

Conference speech
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A NEW SOCIAL EUROPE
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Friends, thank you for being here for the first public conference of the Party of European Socialists.

We are gathered here because we believe in a common ideal of Europe. That it is not simply a huge marketplace – with goods or services moving freely in a competitive trade across borders.

Europe is more than that. It is a union of values, of peace, of democracy, of equality, of solidarity.

And it is a union of common objectives, on which our Social Model will be strengthened: of full employment and economic dynamism; zero poverty; universal access to high quality essential services; of no discrimination on grounds of disability, race, religion, gender or sexual orientation, of strong social dialogue and a strong civil society.

This year has been a time of upheaval for the European Union. We ask why did a majority of left-wing voters cast their ballot against the European constitution in France and the Netherlands?

Social Europe has become a mantra for socialists who believe that people are asking more of Europe than they are presently getting.

Europe needs to become more social democratic not less. More in tune with the concerns of ordinary people: about jobs, social justice, and protecting those who are too vulnerable in society to protect themselves.

But Europe should also be about how we face change and challenges together.

Active public policies – that stimulate growth and redistribution - are at the core of how we must modernise and face the challenges of globalisation and demographic change.

The markets cannot make our socio-economic models sustainable, but governance and public policies can.

We must recognise that although we have varied social and economic models – based on national and political diversities and different stages of development – we must strengthen the social dimension of the EU as such.

This is the condition under which we are completing the Internal Market and avoiding social dumping.

The EU is a crucial, additional platform for political action in building our national social democracies. Our national social models vary, but we do have a European Social Model in the sense that we are bound together by common values and principles, which guide our national and European policies and practices.

The “European Social Model” must strengthen, not weaken, in the face of globalisation and population ageing.

A European Social Model that has 20 million unemployed is not one which we should defend, but we must modernise our social models in a way that faces today’s challenges and promotes our common values, in a manner that is open, not closed, to the outside world.

However, in order to achieve this effectively, the relationship between the welfare state and the individual must develop into an active, two-way dynamic of rights and responsibilities in all our countries:

- The individual has a right to protection in times of need, but a responsibility to take up training and employment opportunities.
- The welfare state is there to provide protection for the vulnerable, but it must also be enabling for the individual, promoting social mobility and acting as a springboard for the individual at each stage in life through active public policies. Ensuring universal access to public goods – including education, health, unpolluted air and water – is at the heart of our models.

It is the state’s responsibility to foster full, quality employment, social inclusion and environmental sustainability in new forms of partnership with all stakeholders - including trade unions, businesses, NGOs, and citizens as such. This is the core distinction between our conception of the European Social Model and a laissez-faire right-wing approach.

As the progressive Left, we should clearly state that we are not opposed to reforming our welfare systems and labour markets. On the contrary, we want reforms because maintaining the status quo will condemn these systems in the longer run, given the pace of globalisation and demographic change. Reforms as such are not the problem. The question is what kind of reforms will achieve economic growth and social justice in a mutually reinforcing way. This is the crux of today’s debate on Europe’s social model. We must aim to build a **New Social Europe**.

Active public policies are at the centre of our approach. Europe can and must take the high road:

- Globalisation is a massive challenge that we must face together.
 - Ordinary people must feel that they can face the future with confidence, that whether they have to go from old, unproductive industries to work in dynamic, new sectors, we are there to help them re-train and get into those jobs. High replacement incomes during the period of re-skilling are essential to the morale and security of the job-seeker. This is commonly known as “Active labour market policies”. We must make the time between the old and the new jobs as short as possible.
 - We must also actively foster restructuring into dynamic, competitive industries. That means helping businesses develop, but it also means helping local communities through the process of change.
- We need to use the levers of Europe to stimulate growth and competitiveness. We have a huge potential of creating jobs using our interdependence, if only we coordinated our economic policies within the EU. Several million more jobs would be generated within the EU through coordinated intelligent public investments, in human capital, R and D for example, between member states.

- Investing in human resources means starting with the young and not neglecting the more mature worker. We must ensure an easier transition between education and work for young people, notably through more access to vocational training, workplace experience, modular education and credit accumulation (“small steps” education and training so young people don’t fall off the ladder); The European education programmes like ERASMUS give a great chance for young people to live abroad, learn other languages and get educated abroad. This is a huge competitive advantage for those youngsters and we must invest in these more. For the older worker, the lifelong development of competences must be invested in as a priority, so that low-skilled workers starting out do not finish low-skilled when they retire.
- We must foster not only full employment – but quality employment. This means high health and safety, worker consultation and employment rights across the EU, but also investing in research and innovation in order to enable job creation at the high end of the labour market. Europe can do more of this: through measures like making European Works Councils more effective – particularly for handling economic restructuring - and investing more of the EU budget in R and D.
- **Our European social models must also address how we deliver social justice in today’s changing society. Universality is at the centre of our approach, and for this reason, we must modernise social protection in order to provide it in today’s world.** The rise of new disadvantaged groups in our societies – like single parent families and immigrants, including second and third generation immigrants – highlight the need to rethink our approach to social justice and target it pro-actively to these groups for labour market and also societal integration. Public policies – in social protection, employment and education – must be modernised in order to address new societal issues, for example, ensuring a smooth transition for divorcing families, a period in which many women and children fall into poverty, and integrating migrants from the start of their arrival in our countries (including, providing rights to language training).
- Gender equality. Social democracy also stands for women’s rights and there is much more to this than labour market integration. Freedom of choice, equal and individual rights must be put at the heart of our stance on the Social Model. There are women in Europe who still do not have access to abortion and do not have individual fiscal and social security rights. In the first case, freedom of movement within the EU has already contributed to developing a European Social Model. However, we must do much more to promote women’s rights to equal opportunities and choice as part of a European social model. This must cover effective public policies for equal pay, parental leave (including, a more equal sharing of leave between fathers and mothers), child care provision, work/life balance, including legislation on working time, and addressing the needs of the rising number of single parent families – the vast majority of whom are headed by women – who face a range of challenges, from access to affordable housing to building up social security rights.
- We, social democrats, must approach redistribution and equality, even at times of slow growth, using investments in people as a lever for high growth. The Nordic conception is one of combining growth with high income distribution. It means that we have achieved high income equality and very low rates of poverty, while stimulating growth and productivity at the same time. I do not think the Nordic model can just be transplanted to other EU countries. There are also things we can do better, for example, in relation to invalidity benefits, in order to raise incentives for re-integration of people with low-level disabilities into the workforce. However, we must commit firmly to redistribution as an essential instrument in our toolbox for eliminating

poverty and the socio-economic determinants of inequalities. That must be our bottom line as social democrats.

- Our position on redistribution must also hold true when applied within the European Union, to help poorer regions and countries catch up. Social and economic cohesion is a must within and between member states. It is the key to providing Europe's future strength as a continent, where no country is left behind.

If we could achieve a positive economic climate in Europe, we would do far more than just create more jobs. We would reveal the real value of European cooperation to our citizens, and be able to **convince ordinary people that the EU is capable of providing greater prosperity**, a higher degree of social justice and a more general feeling of security. And also, how much easier it would be to modernise our economies by being able to combine reforms with stronger growth and the creation of more jobs, in a parallel and mutually reinforcing process.

Our message – part and parcel of our social democratic alternative for Social Europe - must be that in modernising, we must ensure that **economic competitiveness, social justice and environmental sustainability go hand in hand and reinforce each other**. We must engage in a process of modernisation in a way that faces today's challenges and promotes our common values. These are values of equality and opportunity for all, of partnership, inclusion and social justice. The values of our New Social Europe.