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A New Social Europe

Social Europe is at risk. Conservatives say that Europe can no longer afford its welfare states. A conservative European Commission's has no answer to our 18 million unemployed or 68 million in poverty beyond liberalisation within our single market.

Tougher economic competition and an ageing society mean that Europe's welfare states require modernising to meet the challenges of tomorrow. Without reform Europe's much envied social model will collapse. The question is what sort of reform?

Social Democrats and Socialists know that Europe's public services and social protection are vital to its continuing prosperity. It is no coincidence that Europe's richest economies - the Nordic countries, also among the best performing economies in the world - are those with the strongest welfare states.

A society where everyone has the opportunity to participate, to contribute and to benefit is Europe's strength. A society that allows its citizens to underachieve in school, to fall out of the job market, to suffer unnecessary disadvantages is one which is merely burdening itself with problems.

Recognising the need to reform our welfare states Europe's Socialist, Social Democratic and Labour Parties have combined forces through the Party of European Socialists to create a blueprint for a New Social Europe.

After a series of meetings and discussions over the last year with Ministers, senior politicians and activists throughout Europe we have the privilege of presenting our principles and policies for a New Social Europe to Party Leaders at the PES Congress in Porto in December.

What will we propose? Our report is still being finalised, but some key elements are already crystal clear.

There needs to be a shift from protecting jobs to protecting people – equipping them to move from the old job to the new job by increased training, decent income protection between jobs and 'active labour market policies' to assist people to enter the workplace.

The relationship between the welfare state and the individual must be rejuvenated. A clearer and more widely understood set of rights and duties is needed – so that the individual takes responsibility to participate and contribute to society as well as benefiting from social protection.

Social dialogue – a partnership between Government, trade unions and employers – to improve productivity, training, innovation, set wages and manage change must become the norm – nationally and at European level.

Concrete measures are needed to increase the number of people at work. Europe needs to reduce the numbers of jobless youth, women, ethnic minorities and older workers retiring early. A clearer link between benefits, training and seeking work would be a start. More and better education and training,





turning life long learning from rhetoric to reality, is imperative. Enabling women to combine work with raising a family is essential for tackling Europe's pension and demographic crises. How do we do it? Universal child care must become a basic right for all who want it. Affordable, accessible, good quality childcare is the best investment a society can make: not only does it liberate parents to enter employment, it also gives the child the best start in life and it creates jobs.

The defining characteristic of Europe's Social Model is that national welfare states are reinforced by European Union laws and policies – from health and safety rules, to schemes that allow students to study in other countries and aid for the regeneration of Europe's poorest regions.

But there is a danger of Europe undermining social protection that must be stopped in its tracks. Excessive and unfair forms of tax competition between states is a race to the bottom in the making. In a single market a harmonised corporate tax base would bring certainty to companies and workers alike and is a first step to manage competition between Member States on the basis of tax rates in a fair and transparent way.

Although reforms are desperately needed to modernise our welfare states – and modernisation must mean renewal, not dismantling our social protection – these are not good times for reform.

Ultimately, higher and sustainable economic growth is the best means to build popular acceptance for reform. Europe's potential to support its Member States to achieve growth is sorely underdeveloped. Our difficulties to boost growth are directly related to the fact that we have a single market and a single currency with 25 largely uncoordinated national economic policies. Higher growth could be achieved through greater economic coordination across the EU and within the Eurozone.

The first, most obvious step to take would be simultaneous and coordinated investment plans, as proposed by PES Leaders and Prime Ministers in Downing Street last October. Such a macroeconomic strategy could put us back on the road to growth and full employment, if we shift from investments in old technologies and outdated priorities, to smart, green technologies and innovative solutions for active and inclusive societies.

The European Commission must be cured of its aversion to legislative action and must use its right to propose – and not just recommend - new policies and actions.

Social Europe gives workers from China to Brazil a hope that it is possible to combine a market economy with a decent society. We must continue to give that hope to our own citizens, and to those in developing countries, by revitalising our welfare states to meet the challenges of the century we are just entering.

