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Patrick Diamond / Ania Skrzypek (eds)

**THE POLITICS
OF POLYCRISIS**

Transforming Social Democracy in Europe





European Parliament

This book has been produced with the financial support of the European Parliament.

Bibliographical information of the German National Library
The German Library catalogues this publication in the German National Bibliography; detailed bibliographic information can be found on the internet at: <http://dnb.dnb.de>.

ISBN 978-3-8012-3106-4

Copyright © 2024 by Foundation for European Progressive Studies
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Published by
Verlag J.H.W. Dietz Nachf. GmbH
Dreizehnmorgenweg 24, D-53175 Bonn
www.dietz-verlag.de

Published in association with the
Foundation for European Progressive Studies , the Karl Renner Institute
and Progressive Britain.
www.feps-europe.eu
European Political Foundation – N° 4 BE 896.230.213



– Vol. 16

Cover design: Les Marquissettes (V. de Wolf)
Typesetting: Rohtext, Bonn
Cover picture: Shutterstock/Les Marquissettes
Printing and processing: Bookpress, Olsztyn

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Printed in Poland 2024

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Foreword

Some initiatives begin with a spectacular inauguration. But very few continue growing beyond the initial stages to reach horizons far beyond the already audacious levels of expectation they were established to aspire to. Such rarities can scarcely be foretold, even if a project is conceived among particularly strong and committed partners. But arriving at a jubilee anniversary entitles one to look back and take a moment to ponder its success. This is what we are doing, together with the FEPS (Foundation for European Progressive Studies), Progressive Britain and the Karl Renner Institute, to celebrate the tenth so-called ‘Oxford Symposium’ in December 2024.

The idea behind the endeavour was a straightforward one. At the end of the first decade of the new century, the centre-left was experiencing some extremely discouraging developments and election results. Wide-ranging thought was given to the ideological and, subsequently, political choices taken by a number of sister parties in the 1990s. This assessment was as heated and divisive as the conflict generated by the Third Way had been. But amid these deliberations other challenging questions surfaced. *Why did the pendulum not swing back in favour of progressives in the aftermath of what many scholars identified as the worst crisis of neoliberalism? What type of socio-economic model would be sustainable and equitable, given the ongoing transformation of the labour market and societies? What kind of changes were to be expected in the political fabric given the increasing volatility of supporters and voters, not to mention growing protests and social mobilisation?* These and many other questions indicated that this was a moment for going beyond the initial reservations and bringing together diverse conversations on the future of progressivism in Europe and throughout the world. Clearly, a space was needed for such conversations at the highest possible level between concerned academics and pensive politicians. And that is how the first Oxford

Symposium emerged, with the first event taking place in July 2011. Substantial contributions were made by the FEPS and the Karl Renner Institute's flagship programme 'Next Left' (established in 2009), with elements also of the so-called 'Amsterdam Process' launched by Policy Network and the Wiardi Backman Stichting. The initial convenors and organisers included: Roger Liddle, Patrick Diamond, Olaf Cramme, Michael McTernan, Monika Sie Dan Ho, René Cupepus and Ania Skrzypek. The event was hosted at Nuffield College and St Catherine's College Oxford.

Year after year (apart from during the Covid-19 pandemic), the Oxford Symposium continued to grow, hosting numerous notable lecturers and speakers, including political party leaders, (shadow) ministers, MPs and MEPs, top thinkers from academia and political foundations, as well as pollsters, communications experts, trade unionists, NGO representatives and other practitioners. Every event has devoted particular attention to a carefully selected topic. They include: the potential for progressive politics after the crash in 2007–2008; the fight against inequalities and the pre-distribution agenda; the state of democracy and the future of so-called *traditional parties*; empowerment and new routes to social justice; and governing through polycrises. Two of the symposia resulted in books, published by I.B. Tauris (2013 and 2015), two came out as joint pamphlets published by Rowman & Littlefield (2015 and 2017), and materials from the others were disseminated through *Queries* (the former FEPS journal). In that sense, the book you are holding in your hands is yet another contribution to the already very rich legacy, in this case showcasing that the community around the Oxford Symposium continues to expand, with its commitment to academic excellence and the political viability of the output.

What makes this volume exceptional is that it is possibly the first collective effort of such magnitude to analyse current affairs in all their complexity, dealing carefully with all the challenges that appear so disempowering. The authors tackle such notions as *the historical demise of the centre-left* and *polycrisis*, trying to find a way out of the defensive crouch. Without being unrealistic or irresponsible, they pave the way for a successful strategy to counteract the rise of

the radical right. And they point to the potential for the progressive movement to stage a political comeback. While searching for innovative solutions, they set new ambitions that can secure the primacy of progressive politics in facing up to the test of the threefold transition – digital, environmental and demographic – as well as showing how to alter the dynamics and deal with the inevitable choices arising from, for example, a new industrial strategy or the trajectory of European integration. This book, which encapsulates the knowledge and experience of academics and politicians from across the EU and the United Kingdom, is thus a powerful intellectual manifesto. We hope that it will not only provide a robust point of departure for the upcoming Oxford Symposium Jubilee, but also resonate with its readers, providing encouragement and impulses for other debates on the renewal of social democracy.

To that end, we would like to congratulate the two editors – Patrick Diamond and Ania Skrzypek – thanking them not only for all their outstanding work on this volume, but also for their long-term commitment to and collective leadership of the Oxford Symposium series. We would also like to express our gratitude to Céline Guedes and Tom Collinge, and thank all the colleagues from the FEPS, the Karl Renner Institute, Policy Network and Progressive Britain who have contributed critically by shouldering organisational and logistical tasks (enabling more than 500 participants from Europe and overseas to share this exceptional experience). Last but not least, we would also like to thank St Catherine’s College Oxford for being our home on ten occasions already, but hopefully also on many occasions in the future.

László Andor
FEPS Secretary General

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Executive Director of Progressive Britain

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Director of the Karl Renner Institute

Introduction

Patrick DIAMOND and Ania SKRZYPEK

Setting the scene: centre-left politics across Europe

Across much of Europe, social democratic parties have recently been in turmoil as the political pendulum swung against them. Fifteen years ago, there was a widespread expectation that the financial crisis would herald a dramatic shift to the left given the capitalist crisis that was apparently unfolding. But centre-right and populist right-wing parties have largely been the beneficiaries, adeptly exploiting the politics of austerity and stagnation. Indeed, social democratic parties have suffered among their worst defeats since the First World War in a period of rising economic discontent and growing disillusionment with representative democracy. Cast your eye around the EU: it is clear that centre-left parties have suffered significant electoral setbacks:

- In many countries, our parties in recent times have achieved among their lowest vote share since 1918 in recent elections.
- In Scandinavia, where the Social Democrats were once considered the natural party of government, the moderate left has surrendered its traditional dominance. In Sweden, the heartland of European social democracy, the centre-left government lost power at the last election. The Social Democrats finished first but their coalition partners lost support, allowing the radical right party to enter government for the first time.
- In Central and Eastern Europe, social democrats have been marginalised in many countries, notably in the Czech Republic and Latvia (where they are out of parliament), but also in

Hungary, Bulgaria and even Poland (although they made gains at the last election).

- The Socialist Party in France has been on the brink of extinction.
- In many countries, even if social democrats do win they invariably struggle to find viable coalition partners.
- And all of this has occurred despite the relative weaknesses of Christian Democracy in many countries, amidst the forces of insecurity unleashed as a result of economic crises and geopolitical conflicts around the world.

There have, of course, been victories over the past decade, not least in Portugal, Germany and Spain. The recent Polish election result was a remarkable rejection of right-wing populism. In France, a resurgent Left coalition which includes the Parti Socialiste blocked the rise of the Far Right Rassemblement National Party in parliamentary elections. And in Great Britain, the UK Labour Party has secured a historic landslide majority at the 2024 general election, an indictment of fourteen years of Conservative failure culminating in Brexit and a succession of economic crises. Starmer's Labour Government has secured a mandate to pursue economic fairness while rebuilding fragile public services. Yet even in its moment of triumph, British Labour recognises that it is governing in a time of low trust and alarming disengagement from politics, accompanied by unprecedented geopolitical instability. It will need to devise a governing agenda that can retain the support of an often cynical and disillusioned electorate.

In many countries, social democracy as an ideological tradition appears to have lost the *élan* it enjoyed in the post-war era. It is no longer hegemonic in setting the terms of political debate or seemingly even in touch with the zeitgeist, opening the way for populist parties (Gamble, 2012). The inept performance of European social democratic parties has been attributed to weak leadership, a lack of credible policy ideas and the price of incumbency, particularly in divided coalition governments. Many younger voters view established centre-left parties as wedded to the status quo, having lost their radicalism and no longer advocating a more egalitarian future. It appears that something profound has been going on. Regardless of national

circumstances, there has been a structural shift that is undermining social democracy's support base. This is so stark that some now question the future viability of the European centre-left project.

A particular focus of concern is that the forces amplifying polarisation in our societies have been growing stronger. Chief among them is the restructuring of labour markets and changing occupational structures. Traditional blue-collar votes have been lost to the far-left and far-right in recent years as concerns about immigration mount alongside fears about jobs and wage stagnation. Germany and Sweden have seen radical far-left parties emerge to challenge social democracy's status as the leading parties on the left. Lower and middle income 'squeezed' voters have been drifting away, even in countries where centre-left governments offered protection during the Covid-19 pandemic: declines in median wages and living standards have occurred also when social democratic parties were in power. It appears that younger electorates are deserting, too. Dismayed by the apparent banality of conventional politics, they are increasingly turning to new social movements. This is especially pronounced in countries such as Spain where young people have been more likely to vote for protest parties. The rise of the populist right across Europe is particularly disturbing, as **Daphne Halikiopoulou** and **Tim Vlandas** illustrate in their chapter for this volume.

How can this troubling erosion of support be explained? One prevailing view is that 'catch-all' social democratic parties, by repositioning themselves in the centre-ground, have alienated their traditional working-class supporters. New Labour in Britain exemplified that shift in the late 1990s, but it is also mirrored in the performance of the German SPD, the Dutch PvdA and the Swedish SAP. However, this argument blithely ignores the long-term impact of class de-alignment, which has compelled social democrats to seek electoral support among middle-class voters, propelled by a deeper crisis of 'tax-and-spend' politics. These parties have sought to identify new tools of governance and policymaking.

At the end of the 1990s, the left was in the ascendant across Europe: social democrats were in power in 13 out of the then 15 EU states, while gaining strength in Central and Eastern Europe. Their

ideas largely set the terms of political debate. This can scarcely be said today. That is in part a consequence of economic adversity: while European economies have experienced a partial revival since the Covid-19 pandemic, Europe's political economy is being transformed, with major repercussions for workers and households. As Professor Andrew Gamble contends, economic shocks have historically benefited the right rather than the left. Where economic crises occur they are often ascribed to government 'profligacy' and 'excessive' public spending, with social democrats cast as economically irresponsible and unfit to rule.

The difficulty has been that the Covid-19 lockdowns, the disruption of supply chains and the cost-of-living crisis occurred as our economies were still recovering from among the most severe financial crises in Western history. Meanwhile, capitalism itself is undergoing continuous structural change: the rate of technological innovation and the decline of industrial-era mass production imply that advanced economies are on the brink of a 'third' disruptive industrial revolution, undermining established political and economic institutions. Digitalisation and the transition towards a low-carbon economy will create new jobs and demand new skills and capacities, a theme elaborated by **Miapetra Kampula-Natri**. Moreover, fiscal pressures unleashed by recent economic turmoil are putting unprecedented strain on public finances in many countries, while undermining welfare systems and altering the future shape of the state. Such aftershocks are also accentuating the impact of long-term demographic trends, from an ageing society to declining fertility rates. The global context is being further reshaped by the rising power of emerging economies, not least China, and the relative decline of the West. Consequently, two broad historical shifts have challenged social democrats over the past 30 years. The first is globalisation, characterised not only by worldwide market integration but also by deregulation and liberalisation. This has significantly emboldened capital at the expense of labour. The second is the structural weakening of democratic politics relative to the power of markets, which raises serious questions for a movement such as social democracy whose existence depends on articulating 'the primacy of politics'.