the social (re)production of ‘otherness’.

Tomas PETŘÍČEK has served as Czech Minister of Foreign Affairs since October 2018. He has also worked as Deputy Minister of Foreign Affairs, and Deputy Minister of Labour and Social Affairs, as well as an advisor to Members of the European Parliament. Tomas received a PhD. and an MA in International Relations from the Faculty of Social Sciences, Charles University in Prague, where he used to give lectures in Political Economy. He also has an MA in International Political Economy from the University of Warwick, in the UK. His academic interests are sustainable development, international political economy, energy and new technologies.

Georgi PIRINSKI - MEP, S&D, 2014-2019. Georgi was previously President of the National Assembly of Bulgaria (2005–2009) and MP (1990-2013), Deputy Prime Minister (1989-1990) and MFA (1995–1996). He is a Member of the National Council of the Bulgarian Socialist Party. At present he is Editor-in-Chief of the Bulgarian Socialist bi-monthly journal Novo Vreme (New Times). He is a Member of the Scientific Council of FEPS.
Eleonora POLI is a research fellow at the Istituto Affari Internazionali (IAI) in Rome, where she focuses on populism, democratic trends and European economic governance. She holds a PhD in International Political Economy from City University London, and has worked as a consultant for a number of prominent international organisations and public institutions. She is author of *Antitrust Institutions and Policies in the Globalising Economy* (Palgrave Macmillan, 2016) as well as several opinion pieces, articles and analyses on EU political and economic trends.

Mary ROBINSON is Adjunct Professor for Climate Justice in Trinity College Dublin and Chair of The Elders. She served as President of Ireland from 1990-1997 and UN High Commissioner for Human Rights from 1997-2002. She is a member of the Club of Madrid and the recipient of numerous honours and awards including the Presidential Medal of Freedom from the President of the United States Barack Obama. Between 2013 and 2016 Mary served as the UN Secretary General’s Special Envoy in three roles: first for the Great Lakes region of Africa, then on Climate Change and most recently as his Special Envoy on El Niño and Climate. Her Foundation, the Mary Robinson Foundation – Climate Justice, established in 2010, came to a planned end in April 2019. Mary Robinson serves as Patron of the International Science Council and Patron of the Board of the Institute of Human Rights and Business, is an Ambassador for The B Team, in addition to being a board member of several organisations including the Mo Ibrahim Foundation and the Aurora Foundation. She was Chancellor of the University of Dublin from 1998 to 2019. Mary’s memoir, *Everybody Matters* was published in September 2012 and her book, *Climate Justice - Hope, Resilience and the Fight for a Sustainable Future*, was published in September 2018.

Maria João RODRIGUES – former Portuguese Minister of Prime Minister Antonio Guterres – is a European politician with a long track in all European institutions: EU Presidencies, Council, European Council, European Commission and, more recently, the European Parliament. She played a relevant role in several significant European initiatives: the EU growth and jobs strategy, the Lisbon Treaty, the Eurozone reform, the European Social Pillar, the interface with EU external strategic partners and the Roadmap for EU’s future.

Since 2017 she has been the President of the European Foundation of Progressive Studies (FEPS), the only progressive think tank at the European level, formed by forty national member foundations across Europe. Recently, she was Vice-President of S&D Group in the European Parliament, a parliamentary group with 189 members from all Member States, where she was in charge of the
As an academic, she is a full professor and was the Chair of the European Commission Board for socio-economic research. She has around one hundred publications and as expert and politician, has done more than two thousand conferences across Europe and the world.

Ania SKRZYPEK, (Skrzypek-Claassens), born in Warsaw in 1979, is Director for Research and Training at the Foundations for European Progressive Studies (FEPS). She holds PhD. cum laude in Political Sciences from the University of Warsaw, a degree which she obtained for her thesis *Cooperation of the socialist and social democratic parties in uniting Europe. From Liaison Bureau to PES. 1957 – 2007* (also published in book format in 2010).

Before joining FEPS in 2009, A. Skrzypek worked as younger researcher at the Faculty of Journalism and Political Sciences at the University of Warsaw (2003 – 2009) and also served as twice consecutively elected Secretary General of Young European Socialists (ECOSY, 2005-2009).

She is an author of over 80 published papers and articles, available in English, German, French and Polish.

Vladimír ŠPIDLA is Director of the Masaryk Democratic Academy, a progressive think-tank cooperating with the Czech Social Democratic Party. Trained as a historian, he was Czech Minister of Labour and Social Affairs 1998-2002, Czech Prime Minister 2002-2004, and European Commissioner for Employment, Social Affairs and Equal Opportunities 2004-2010. In 2014–2017, he was Director of the Department of Advisors to Czech Prime Minister Bohuslav Sobotka.

Gesine SCHWAN is a political scientist. She has been an SPD member since 1972, and Chair of the SPD’s Core Values Commission since 2014. Since 2015 she has been Co-Chair Sustainable Development Solutions Network (SDSN) Germany 1977-1999 Professor / Dean FU Berlin 1999-2008 President Europe University Viadrina, Frankfurt (O).

Between 2005-2009 she was the German-Polish coordinator of the federal government. In 2004 and 2009 she was candidate for the office of Federal President.

She is currently President and Co-founder of Humboldt-Viadrina Governance Platform, Berlin.
Paul TANG has been a Member of the European Parliament for the Partij van de Arbeid (PvdA) since 1 July 2014, sitting in the Group of Socialists and Democrats. He received a PhD in Economics from the University of Amsterdam and worked for the Dutch Ministry of Economic Affairs and the Bureau for Economic Policy Analysis before entering the Dutch Parliament in 2007. Here, Paul Tang was spokesperson for financial and fiscal affairs from 2007 until 2010, right through the financial crisis. In 2014, Paul Tang led the list of the PvdA for the European elections. In the European Parliament, Paul Tang mainly works on economic and financial affairs, with a focus on fair taxation and sustainable finance, and the role of data in our society. Paul Tang was Rapporteur on the Disclosure Regulation and is currently Shadow Rapporteur for the S&D Group on Taxonomy.

Frans TIMMERMANS is Executive Vice-President of the European Commission (2019-2024), responsible for the European Green Deal. He was the First Vice-President of the European Commission, in charge of Better Regulation, Inter-Institutional Relations, the Rule of Law and the Charter of Fundamental Rights (2014-2019). He was the Dutch Minister of Foreign Affairs (2012-2014). During the period of 1995-1998, Frans was a Senior Advisor and Private Secretary to the High Commissioner on National Minorities of the OSCE Max van der Stoel. Shortly before, he was a staff member for EU Commissioner Hans van den Broek (1994-1995).

Previously, Frans was Deputy Head of the EC Affairs Section, Directorate-General for Development Cooperation, Ministry of Foreign Affairs (1993-1994). He also worked as the Second Secretary, Dutch embassy in Moscow (1990-1993).