

#25

SUMMER

2024

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# The Progressive Post



## EU 2024

# THE UNPREDICTABLE WELL-KNOWN

### **SPECIAL COVERAGE**

EU 2024: the unpredictable well-known

### **FOCUS**

A single market with a social face

### **DOSSIER**

Protecting democracy from digital disinformation

### **DOSSIER**

Housing is a human right

*Alicia Combaz*

*Enrico Letta*

*Isilda Gomes*

*Judith Kirton-Darling*

*Vladimír Špidla*

*Frank Vanderbroucke*

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# The Progressive Post

The Progressive Post is the political magazine of the Foundation for European Progressive Studies (FEPS). It gathers renowned thinkers, experts and activists from the world of politics, academia and civil society, provides critical analysis of policies, and clarifies options and opportunities for decision-makers.

Our ambition is to undertake intellectual reflection and debate for the benefit of the progressive movement, and to promote the founding principles of the European Union: freedom, equality, solidarity, democracy, human dignity, as well as respect of human rights, fundamental freedoms and the rule of law.

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by Hedwig Giusto

Between 6 and 9 June, the tenth European elections were held. But only one European voter in two bothered to cast their ballot. The European elections thus clearly remain second-rate in the minds of most people, who are oblivious to the fact that by now an ever-increasing percentage of legislation is actually decided at the Union level, and that this legislation has a direct impact on our daily lives (let us not give precise percentages here, as experts do not agree on the actual numbers).

Yet, this year, more than ever, the vote was portrayed as 'historic' because of the risk that a far-right wave could wipe out achievements in social and environmental policies, to mention just two, and change the Union as we know it. And indeed, the far right has largely increased its seats in the European Parliament, but the centre-right seems to be the real winner. Social Democrats have held their ground, while the liberals, the greens and the left have shrunk.

We are still in the very early stages of this new European cycle, and frantic negotiations are currently taking place. These negotiations will dominate political debates and news headlines until every single position in the Commission and European Parliament committees is filled. But it is already evident that the far right is far from being a homogeneous force capable of forming a compact front in the EU. Nevertheless, the risk that some of the achievements of the previous legislative term will be dismantled or weakened is very high.

In our **Special Coverage, EU 2024: the unpredictable well-known**, we analyse the election results and attempt to predict what to expect from this new, more right-leaning, European Parliament.

Elections are also at the core of the **Dossier on *Protecting democracy from digital disinformation***, in which our authors illustrate the threats that AI and ever-more sophisticated digital manipulations can pose to democratic processes. While the threat is pervasive, many countermeasures have already been implemented at the EU level and by civil society organisations to protect European democracies.

In the first half of 2024, another much debated issue in Brussels and European capitals was the single market reform. Former Italian prime minister Enrico Letta was tasked with drafting a report on the EU's internal market to expose its weaknesses and indicate ways to reform it. The **Focus on *A single market with a social face*** moves from Letta's report to see how the single market can be boosted without further increasing inequalities and by supporting social and territorial cohesion. If flanked by adequate social policies, the single market could stop benefitting only a few and respond to the expectations of all Europeans.

In the second **Dossier, *Housing is a human right***, we delve into a crisis that has gripped most European urban areas, hitting not just the most vulnerable sectors of society (which is already bad enough) but – increasingly – the middle classes: the search for adequate housing. Housing is not (yet) a European competence. But it is now time for the Union to make it one, to include the housing crisis among its priorities, and to decide upon relevant legislation and adequate funds.

# Editorial



Hedwig Giusto,  
Editor-in-chief



# The Progressive Post

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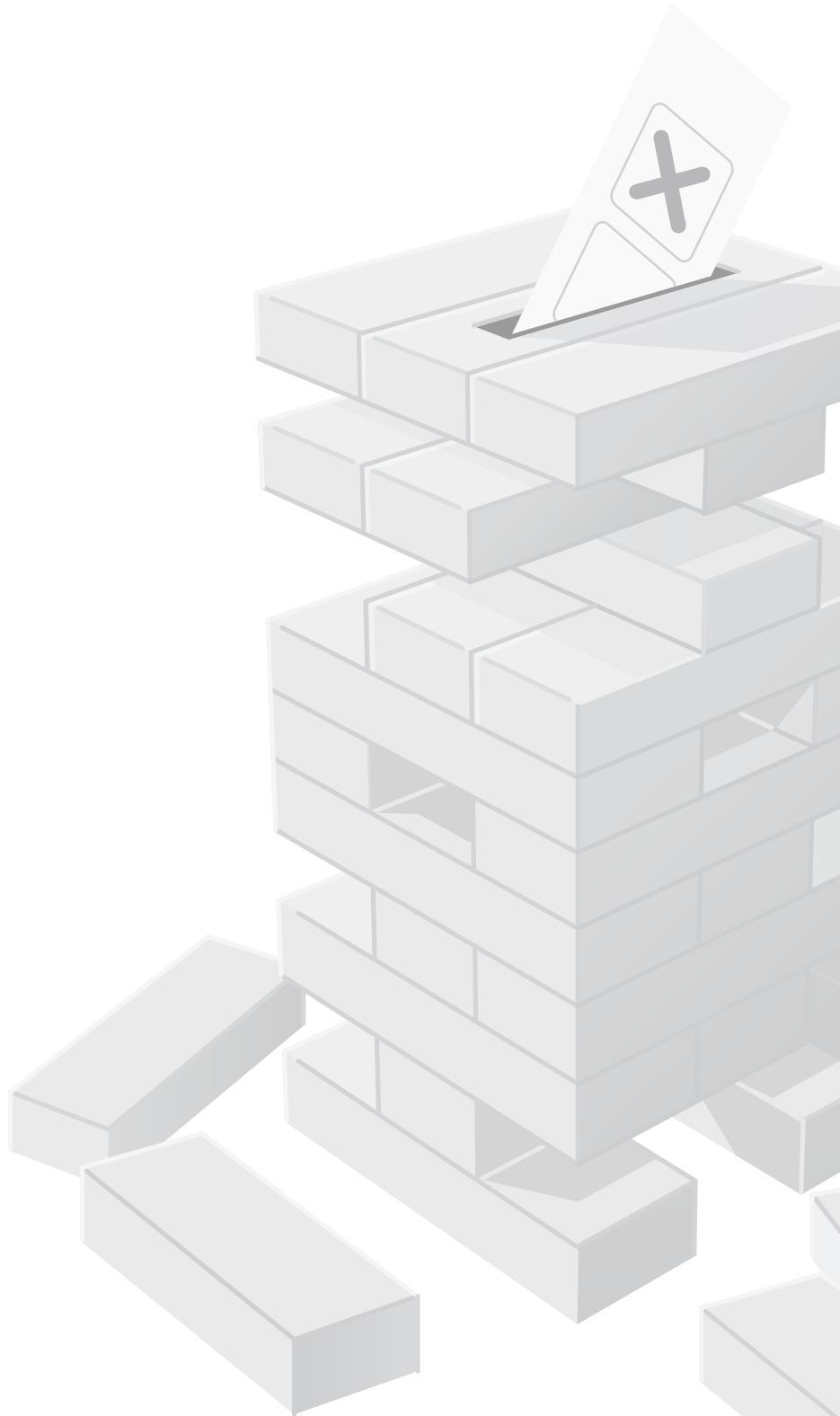
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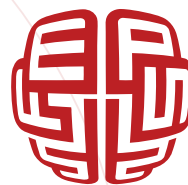
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# CURRENT AFFAIRS

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# Priorities for the next EU legislature

by Maria João Rodrigues

Over the coming five years, the European Union will have to cope with very different and challenging trends. Their combination might directly threaten the European project. However, another way forward is possible if the European Union is able to build up its defence capability, economic security, and social and democratic resilience. These new priorities on the external front must not come at the price of sacrificing other priorities, notably stepping up the green transition with social justice, regulating the digital revolution according to European values and implementing the European Social Pillar to tackle inequalities. A crucial issue for the next legislature will therefore be how to deliver and finance all these compelling priorities – all these European public goods – at the same time.

The European Union will have to cope with a very different and challenging context. At the planetary scale, a still expanding population with growing needs will put mounting pressure on resources, increase the challenges of the multifaceted climate crisis and trigger even larger migration flows. This, in turn, will raise the urgency to change the energy and technological solutions as well as the growth model in order to meet these needs with less pressure on natural resources.

**The digital revolution will transform everything beyond our imagination with a myriad of sensors, apps, platforms and AI algorithms: all sectors and supply chains will be reorganised, all jobs, working conditions, skills and education will be re-designed,** and social, cultural as well as political relationships will be multiplied – all this with great potential benefits but also with great risks.

All these challenges would be easier to address with much stronger international cooperation. Nevertheless, the logic of geopolitical competition for areas of influence risks becoming predominant not only between the US and China but also between other global players, including aggressive ones, such as Russia, driven by Putin's imperialist dreams.

► *The digital revolution will transform everything beyond our imagination with a myriad of sensors, apps, platforms and AI algorithms: all sectors and supply chains will be reorganised, all jobs, working conditions, skills and education will be re-designed.*

The combination of all these trends would directly threaten the European project, notably if:

- the war in Ukraine becomes a prolonged one, requiring an extraordinary effort from the European side;
- the process of enlargement is disturbed by Russian influence;
- the tensions in the neighbouring regions – Middle East and Africa – raise the migration pressure on Europe;
- Europe is not able to build up its resilience in terms of security, defence, energy, food, critical raw materials and supply chains;
- Europe is not able to shape its own way and strategic autonomy in the digital revolution;
- the EU lacks the financial means to ensure a fair green transition, triggering social tensions and revolts by different groups: farmers, workers losing their jobs, vulnerable



- households dealing with unbearable energy, transport and housing prices;
- social inequalities increase within and between regions and generations, unleashing forced migration and a brain drain;
- the democratic debate for better solutions is disturbed by political forces resisting European cooperation, preferring nationalistic retrenchment and increasing their influence with populist messages in social networks.

Such a scenario might become possible (and is arguably the most likely one!) in the near future. However, another scenario is possible if the European Union is able to:

- build up its security, resilience and strategic autonomy by improving its external policy coordination, developing the EU defence capability, and strengthening economic security and social resilience;
- act as a global player, building better solutions for international cooperation, developing new strategic partnerships and strengthening its role in global governance;
- reorganise its relationships with neighbouring regions, implementing the EU Pact on Migration and Asylum, and successfully conducting a new wave of enlargement with a new gradual approach.

However, these new priorities on the external front must not come at the price of sacrificing other compelling priorities, notably:

- stepping up the green transition with social justice in each sector, combining a strong social policy and a real European industrial policy to develop the EU's innovation system;
- regulating the digital revolution according to European values, increasing the EU's digital capabilities and framing the impact of digitalisation on labour and employment;
- implementing the European Social Pillar, notably in social services of general interest, such as health and education, developing a new care sector and launching a European Plan for housing.



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The crucial question for the next legislature will therefore be: **how can we deliver and finance all these priorities – all these European public goods – at the same time?** More should be done at the national level. The recent reform of the economic governance and national fiscal rules will require member states to conduct four-year fiscal and structural plans that combine reforms and investments with more fiscal space. Private investment should be mobilised at all levels by completing the Capital Markets Union and developing the European Investment Programme conducted by the European Investment Bank.

The European public capacity for investment must also be strengthened to address central European public goods priorities in security, defence, energy and digital infrastructures, and to cope with shocks with social impact as happened during the pandemic. This ambition should also be present when preparing the next multiannual financial framework (MFF), from 2026 onwards.

All these concerns should be reflected in the reforms of EU tax policy, for more tax fairness and also because new own resources must be found.

**Most of the above-mentioned challenges will require stronger European solutions, and if the capacity to deliver them fails, the rise of the far right and anti-European forces will become even more visible across Europe.**

Protecting and transforming the democratic systems at local, national and European levels should therefore also be a priority for the next legislature, with some central concerns: better enforcing the rule of law, developing the connections between the EU and European citizens in both representative and participatory democracy, and developing the media infrastructure for a stronger democracy. In addition, targeted changes in the EU treaties should not be considered taboo if they become decisive to ensure the capacity to decide and to act on issues that European citizens demand.



Maria João Rodrigues,  
FEPS President



# Hungarians hide the pain

by László Andor

Today, the most popular Hungarian internationally is a 78-year-old meme star called András Arató, more widely known as 'Hide the Pain Harold'. His only real competitor is the 80-year-old inventor of the famous Rubik's cube – which is now also the symbol of the Hungarian EU-presidency –, Ernő Rubik. Sadly, however, Hungary's relationship with the other 26 EU member states is dominated by a completely different representative of the 'homo ludens': Viktor Orbán, the man once casually called 'dictator' by the then president of the European Commission, Jean-Claude Juncker. In contemporary EU discourse, Orbán is somewhere between a black sheep and the antichrist. Thanks to him, the country is perceived as a nuisance by some, and as a threat by others.

For Hungary, it is not the first time that a negative image has taken hold. For much of the 10th century, at least until the battle of Augsburg (955), West Europeans were often terrified by the expeditions of the Hungarians. In those times, before the establishment of the Christian kingdom by Stephen I, unpaid imports delivered by skilful horse-riding warriors represented a significant part of Hungary's business model. Eventually, the patience of the Westerners ran out, and the Hungarians were forced to convert to the rules-based order of the time.

In the eyes of many in the West, the prospect of the second Hungarian presidency of the EU Council has been approaching with comparable horror. In 2023, some members of the European Parliament scrambled to find a way to somehow skip Hungary with the rotating presidency. Then, in early 2024, **when Charles Michel started to contemplate his future, he was asked to withdraw from switching to the European Parliament because this would have triggered a realistic possibility of Viktor Orbán becoming head of the European Council, even if provisionally.**

When speaking about the EU, Orbán keeps pushing the narrative that, in reality, he defends the EU's original construct – and that the threat to integration comes from those who insist on adding unnecessary or harmful elements, like 'gender ideology' or climate policy. **While he is now the EU's longest serving prime minister, he never includes himself in the 'EU elites' but pretends to represent 'the people', who are culturally conservative by definition.** Talking heads of Fidesz never miss an opportunity to stress the need to return to Europe's Christian roots. In 2019, Orbán and Fidesz voted for Ursula von der Leyen, but now they consider her a failure (for giving in to green, gender, rule of law and war 'ideologies') and want a complete change at the level of EU top officials. His dream is a Europe led by the Melonis and the Le Pens.

But will the Hungarian presidency of the Council really be so scary? In fact, when Hungary (meaning Orbán's government) held the presidency last time, it demonstrated a good capacity to organise meetings and behave as an honest broker. The presidency

in the first half of 2011 prioritised the improvement of economic governance, as well as some specific Central European issues like Roma integration, demographic decline and the accession of Croatia. Although most ministerial meetings took place outside Budapest, in a royal palace at nearby Gödöllő, the sentiment was positive. All this happened before Orbán openly declared that the regime he was building was 'illiberal'.

**For a decade now, the discourse on Hungary has revolved around the questions of the rule of law and the country's industrial-scale corruption.** These themes have dominated in recent months as well. Hence, very little became known about the government's intentions regarding the content of the Hungarian Council presidency. Shortly before the European Parliament elections, Orbán was interviewed by the French Le Point and the Italian Il Giornale (strictly right-wing media) and made it clear that during its Council presidency, the Hungarian government intends to address topics like competitiveness, migration, defence, demography and the Western Balkans.



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Obviously, one must recognise a certain degree of continuity and constructiveness here, as most of these are shared concerns of the Union. The problem is not the list in itself but how the right-wing government of Orbán interprets them.

The competitiveness debate has been given a framing by Mario Draghi, but many did not pay attention when the former Italian prime minister warned against returning to the old and ill-focused interpretation of the concept. Orbán's party and his government most likely belong to the group Draghi had in mind with his warning. They tended to oppose EU social initiatives (the directive on adequate minimum wages for example) with reference to competitiveness, and now they are ready to parrot the euro-sceptic trope that suggests climate policy is a threat to economic competitiveness. Beware of the epic struggle to come! Defence appears to be one of the few issues where Orbán's position is aligned with the European mainstream – almost. Ever since the issue was relaunched by Juncker, Orbán has reacted positively to the idea of ever-closer EU cooperation on defence. Today, however, there is a specific spin on this: the Hungarian government's anti-US sentiment. Make no mistake, war and peace was the central theme of the recent Fidesz election campaign, and Fidesz will continue to make its opinion heard, especially if the Republicans retake the White House in November.

**On migration, Orbán has been notorious since 2015 for exploiting the large influx of refugees in Europe for his own domestic politics.**

However, the EU approach has shifted greatly since the experiment with a refugee distribution quota. The recently adopted Migration Pact favours the practice of outsourcing, but it is not sufficiently right-wing for Orbán, who would like to scrap what was recently agreed and promote something even more reactionary.

Opposing immigration (especially from outside Europe) and promoting a debate on demography is a recipe for something divisive, if not explosive. Yet Orbán is returning to his 2011 agenda on this. The dilemma here is that the issue indeed deserves a constructive discussion, as it is one of the greatest imbalances of the single market (as has also been picked up by Enrico Letta in his recent report). But just like in 2011, the issue can be downplayed or even sidelined as being a matter of individual decision and as a competence for member states. One might well ask why it is that Orbán, who otherwise insists on subsidiarity and adheres to the philosophy of a 'Europe of nations', wants to bring this matter to the EU table.

On enlargement, which has been covered in the current European Commission by a Hungarian commissioner who is not a favourite of the European Parliament, Orbán is again partly right because more than two decades after the famous Thessaloniki promises, the integration of the Western Balkans needs to become a genuine and dynamic process. **The problem with Orbán's approach is that he always teams up with those who fail to take the requirements of the rule of law seriously** and who collaborate

with him in shady business deals – from the president of Serbia, Aleksandar Vučić, to the former Macedonian prime minister Nikola Gruevski.

In reality, the question is whether it matters at all what Orbán thinks or wants on these topics. Usually, less is expected from EU Council presidencies that fall in the second half of the year as there is less time due to the summer and Christmas holiday periods. The expectations are even lower as we are now in a transition period in the EU institutions. Time will fly, and observers will pay much more attention to the hearings of commissioner designates than to ministerial conferences in Budapest's Castle Bazaar and Royal Gardens.

EU watchers and fellow Europeans should nevertheless be aware that a very large proportion of Hungarians are disturbed by the fact that their government has been captured by a rogue right-wing syndicate focused on family business, which has resulted in the breakdown of relations with the EU and even the suspension of EU financial transfers. New evidence for this latent sentiment is that in the recent European Parliament election, one quarter of the Hungarian electorate was ready to vote for a brand-new populist party just to regain some hope for change – a reminder of the pain Hungarians have been hiding.

**In normal conditions, an EU Council presidency would be a great opportunity to address common challenges of the Union and to promote the country's image at the same time.** Now, however, people find relief in the knowledge that the presidency's powers are limited, and that their government will not be able to do much more than change the elevator music in the Justus Lipsius building.



László Andor,  
FEPS Secretary General



# The Union's identity is shared sovereignty

by Vladimír Špidla

The enlargement of the European Union in 2004 was the result of a longer historical process rather than of just one decision. During the 1990s, the European area underwent rapid development. Its basic component was the disintegration of the Soviet Union and the collapse of the Soviet empire under the pressure of the Central European revolutions. This power vacuum had several consequences, the most important of which were the liberation of the Central European states and the Yugoslav wars. Another equally important aspect was that it opened the way to German unification.

The European Union faced several challenges. The first was the integration of a united Germany, which was essentially aimed at deepening European integration, as was the decision to create a common currency. The second challenge was Central Europe's stability, which was underlined by the war in Yugoslavia, clearly showing how great the risks were. The Union had to decide between deepening (taking advantage of the integrating power of the common currency and the reunification of Germany) and enlarging (aimed at stabilising the Central European area).

But the will of the Central European countries to join the EU, and their resolve to make the necessary political and civilisational effort to do so, was equally important. They saw the European Union as their natural civilisational space and, of course, as a source of future prosperity. At the same time, they saw it as a safe haven that would permanently remove them from the Soviet sphere of interest and subsequently from the Russian one.

**The Union finally decided to enlarge, which brought great benefits to the whole of Central Europe and to the Union itself in many ways.**

► *For the Central European countries, the accession process itself was of particular importance as the European perspective provided an anchor for development.*

First, it strengthened the EU, due to the integration capacity of the Central European countries, and it stabilised the Central European area at the same time. The experience of the war in Yugoslavia very clearly showed the difficulty of predicting how often long-dormant conflicts can escalate.

**For the Central European countries, the accession process itself was of particular importance as the European perspective provided an anchor for development.** The political consensus on joining the European Union within the Central European countries made it much easier to control the radical transformation from a communist system to a social market economy. What the situation would have been like without the European Union is difficult to imagine, but developments in Russia may provide an illustration.

In a way, it is paradoxical that despite the complexity and some very harsh consequences of this enlargement process, it went so smoothly that it has now faded into the collective memory as part of the transition period called 'the wild '90s'. One of the reasons for this is that the accession process and these wild '90s both came to an end together and were followed by a phase of a stable democratic market system. The accession of Central Europe to the EU has, of course, impacted



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the Union itself, weakening its capacity for a further deepening of integration. This was partly reflected in the referendums in France and the Netherlands, which both thwarted the adoption of the Constitutional Treaty. With time, social differences and economic disparities have become much more pronounced, and unfortunately the Union has not yet found an appropriate means to resolve them. **The Central European countries that joined the EU brought their own distinctive political traditions to the Union. When negotiating, this requires not only an awareness of the different traditions of political democracy and parliamentarism (and a recognition of their often relative and real weaknesses), but also a consideration of the different historical experiences of this part of Europe.**

The 2004 enlargement has taught us several lessons. Enlargements are never simply an expression of the will of the Union itself. In a way, all enlargements have been imposed by history. Each enlargement affects the functioning and political orientation of the Union as a whole. Furthermore, each enlargement is a long-term process, with a very long pre-accession phase and also subsequent phases, which can never be considered in terms of years, but rather decades.

Each enlargement requires fairly radical changes in the institutions, legislation or work practices on both sides, and the future will not be more different. The Union is an extraordinary political innovation thanks to the creation of its institutions of shared sovereignty, which was a response to the inadequacy and weakness of intergovernmental coordination in dealing with the peaceful stabilisation of Europe. **It is precisely the system of shared sovereignty that forms the basis of Europe's political identity.**

There is no other grouping of countries that is governed in a similar way. If we fail to develop this system in the future, we will lose our identity, and Europe will be in danger. This would not only destabilise the European continent but would also mean the return of great power politics and the concert of the great powers – which we consider to be outdated in our Central European part of the world. The return of great power politics would not only be to the detriment of the European states but, as a process of global significance, would probably threaten human civilisation as a whole.

The system of shared sovereignty is precisely the instrument that could be applied to the most difficult issues worldwide. If it were to

- ▶ *To stabilise the European area in the long term and use its enormous social and civilisational potential, it is necessary to enlarge the Union – and that means institutional change.*

be weakened or disappear, we would probably not find a suitable replacement in the time available to us.

The challenges we face today are similar in complexity to those of peacekeeping after the second world war. These challenges include finding a response to the war in Ukraine or to the planet reaching its ecological limits. We will not succeed in the long term without changing, at least in part, the architecture of the European Union. **To stabilise the European area in the long term and use its enormous social and civilisational potential, it is necessary to enlarge the Union – and that means institutional change.**

*Vladimír Špidla,  
former Prime Minister  
of the Czech Republic  
(2002-2004) and European  
Commissioner for Employment,  
Social Affairs and Equal  
Opportunities (2004-2010)*





# The declaration of La Hulpe: an ambitious social agenda for the next five years

by Frank Vandembroucke

On 16 April 2024, the EU member states, the European Commission, the European Parliament, the European Economic and Social Committee, European social partners and civil society signed a declaration on the future of the European Pillar of Social Rights.

I hesitate to say that it was a historic day, because that would be such a cliché. Rather, it was a day of high ambition, of necessary ambition. The Belgian Presidency of the Council of the EU was bound to be ambitious at this critical juncture, at the end of the last legislative cycle and at the beginning of a new one. At such a strategic moment, you must look back and, simultaneously, think ahead about the next agenda for the European Union, the next European Commission and the next European Parliament.

Looking back, we can indeed be proud of what has been achieved at the European level during this legislature. However, despite these achievements, Europe faces challenges which require us to take further action. Action to prepare citizens, workers and employers. Action to care for citizens, workers and employers. And action to protect all those in need of protection. Europe also needs to be seen to prepare, seen to care and seen to protect. That is one reason why such a solemn declaration is important. But there is more to the declaration of La Hulpe than this important political signal.

With this declaration we want, first, to indicate – together, on the basis of consensus – the way forward when it comes to navigating today's challenges and to shaping adequate policy responses. In this endeavour, we need the European Pillar of Social Rights to ensure that no one is left behind when we do that navigating. Second, the declaration defines a *modus operandi*, which builds on social dialogue as a fundamental component of the European social model, and recognises the importance of civil society in our democracies. Third, we do not only recommit to the European social model and reaffirm the Pillar as our European social rulebook. With this declaration we also identify substantive priorities for the next EU legislative term.

**We commit to taking action to foster fair and effective labour mobility across the European Union by improving the ability to detect fraud and abuse, by improving working and living conditions** for EU and third-country nationals, with special attention to measures in the areas of subcontracting and agency work, and by improving access to information for workers and enterprises. We explicitly call

for regulation for new psychosocial risks, such as those linked to the digital transition. We commit to speeding up the establishment of minimum standards regarding hazardous substances and the evolution towards substituting them. And we also explicitly call for new action to ensure fair working conditions in key areas for the digital age, such as telework, the right to disconnect, incorporating the 'human in control' principle for artificial intelligence in the world of work and regulating algorithmic management.

The declaration calls for a new and ambitious gender equality strategy. It calls for new action to tackle gender segregation and to close the gender employment, pay, pension and care gaps. It indicates the need for new action to guarantee more legal certainty, more transparency and more cooperation between member states in the coordination of social security systems in order to ensure the portability of social security rights within the Union and to make our social protection systems more user-friendly for mobile citizens, workers and employers, as well as to facilitate enforcement and combat illegal practices.

# HIGH-LEVEL CONFERENCE ON THE EUROPEAN PILLAR OF SOCIAL RIGHTS

LA HULPE, 15 & 16 APRIL 2024



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Last but not least, the declaration clearly indicates that the European Pillar of Social Rights is not only about social and labour legislation but should be mainstreamed in all policy domains, including budgetary policies and public procurement. Under the Belgian and Spanish presidencies of the EU, we launched a new agenda on social investment. The declaration underscores the need to continue this work with the aim of fully exploiting the potential of skills, labour market and social policies for economic growth. It calls for the use of distributional impact assessment tools to make sure that policies in all domains do not exacerbate poverty or inequality.

**The declaration of La Hulpe thus paves the way for a consistent social action plan for the next 2024-2029 cycle. I am therefore delighted that such an ambitious declaration is now supported by 25 member states and all European institutions.** It was not an easy job, but here we are! In fact, at the beginning of this process, we simply wanted to have a strong social reference in the European Council Strategic Agenda 2024-2029. But when we started preparing this declaration,

we very quickly understood that the ambition could be much higher, and so we engaged in this inter-institutional process on substance. Today, we can proudly cherish the result.

► *The European project is about external competitiveness and the internal solidarity you need for this! The one is premised on the other. It would be foolish to think that what was true 40 years ago is no longer true today.*

Obviously there are discussion points that remain, as testified by the exchanges during the conference. However, I think it is fair to say that we are all about prosperity, and also inclusion. We are all about sustainability, economic growth and the needed investments, including social investments. We are all about productivity, and human capital. We are all about competitiveness and cohesion. We are about social rights, social dialogue and solidarity. We currently hear numerous quotes from Jacques Delors.

I myself recall a meeting with Delors in the mid-1980s. He was explaining the European project to a small group of people. His message was compelling: the project is about external competitiveness and the internal solidarity you need for this! The one is premised on the other. **Solidarity is built on that external competitiveness. However, external competitiveness requires internal solidarity. It would be foolish to think that what was true 40 years ago is no longer true today.** Today, amidst rising geopolitical tensions, I would even go beyond a mere economic argument. To be strong in this dangerous world, we need internal solidarity. This is the essence of the declaration of La Hulpe. It motivated the Belgian Presidency to put this recommitment to the Pillar of Social Rights at the heart of its programme.



*Frank Vandenbroucke,  
Deputy Prime Minister and  
Minister of Social Affairs and  
Public Health (Belgium)*



# Navigating the greenlash

## Putting people at the heart of climate action in Europe

by Mikael Leyi

In recent months, a coordinated backlash against much-needed climate action – dubbed the 'greenlash' – has gained momentum across Europe. Emboldened by conservative forces and exacerbated by the cost-of-living crisis and the war in Ukraine, this movement continues to gain traction even though climate action is a high priority for Europeans.

After the recent European elections, the European Parliament and the European Commission are likely to face increasing challenges in taking climate policy forward. Conservatives seem poised to challenge or dilute the ambitious goals laid out in the European Green Deal, increasingly framing 'green' policies as costly and detrimental to Europeans and businesses. The far right is not missing an opportunity to exploit climate action as an easy target for negative PR campaigns and identity politics, stirring fears of economic instability and lifestyle changes. These shared political efforts threaten the progress that has been made and hinder Europe's progress towards sustainability.

The most credible way to counter the growing popular support for these reactionary policies is through a more people-centred approach to climate and environmental action. **Rather than focusing solely on abstract emissions targets, we should underscore the local, immediate and long-term benefits of sustainable policies.** By reframing and repositioning climate action in terms of tangible improvements for the daily lives of people everywhere

and by placing people at the heart of our strategies, for example, through a green and social deal for Europe and the world, we can regain momentum and maintain broad public support.

► *Rather than focusing solely on abstract emissions targets, we should underscore the local, immediate and long-term benefits of sustainable policies.*

### PUBLIC TRANSPORT NETWORK IMPROVEMENT

A well-connected, close-knit public transport network not only eases movement within cities, regions or countries, but also delivers significant environmental gains. Efficient public transportation reduces traffic congestion and improves air quality by cutting down on vehicle emissions. Additionally, it makes urban areas more

accessible and liveable, reducing reliance on private vehicles. For example, the expansion of Germany's €9 public transit ticket provided an affordable and sustainable travel option, leading to a notable reduction in pollution during the pilot programme. Public transport is free nationwide in Luxembourg and Malta, and locally in Tallinn and Valencia. By emphasising convenience and affordability, such initiatives directly benefit people while contributing to climate goals at the same time. **Any restriction on private vehicles must, therefore, be accompanied by investment in public transport so that the trade-off is visible and credible.**

### HOME INSULATION FOR ENERGY EFFICIENCY

Insulating homes delivers multifaceted benefits. It keeps residents warm in winter and cool in summer, reducing dependence on heating and cooling systems. This directly translates to lower energy bills, helping alleviate the cost-of-living crisis for millions. Improved insulation





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also reduces energy consumption, lowering emissions associated with heating and cooling. Moreover, **energy-efficient housing increases property values and creates jobs in the construction and retrofitting sectors, illustrating how sustainable development can have broad economic benefits.** In Seville, the POWERTY project provided energy efficiency improvements to six multi-family residential buildings composed of 71 social rented households. Two years after the retrofit, it was calculated that the initial costs of the energy efficiency investment were almost completely recovered, with a net gain of €43,473 calculated after three years. Any increases in energy costs should, therefore, be preceded as much as possible by public support to homeowners and property companies, while protecting tenants from ensuing price increases.

- *Any restriction on private vehicles must be accompanied by investment in public transport so that the trade-off is visible and credible.*

## | FOSTERING EQUALITY

Decarbonisation strategies and measures can contribute to addressing social inequalities based on gender, age, ethnicity, ability, geography and other factors, while supporting people in vulnerable economic situations at the same time. Spain's just transition strategy, for example, promotes gender equality in coal regions and the energy sector, traditionally male-dominated. As a result of the gender equality incentives promoted in its business projects, 40 per cent of the created jobs have gone to women. The Finnish government has carried out a human rights impact assessment of legislative reforms and has amended the Climate Act to include the rights of persons with disabilities in both the consultation phase and the impact assessment. France's zero long-term unemployment zones offer job opportunities to anyone who has been unemployed for at least a year. *XIII Avenir*, one of these zero unemployment zones, is located in Paris and provides services such as small repairs, carpentry, a helping hand for the elderly, local deliveries and more to those who live and work in the area. **Any climate and environmental action should be accompanied by a socio-economic impact assessment and by measures that aim to tackle the inequalities that are connected to it.**

- *It is time to dispel the myth that climate action is a burden and instead highlight how well-planned and implemented sustainable policies directly improve lives and benefit all.*

The European Green Deal remains indispensable in tackling climate change, pollution and biodiversity loss, but its future is at risk. As conservatives gear up to challenge green policies in the new European Parliament and Commission mandates, a focus on people-centred climate action is crucial. **It is time to dispel the myth that climate action is a burden and instead highlight how well-planned and implemented sustainable policies directly improve lives and benefit all.** The co-benefits are clear and include cleaner air, lower energy costs, better mobility and more jobs. Through a just and inclusive transition, we can ensure that Europeans understand the immediate and long-term benefits of embracing a sustainable future.



Mikael Leyi,  
Secretary General of Solidar



# The transformation of the mainstream right and its impact on (social) democracy



This policy study fills an academic gap in knowledge by examining whether centre-right parties in Western Europe are drifting to the far right and how the transformation of mainstream right parties impacts the broader political landscape and social democracy.

Using case studies of Germany, France, Austria, Poland, Spain and Sweden, the study scrutinises the (alleged) radicalisation of European centre-right parties. It also investigates the risks posed to liberal democracy by this transformation and explores methods to safeguard democracy. Additionally, it analyses the implicit challenge for Social Democrats, focusing on identifying political responses that work.



# SPECIAL COVERAGE

## EU 2024: THE UNPREDICTABLE WELL-KNOWN

Every five years, when European elections take place, the Union finds itself in yet another crunch moment. Time and again, there is the hope that the elections will be a time to publicly deliberate on how to proceed, and to receive a clear political mandate to advance with the integration process. This expectation never ceases, despite everything that is said about these elections, which are described as second-order, or simply as a sum of 27 national elections.

This time around Social Democrats largely defended their position – but probably the most impactful development happened on the other side of the political landscape, where an emboldened far right is now splintering the European Parliament, and where the centre right is increasingly giving in to the temptation to keep the door ajar to far-right ideas.

Taking stock of all this will take a while, but the Progressive Post aims to start this process with our **Special Coverage** section, featuring several views on the electoral outcome, and notably an interview with the former Bulgarian prime minister and president of the PES, Sergey Stanishev, who is leaving the European Parliament after ten years.

A country-by-country analysis of all EU member states' electoral results is available.





# Of quantities and qualities

## A post-election landscape

by László Andor

Post-election commentary in June 2024 relayed a few simple messages. For example, while a far-right breakthrough was expected, it did not materialise. Sigh. The centre-right, centre-left and liberals together retain 55 per cent of the mandates in the European Parliament. Overall, Social Democratic performance has been stable. There is nothing to see here – let us just move on. Or maybe not.

Yes, the far right remains excluded from the block which dominates the European Parliament and the European Commission. However, they cannot be excluded from the European Council and the Commission if they have strong positions at the national level. They have had net gains in most, if not all, national elections since early 2022, and now this inevitably translates into a stronger presence but also influence at the European level. And while the Council composition changes whenever there is change at national level, the EU Commission and Parliament preserve this imprint for the five years ahead.

The vision of a far-right breakthrough created great fascination this spring – to the extent that *The Economist* suggested that three female politicians, Giorgia Meloni, Marine Le Pen and Ursula von der Leyen, together would lead Europe. If you want, **the media was crying wolf, but now the wolf appears to be much smaller than some might have expected. In fact, it is not one big wolf but two smaller ones – or two and a half.**

Exactly how dangerous various far-right formations will be remains the subject of debate.

Any analysis requires subtleties which differentiate between the leaders of the far right, and the diverse groups which vote for them (either occasionally or on a more stable basis). There is ample evidence that 'left behind' areas easily swing behind the populist right (and not right-wing populism), which requires analysts to have knowledge of political economy as well as economic and social geography. Strategists from the far right today clearly know how to capitalise on insecurity, and in some cases the far right have also appeared as a rallying point for those fearing a wholesale militarisation of our societies.

This means that it will be hard to develop a more effective strategy against the far right without a review of theory and analysis. For a decade or more, the public discourse (and also the academic analysis) of the far right has been somewhat misguided. The academic output from 'populism studies' has been full of euphemisms and miscategorisation, and consequently, the grave danger of the far right has remained concealed. Furthermore, **some are now trying to put lipstick on the ECR (the group de facto led by Meloni), saying that this group is by and large Atlanticist – but it**

**is now high time for us to recognise the wolf, whatever other animal's clothing it tries to cover itself with.**

Yes, the 'pro-EU' constructive majority prevails, but with an emboldened European People's Party (EPP) and with the liberals diminished. The gap between the EPP and the S&D has increased, but the gap between the S&D and the liberals has also increased. Consequently the EPP, which has already been dominant over the last 20 years, again claims a large share of the top posts. Nevertheless, the EU citizens know very little about this organisation, since all attention in recent times has been focused on speculating about the far right.

We need to talk about the EPP. Not least because it was not the far right, but the EPP (with the late Wolfgang Schäuble in the lead and with prime ministers from Mariano Rajoy to Valdis Dombrovskis assisting) which forced through insane austerity policies and pushed the Economic and Monetary Union to the brink of disintegration in 2011-2012. Emboldened by their electoral gains, they are now ready to return as the Bourbons: not having learnt much and not having forgotten much.



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As well as the EPP's appalling economic legacy, we also need to highlight their attitude to democratic standards. For a decade, they covered up for Viktor Orbán while he hollowed out the constitutional framework in Hungary. Further South, in the Western Balkans, they have been keener on stabilocracy than on promoting democratic values and transformations. Moreover, in half a dozen EU countries, they govern in coalition with the far right.

And this is also the moment to highlight that, only a year ago, the EPP was expected to rather lose than win voters. Instead, they managed to gain many new seats, ending the period when society was looking for more solidarity and progressive solutions. **Despite the pain inflicted by profit-driven inflation, the centre-right managed to deflect people's anger to climate policy and migration.** In Germany they benefited from the anti-government sentiment as well as from the Social Democrats campaigning against the far right instead of their main rivals. The centre-right also did well in Spain and Poland.

While the Social Democratic performance has been overall stable, there are some remarkable improvements behind the stable total number as compared to the 2019 results of centre-left parties (in France, Italy or Greece for example). Yet there is also a further decline elsewhere (in Poland, Hungary or Bulgaria). Apart from the regional imbalances, the dynamics of the past five years also require attention as the Social Democratic movement has not been at a standstill.

The centre left responded successfully to the Covid-19 crisis, and some of the national election results were better than expected in 2020-2021 (Norway, Germany, Portugal). But the same success was not repeated during the cost-of-living crisis, which was a combined consequence of the post-Covid disruptions in the international economy, as well as the war in Ukraine and globalised economic warfare. The right set the agenda more successfully with far-right sovereignism, xenophobia and negativity about climate policy. Progressives came forward with new policies, such as on social housing, but it only allowed them to hold the line rather than defeating the right.

It is now time for reflection on long-term trends. There is a difference between being on the stronger or the weaker side of 20 per cent representation. Accepting this heavy erosion would mean abandoning the historic mission of Social Democracy. **A clear strategy will be needed to stop the erosion and lift the centre-left support back to a quarter of European society.** Special attention must be paid to the Eastern flank of the EU, starting with the re-opening of dialogue with the Slovaks.

There is no golden recipe for recovery in party politics, but one thing is for sure: Social Democrats lose appeal whenever they are seen playing second fiddle to a dominant centre-right. While the common protest against extremists is the call of the day, being protectors of a 'mainstream' can be a risky strategy. Progressives are not supposed to

► *Despite the pain inflicted by profit-driven inflation, the centre-right managed to deflect people's anger to climate policy and migration.*

be seen just as defenders of a status quo, and especially not of a neoliberal one. Over the past decade, Social Democrats mostly governed together with other parties close to them. Now, with a weaker green and liberal group at the EU level, there is a greater responsibility for the centre-left to advocate the sustainability agenda and the rule of law.

**The new landscape arranged by the citizens who voted in the European Parliament elections opens a wide space for creativity. The entry of some new organisations into the EU arena shows that there is always a demand for political innovation – left, right and centre.** Bündnis Sahra Wagenknecht in Germany, Se Acabó La Fiesta in Spain and the populist Tisza Party in Hungary are all examples of audacious political entrepreneurship. Being open to renewed ideas, policies and language, and learning to use the media better, especially social media, is important for Socialists today not only in order to have a handful more European Parliament seats next time round, but also – and most of all – to connect much better with those who have just voted for first time in their lives, or who will do so in 2029.



László Andor,  
FEPS Secretary General



# The game of great expectations

by Ania Skrzypek

A year ago, the predictions ahead of the European elections told a story of an unprecedented surge of right-wing extremists and a clear demise of the mainstream political forces. This seemed consistent with the traditional parties' radicalisation, polarisation and crisis. And this surge was expected, paradoxically, amid a change in the attitudes of European citizens, who were clearly becoming more knowledgeable about the EU, more convinced that the Union was there to solve their problems – but who showed an appetite to leave the European Union.

As has been the case for previous European elections, the result of the 2024 vote was described in Brussels as 'historic' and as crucial to define the trajectory for further integration. It is therefore time to check what, precisely, happened in this last episode of the *game of great expectations*.

## | THE SELF-FULFILLING PROPHECY

Political scientists tend to label the European elections as second-order elections because, for voters, they are only partially about the EU, and often rather seen as a chance to express opinions about their respective national governments. Brussels is still considered to be far away and foreign. This consideration was used as the explanation for an ongoing drop in turnout, until the 2019 elections broke that trend. In the recent 2024 elections, the stakeholders, who had governed and managed the EU through various peaks of the polycrisis, were hoping to see their achievements recognised,

even though it is widely known that past records do not win hearts.

But all the hopes and expectations ultimately boiled down to a meagre 0.33 per cent increase in turnout in 2024 compared to 2019. **On average, half the electors turned out to vote, but this was only a quarter in several member states, especially in Central and Eastern Europe.** While this could be interpreted as a sign of the EU's recurrent democratic deficit, such reasoning would be insufficient.

The Union is building a narrative around its undaunted stand for the principles of democracy both internally within the EU and externally. Many EU leaders have said that resisting Russia's attack on Ukraine is about defending democracy. But **the last mandate was marked by perpetual clashes between the EU and some member states whose governments' actions undermined the rule of law and media freedom.** Amid all these clashes, and despite an increase in electoral turnout now becoming a trend in many member states,

the overall lack of engagement of the citizens in the twice-a-decade EU-level vote is troubling – especially, as the Union hopes to complete both a fundamental institutional reform and the next EU enlargement in the 2024-2029 mandate, both of which will require ratification. The recent elections did little to help build any momentum for this.

## | SHIFTS ON THE POLITICAL MAP

The pride of the European People's Party (EPP) on the electoral night and the remarkable self-confidence with which the conservatives started claiming various posts across the institutions is a peculiar phenomenon. Indeed, only a year ago, polls showed a deep crisis of the conservative family and predicted a result 25 per cent lower than that which they gained. But this result does not point to a revival, and the EPP is in a tricky position. To confirm the candidates for the EU top jobs, they need to rely on a multi-coloured coalition on their left.



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Yet the manifestos of these partners indicate varying red lines and priorities that will make it difficult for the EPP to deliver their promises to voters.

**The emerging coalition, described as 'mainstream and pro-European' by the EPP, thus seems on track to turn into the opposite of its projection of being calm, consistent and firm.** One of the reasons for this is that the mainstream parties no longer seem squeezed in the middle with the fringes pushing in from the sides. It seems that there is a new type of confrontational politics emerging. This then leads to the twofold question of what this new situation will do firstly to the parties' ideological dimension, and secondly to the EU consensus-driven politics in general.

Although the right-wing radical forces have not accomplished the conquest that some media had trumpeted, their influence in the elections was unprecedented. Their campaign strategies

fed into the normalisation of a brutalisation of politics, making the fine line between pluralism and anti-democracy even finer. Their rise furthermore contributed to making the question of preservation or disruption an important axis in the political debate.

**If polls are to be believed, these elections were about people's anxieties, including those over the cost-of-living crisis, the war in Ukraine and citizens' feelings of disempowerment.** This presents a difficulty for the grand coalition in the context of what they can deliver, as the situation may push them into a defensive corner. Consumed by a desire to act to protect the achievements of the previous mandate, such as the European Green Deal or European Pillar of Social Rights, they might find it difficult to define and pursue new benchmarks for ambitious progress. This is why the careful negotiations of the agenda, which for the first time ever come prominently at the beginning of a mandate, are a crucial innovation.

## | THE SOCIAL DEMOCRATS

The Social Democrats have emerged from the recent European elections with a sense that they have done less badly than anticipated. The Progressives will need to find a way to better balance what works for them now (their integrity and predictability) and the audacity to dream bigger for the future. They need to live up to the expectations that they are the movement that disagrees with the world as it is, and that strives to make it better and more socially just for all. This calls for a profound debate on their distinctive project for the EU and on the synthesis that can deal with the existing divergences. **The achievements of the last mandate were impressive. Progressives managed to have unprecedented political influence despite being the second force in the European Parliament.** But the power balance within the institutions has changed unfavourably for them. The voting record in the European Parliament shows that there are controversial issues within the Progressive family – especially regarding trade, migration and security. Without working these out, it will be hard to replicate the success of last time, or even to do better. But nobody would benefit from lowering our ambitions.

Finally, a word of caution: the world of politics, especially of European politics, is changing. Voter turnout patterns, too, are changing, and new divisions along social divides are emerging. How to persevere and to be the force of modernity, bringing the various groups of the electorates together, is the core question that cannot be answered with nostalgia, regret or comforting half-truths. Social Democrats have survived the European elections, but the elections were also a wake-up call. Snoozing is not about oversleeping. So, time to get up and get back to work.



Ania Skrzypek,  
FEPS Director for  
Research and Training



# Finally irrelevant?

## Germany's cautionary tale for Progressives across Europe

by **Dominic Afscharian**

In the European elections, Germany's Progressives flopped yet again – and this time out of a position of power. With unwavering confidence that the far right can be beaten by normalising it, Germany's divided left marches towards an uncertain future.

Commentators are shell-shocked: Germans voted as expected. After years of being normalised, the far right is thriving. Ultimately, however, this was a vote on the notoriously unpopular *Ampel* – the 'traffic light coalition'.

Hopes were high when the trio of Social Democrats, Greens and Liberals took office in 2021. They promised to 'dare more progress', waking the nation from 16 years of conservative slumber. Instead, voters saw publicly staged infighting, communication disasters and a lack of political leadership. Today, **the ruling parties are enjoying the fruits of their labour: a collective vote share of 31 per cent.** Polling data confirm that this was a decidedly national vote. EU achievements were barely acknowledged or even framed as national projects throughout the legislative

period. Tenuously praising the EU every five years only to cannibalise its contributions for national gain remains the *modus operandi*.

Despite the chokehold of national politics, the elections were dominated by global issues. Freedom, migration, farmers' protests, war and security were as salient in Germany as they were across Europe. In the light of economic worries, social security also made a comeback. Sahra Wagenknecht's newly founded BSW (Bündnis Sahra Wagenknecht), an economically left-wing anti-migrant split-off from the Left party, capitalised on this. Notably, the climate issue was largely demobilised, leading to an implosion of the Greens.

### | JANUS-FACED SOCIAL DEMOCRATS

**The SPD struggled in an election that was an 'unpopularity contest' from the get-go. With 13.9 per cent, they scored their worst result in the history of European elections.** This has become a well-rehearsed routine: with one exception, all European elections

since 1979 have gone downhill for Germany's Social Democrats.

During the campaign, the party was Janus-faced across the board. Among EU enthusiasts, candidates like Katarina Barley, Gaby Bischoff and René Repasi are held in high regard, although they are far less known to the broader public than Olaf Scholz. The chancellor, however, kept alienating progressive voters by lending rhetoric from the right, dreaming of mass deportations, including to Afghanistan and Syria. Of course, the AfD and the BSW occupied the anti-migrant niche much more credibly. **Scholz's zigzag between nationalism and pro-Europeanism makes one wonder what he stands for: from building a fence around Germany or excluding EU citizens from social assistance to 'Hamiltonian moments', everything seems possible.** Contradictions and blunders also plagued the SPD's campaign. Barley's efforts appealed to a progressive, pro-European electorate, standing up 'against hate and sedition'. Encouraged by this, her party tried spinning the ethno-nationalist call 'Deutschland den Deutschen' (Germany to the Germans) into a campaign slogan.

► *The ruling parties are enjoying the fruits of their labour: a collective vote share of 31 per cent.*





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- *Scholz's zigzag between nationalism and pro-Europeanism makes one wonder what he stands for: from building a fence around Germany or excluding EU citizens from social assistance to 'Hamiltonian moments', everything seems possible.*

Too far to the right for progressives and too progressive for nationalists, German Social Democracy finds itself at a crossroads in an electoral system that has long left the catch-all parties of the post-war years behind.

Crucially, it has now been well publicised that copying far-right talking points does not weaken 'the original' but risks strengthening it. **The unwavering confidence of some Social Democrats that they can achieve a Social Democracy by sacrificing Social Democratic ideals remains astonishing.**

#### | DANGERS OF COMPLICITY

The success of the AfD sent shockwaves across Germany's media landscape. However, this performance of surprise bears little credibility. In fact, the AfD fared much worse than polling suggested earlier this year, when nearly a quarter of Germans seemed willing to vote for the far right.

- *This is no one-off seismic disruption ending the EU as we know it. Instead, the main threat to European unity is slowly being manifested.*

Across the EU, the strengthening of right-wing fringes will make it harder to find majorities. However, **this is no one-off seismic disruption ending the EU as we know it. Instead, the main threat to European unity is slowly being manifested.** In stark contrast to Germany's AfD, many far-right parties have succeeded in their whitewashing. Simultaneously, mainstream parties feed into a creeping normalisation of far-right talking points. In combination, both trends are wearing down the fabric of public resistance to actors and ideas that were once shunned.

While it is easy to blame the centre-right, Social Democrats also need to get their own house in order. Since the SPD's 2021 election victory, party leadership has gradually pivoted to the right while intra-partisan resistance has slowly faded. Germany's Social Democracy is crumbling in terms of votes, rhetoric and contents – a cautionary tale to progressives across the Union and beyond.



Dominic Afscharian,  
researcher at the University  
of Tübingen, Germany



# No more business as usual

An interview with **Sergei Stanishev**

Sergei Stanishev is retiring from the European Parliament. He was an MEP for ten years after serving as an MP in Bulgaria's national parliament. He was also his country's prime minister from 2005 to 2009 and president of the Party of European Socialists from 2011 until 2022. This makes him one of the best-placed observers of European politics and a sharp commentator of the results of the recent elections to the European Parliament.

**Progressive Post:** *As a parliamentarian completing his mandate, what is your assessment of the outcomes of the European Parliament elections?*

**Sergei Stanishev:** Frankly speaking, for me, there are no surprises in the outcome of the elections. I read a lot in the media about a right-wing anti-European wave. But I cannot see it. Look at the European Parliament election results. The number of MEPs who belong to the two eurosceptic groups, which are more right-wing, will be less than the S&D group alone.

If you take the three groups that were the basis of the majority in the previous legislation – the Socialists, the EPP and the Liberals, the three pro-European groups – together, they will have about 400 MEPs. So, there is a clear pro-European majority. I am not saying this to underestimate the signals from the numerous voters who are concerned about many things in the European Union because they see the imperfect situations and the deficits in policies.

It is worrying that in some of the key countries, such as France and Germany, the most important examples, we have a massive rise

of right-wing eurosceptic forces. This is a problem. However, it is more of a problem for Europe than for the European Parliament, which has a clear pro-European majority.

Of course, I do not underestimate that among the 100 MEPs who are non-attached or independent, there are many right-wingers as well. As always, **they are very divided on many issues related to Europe in general, Ukraine, Russia and many other topics. They will not form a consistent force that can speak with one voice and disrupt.**

I mentioned earlier 400 MEPs, and there are also the Greens, which is good. The question is whether a majority will be consistent enough in policies. Because on several key issues, there are divisions among the three major groups. The EPP, therefore, is tempted – which was evident in their messages before and during the campaign and which was also evident in some political actions in the outgoing parliament – to revise specific policies and to try and play the centrist role on specific issues, allying with the Social Democrats and the Liberals and maybe the Greens, but then aligning with the extreme right in other matters. It was very correct of the

PES family to warn the EPP clearly not to go in this direction. For us, any cooperation with the anti-European right-wing parties is a no-go. If the EPP group goes down that road, they cannot count on our support.

► *The EPP is tempted to revise specific policies and to try and play the centrist role on specific issues, allying with the Social Democrats and the Liberals and maybe the Greens, but then aligning with the extreme right in other matters.*

Now we have come to the very delicate and challenging issue of negotiations – not only on who will be the president of the Commission, the president of the Council, the High Representative and the president of the Parliament, which are the four major posts on the table but also on finding a consensus on policies, which



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could then be the basis for a solid pro-European majority. What are the major challenges for Europe?

I mentioned earlier the weaknesses of certain European policies. Here are some examples. First, migration – a genuine concern for many people in many EU countries – and how to successfully integrate migrants into societies. As you will remember, in 2015, when the refugee crisis unfolded, there were hundreds of thousands of people coming in a very short time from Syria and other regions of the world. That was nine years ago, and at that time, the European institutions drew up some proposals on what should be changed in our asylum and migration policies to adjust them to the new realities, and to show European citizens that the issue was being handled adequately and effectively. What was the weak part of the chain here? The European Council. It took nine years for the European Council to agree with the other institutions. The New Pact on Migration is not perfect. But people expect the European Union to deliver. And this is a case where we have not delivered fast enough or well enough.

**PP:** *Are you suggesting that this inability to deliver is part of the reason for the dissatisfaction with the EU?*

**SS:** **We should not mock or ignore the people voting for the extremes because their concerns are real. We understand them, hear them, and try to find solutions.** If we don't, the extremist vote will only grow.

Now that these elections are over, business as usual cannot be the answer. Even with a formal pro-European majority, we cannot relax. We must be ambitious enough to start changing and addressing these issues. Another example. A few months ago, the European Council was presented with two critical reports by two former prime ministers of Italy, Mario Draghi (whose final report is forthcoming) and Enrico Letta.

Both reports analyse the challenges to Europe's competitiveness, economic development and performance in comparison with the rest of the world. It is no secret that we are lagging behind in productivity, innovation, development and industry. Europe used to be the centre of science, innovation, production and industry.

China and the US are now competing for first place in the world economy, while Europe is becoming a kind of attraction where people go for holidays and see historical monuments.

► *We should not mock or ignore the people voting for the extremes because their concerns are real. We understand them, hear them, and try to find solutions.*

So, the question is how to be competitive in this modern world, with so many powers catching up economically and improving their living standards – which is good. **We should focus on ourselves and understand the weaknesses of the European market and our social systems. The European market and these social systems make us different from the US, China and the rest of the world. We must preserve them.** But to maintain them, we must modernise and further centralise the European social system.

Preserving and further developing our economy and social way of life in a world whose geopolitical balance is rapidly changing is the major challenge for the next legislative term. Foreign policy is becoming an essential factor in European policies. Enlargement, for example, had more or less stalled since Croatia joined in 2013. But since the war in Ukraine, the European Union has woken up and realised that without moving in the direction of enlargement we will be on the losing side again.

**PP:** *As far as the election outcomes are concerned, the PES has displayed a fairly stable performance in terms of the aggregate of the votes and mandates. How do you see the evolution of the party?*

**SS:** We have to be realistic in our assessment of the situation. **In the European Parliament we no longer have the number we had in the 1990s, when the EP was much smaller. We must recognise that society has changed drastically.** We are living through new industrial revolutions – the digital revolution, the green transition and artificial intelligence. The history of the social democratic movement is strongly linked to the first industrial revolution, which created the working class and an industrial society.

Nowadays, societies are much more fragmented without such a clear-cut class structure: working class, bourgeoisie, middle class, and so on. Now, many other factors influence people's political affiliations: cultural issues, and national and global factors contribute to the general picture, and we have to be very flexible. Besides this, in most member states, EU elections are not truly European elections. They are rather a vote in favour of the national government or against it, and a very convenient way of punishing the parties in government.

Socialists had a very good candidate in Nicolas Schmit because he had the necessary social credentials thanks to his achievements as commissioner. He also ran a great campaign. But we must take into consideration what the main

issues of concern for the EU citizens are. Take for example the Green Deal. We know it is urgently needed because there is no reverse button for climate change.

But we haven't been able to communicate properly about it. If I think of my country, Bulgaria: the general impression there is that the Green Deal is some kind of bureaucratic hurdle created by a Brussels elite and imposed on us Europeans. And yet we have to pay the price for this Green Deal – for example, we have to close our facilities like the coal plants and mines.

Our political family, including Nicolas Schmit, always says that **the green transition can only be successful on one condition – that the people are with us on this, that we protect them, and that we provide new jobs and new skills to those who may lose their employment.** This requires a lot of money.

We have to provide security to the people so they can see that Europe is working for them. Our societies are extremely complex, and we must address many different issues simultaneously to deal with the people's concerns: social issues, economic issues, the environment, gender equality, global issues, migration and more. We need to provide answers based on our unmovable values because human dignity, social justice and equal opportunities are very much alive.

Social Democrats have always favoured dialogue and a broader consensus in society. That is why I always underline that **we should not ignore these voices of anger and fear, because they are easily mobilised, and the far right is playing on them,** saying to the people that it will protect them from the insecurity of this world.

**PP:** *Since you are completing your mandate as an MEP, would you share with our readers the main lesson you have learnt while at the European Parliament?*

**SS:** The European Parliament is an excellent classroom for learning how to negotiate because everything there is about negotiations. In the European Parliament, no political group can impose its own agenda. So, we have to negotiate and make compromises. For this reason, it is essential always to maintain the right compass, the compass of our values, because there are compromises that you can make to push for your priorities and your agenda. But there are other compromises that you must refrain from making. Otherwise, you lose your identity and your credibility.

► *The green transition can only be successful on one condition – that the people are with us on this, that we protect them, and that we provide new jobs and new skills to those who may lose their employment.*

*Sergei Stanishev,  
Member of the European  
Parliament (2014-2024), former  
President of the PES, former  
Prime Minister of Bulgaria*





# FOCUS

## A SINGLE MARKET WITH A SOCIAL FACE

There's a big talk in Brussels and in some national capitals about boosting the European single market to promote the EU's industries and its global competitiveness. The question, however, is for what, precisely, we want to be competitive.

In this dossier, we set out to remind EU decision-makers and stakeholders that relaunching one of the cornerstones of EU integration – the single market – should not endanger but rather support other EU objectives: social and territorial cohesion, fair competition to prevent excessive market dominance, employment and climate standards, and job quality.

Reforming the single market is about finding a European way to deliver on competitiveness. But this cannot be merely a strategy to reinforce market leaders in a few countries, as that would only deepen divergence between EU member states and increase inequalities. What is needed is a Europe that succeeds globally – and for its people!

# Implementing the freedom to stay

by Enrico Letta

When I began working on the report *Much more than a market*, I quickly realised that the single market is not perceived as inclusive for everyone today. The European Union, in general, is seen to be not for everyone. The European project was initiated by an elite group of visionary politicians who aimed to secure prosperity and peace for future generations. However, for a long time, it was not particularly visible or tangible to all citizens. Now, our Union is an integral part of everyone's life, with an estimated 60 per cent of national legislation originating from EU laws. With a Union that is so pervasive comes the responsibility of delivering for everyone.

Jacques Delors once said that falling in love with the single market is impossible. However, **I believe there is potential to ignite people's passion for Europe** – if they can see the benefits of participating in such a vast market. My generation was at university when the Berlin Wall fell. It was during that period that the single market was created. For many of us, the four freedoms became a source of passion, dreams, emotions and aspirations.

Today, the European project and the single market are primarily supported by those who are cosmopolitan, who want to move and have the means to do so, those who speak multiple languages and who aspire to work in another country. They strongly support the mobility that the single market allows and the opportunities it offers. However, what we need now is a European project that responds to the needs and expectations of all Europeans.

The single market can no longer be an initiative where the only benefit for non-mobile

citizens is accessing international goods at a more affordable price. This premise no longer holds true and would not be sufficient anyway. **One of the main points of the report is to emphasise the idea of the freedom to stay.** This means that the European single market should cater for everyone and benefit even those who do not plan to move out of their region. It means that the Union should allow our people to choose their future. This entails ensuring that Europe does more for those living in depressed areas than merely providing them with the right to relocate to another country.

► *I believe there is potential to ignite people's passion for Europe.*

When I started writing the report, Jacques Delors told me that the only reason the single market has been accepted and regarded as a success by all member states is that it was launched

simultaneously with the cohesion policy. In a more competitive single market, not everyone wins, and the regional focus of EU action has been pivotal in ensuring that every citizen in the Union can benefit from the European project. The lesson from Delors is that building a prosperous single market would not be possible without regional convergence and territorial cohesion.

**Brain drain has become a challenge for many European countries and regions, as they often lose their youngest and best-prepared individuals. The countries that trained these people invested public resources in their education, yet the returns on such investments go to countries with net inflows of workers from other member states.** As these individuals move out, donor countries lose their productivity and innovation potential, and end up with a weakened public administration and compromised prospects for sound public finances. This creates a vicious circle: as weaker regions lose people, their development gap with the rest increases even further.

Mobility across the Union is an advantage and a privilege and should be incentivised. However, permanent and structural transfers of people should be politically unacceptable, even more so than permanent and structural financial transfers. David Rinaldi, director of studies and policy at FEPS, suggests the creation of an EU Fund for Just Mobility. While this proposal may be ambitious and while it may be challenging to garner political support for it from our Union, we should not shy away from striving for progress in this domain.

A recent report by the High-Level Group on the Future of Cohesion Policy shows that in 2023, about 135 million people, nearly one third of the EU population, lived in regions that have slowly fallen behind over the last two decades. Residents of these declining regions often feel they have no opportunities except to relocate. Can Europe address this issue? If it wants to, it must act. The alternative is increasing divergence and a further loss of trust in political parties, public institutions and the European project.

Here are a few points where action should be taken:

- **Investment in administrative capacity:** the EU cohesion policy is already playing a crucial role in supporting local public administration and investment, but the EU should go beyond providing investment for infrastructures. The financial investments arranged through structural funds should be accompanied by substantial technical and strategic assistance so that the strategic planning, and administrative and implementation capacity in each area of Europe can meet the local development needs.

- **Universal access to services of general interest (SGIs):** gaps in the universal service provision prevent a number of EU citizens from effectively accessing the single market. This concerns education, health, water, sanitation, energy, transport, financial services and digital communications. Rural areas, remote regions, islands, mountains and sparsely populated areas face the highest barriers to access.



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- **A European initiative for affordable housing:** another obstacle to the freedom to move or stay is housing affordability, which also affects the receiving areas (big cities), and not just the areas that face depopulation. While housing policy falls within the realm of member states or local authorities, the EU possesses a range of instruments and policies that have an impact on the housing markets across the EU. They need to be revised to make sure that they incentivise socially inclusive and sustainable housing systems

Finally, to ensure a comprehensive and sustainable approach to addressing internal territorial imbalances, it is crucial to regularly monitor these disparities. This must be integrated into the framework of the European Semester. To sum up, we must ensure that any development of the single market includes a genuine local well-being dimension guaranteeing social and territorial cohesion. We should not see the divergence as collateral damage and choose to do nothing about it. This is not the Europe we want, and ultimately it would harm the single market itself because of disintegration or the weakening of demand for goods and services in the European Union.

**We want Europe to flourish, a Europe where mobility is a choice and where it is circular: not only from east to west and from south to north, but in all directions.** And those who want to stay should be able to do so because they can find good services and economic activities in their area. The interests and well-being of citizens are at the core of our Union. For the single market to be successful, it must be more than just a technocratic exercise: it must represent a shared vision and provide common benefits for all Europeans.

► *We want Europe to flourish, a Europe where mobility is a choice and where it is circular: not only from east to west and from south to north, but in all directions.*



*Enrico Letta,  
EU Rapporteur on the future of  
the single market, and President  
of the Jacques Delors Institute*

# Strengthening territorial cohesion and the single market

by Vasco Alves Cordeiro

In a speech delivered at the first Intergovernmental Conference on 9 September 1985, the late Jacques Delors, then president of the European Commission, laid a clear marker regarding the way the single market should be constructed within the European Union. He said: "history teaches us that a large single market cannot be of universal benefit unless its growth is sustained by flanking policies. It is time to reaffirm the resolve to achieve the essential cohesion of the Europe of Twelve, with all that that implies".

The single market, according to Delors, was to be developed with the objectives of solidarity and cohesion in mind, so as to avoid leaving people and regions behind. 'Flanking policies' at the level of the European Union were to be created to counteract the negative effects of market liberalisation and to ensure that all regions fully participated in and benefited from the opportunities provided by the single market. A year after Jacques Delors's speech, the Single European Act was signed, paving the way for the foundations of cohesion policy as we know it today.

Fast-forward to the present. With the European elections having just taken place, the European Union finds itself at a crossroads. **There has never been a better time to remind ourselves that the single market and cohesion policy are two sides of the same coin.** This is very important, because the case for the EU to seriously deliver on its treaty objective to promote harmonious development within all territories in Europe

needs to be made more forcefully than ever. The evidence presented in the recently published 9th Cohesion Report is compelling: 30 years on from the creation of the single market and of cohesion policy, and 20 years after the 2004 enlargement, there is no doubt that many parts of Europe have experienced upward economic and social convergence. But convergence has been uneven across the EU, with many regions falling behind into the now familiar 'development trap' conundrum. For instance, one third of the EU's population lives in places that are slowly falling behind.

Enrico Letta's report on the future of the single market, published in April, rightly confirms that economic, social and territorial cohesion should continue to be the central objective of the single market. The Letta report includes promising proposals stating that efforts to deepen or expand the single market should be accompanied by actions at the EU level to prevent major economic and social imbalances.

The question that pertains is how to ensure that such an ambition can remain at the very top of the EU agenda for the coming five years and beyond.

► *There has never been a better time to remind ourselves that the single market and cohesion policy are two sides of the same coin.*

**The starting point is to ensure that the pursuit of economic, social and territorial cohesion is put at the very top of the EU agenda for the coming five years.** Beyond that, we need to ensure that such an essential objective is integrated as part of all EU policies. The 'do no harm to cohesion' principle has to become a reality for all EU policies, many of which are unfortunately blind to the reality of territories across Europe.





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Secondly, the only way to guarantee that the single market continues to provide benefits to all regions, including those considered as less developed, is to work towards a stronger cohesion policy in the future which continues to support all regions in Europe. The European Committee of the Regions study *Cohesion Policy and the Single Market: the cost of non-cohesion* published in February this year makes it crystal clear that restricting cohesion policy support to a limited number of regions would achieve nothing except to increase disparities in the future.

Thirdly, we must redefine the type of 'flanking policy' – to use Jacques Delors' words – to address the potential imbalances caused by the completion of the single market. And of course, we are talking about cohesion policy. Let us be clear: **cohesion policy as we know it today, as the decentralised EU investment instrument delivered in partnership with all regions and cities, is at risk.** We must not succumb to the temptation – echoed by some inside the European Commission and in some

EU capitals – to radically rethink the main EU investment instrument so that it becomes more centralised and less focused on territorial realities. Instead, we should take this opportunity to renovate cohesion policy by strengthening its very foundations so that it can lead to a more inclusive single market.

► *The starting point is to ensure that the pursuit of economic, social and territorial cohesion is put at the very top of the EU agenda for the coming five years.*

This call is not only mine. It is also the call of thousands of mayors and regional leaders, who gathered in Mons in March for the European Summit of Regions and Cities. It must be the call of our progressive Socialist and Social Democrat family.

As we experience the most complex period of our common history, facing enlargement, the green and digital transitions, and an ageing population, we cannot afford to leave people behind when addressing such structural transformations. It is up to us to ensure that Europe answers with solidarity, progress and a strong cohesion policy at the heart of the European Union and of all our regions and cities.



Vasco Alves Cordeiro,  
President of the European  
Committee of the Regions

# A good jobs compass for the internal market

## Creating its human face for the mid-21st century

by Judith Kirton-Darling

Former Italian prime minister Enrico Letta has set a challenge for European leaders, underlining the scale of imagination needed to rethink the internal market in light of our current shifting geopolitical and economic sands.

Letta's challenge faces many hurdles. In March 2023, the European Trade Union Confederation (ETUC) said of the current European Commission's Communication on its 30th anniversary, and its plan for the future of the single market, that it "puts the EU on course for a race to the bottom and takes it even further away from Jacques Delors' vision of a social Europe". A technocratic focus on lifting administrative burdens and indiscriminate 'one-in-one-out' deregulation has come to dominate a debate on the internal market focused on cost competitiveness. It is, however, a case of old wine in older bottles.

Europe is experiencing a deep social crisis. The cost-of-living crisis and rising societal polarisation in Europe are socially and economically corrosive. **The labour share of wealth created in our economy has continued to fall, with dividends and profits rising quicker than real wages.** Increasing social anxiety created by rising prices, high inflation and the cost of living are among the top-most important concerns of EU citizens: 73 per cent think that their standard of living will decrease over the next year, of which 47 per cent say that they have

already witnessed a reduction. Over a third of Europeans (37 per cent) have difficulties paying bills sometimes or most of the time.

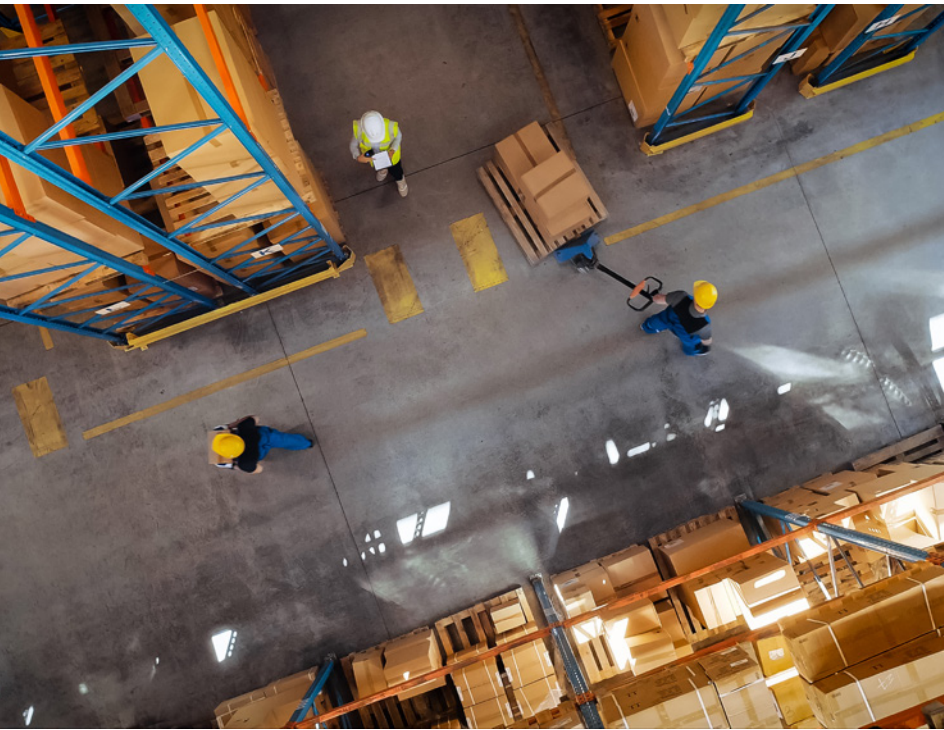
A lack of control and enforcement of the few minimum social rules that exist in the internal market are worsening the situation. Even in countries with higher income equality, a job is no longer enough to avoid poverty. In more vulnerable sectors, the concern is no longer focused on social dumping but rather on labour crime (forced labour and exploitation), as seen in the sub-contracting scandals exposed in Norwegian shipyards or Antwerp's chemical industry. The use of extended subcontracting chains and labour intermediaries makes exploitation harder to track by austerity-hit labour inspectorates. Deteriorating mental health, in many cases causally linked to this social situation, has been called a new pandemic.

**Not all European states and regions have the same capacity to attract private investment to achieve the transition we are collectively embarked on. There is a great risk of seeing territorial inequalities widen in Europe between regions** that will be able to attract

tomorrow's industrial investment thanks to the quality of their infrastructures and the state aid granted, and regions that will have no choice but to propose a low-cost, authoritarian industrial policy based on excessive deregulation, the dismantling of collective bargaining bodies, and exploitation of labour migration, as we currently witness for instance in Hungary.

► *The labour share of wealth created in our economy has continued to fall, with dividends and profits rising quicker than real wages.*

It is time to reassert and update the original vision of the internal market Delors promised to working people across Europe. At its heart should be a new 'social face', supported by a proactive industrial strategy to maintain and transform our economies, and a new political compass aimed at the creation and maintenance of good jobs – well-paid, secure and sustainable.



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Instead of trying to out-compete China and the US by lowering costs and weakening rules and standards, the EU must up its ambitions to "master our destiny" today (to quote Delors' speech to the Trades Union Congress, TUC, in 1988). At the centre, a genuine European industrial policy is crucial in order to take greater control of our technological destiny in a period of rapid ecological transition, but also in order to (re)make salaried work one of the main vectors of wealth redistribution and social cohesion. In the context of an ageing society, improving working conditions will only become more important. This demands a reshaping of the rules of the internal market.

**The internal market must be seen as a means rather than the final objective. Free markets cannot be the only European answer to the challenges of our time.** An industrial policy fit for the challenges of our time and bound with social conditionalities that ensure the maintenance and creation of quality jobs and regulated fair trade, free from exploitation, must steer the compass we need for the future of the internal market.

The use of social conditionalities across a wide range of internal market policies, from

funding instruments, to public procurement and lead markets initiatives, would provide a means of creating triple wins for the economy, good jobs and the environment. Notably, strategic public procurement has the potential to steer markets towards higher quality in terms of environmental or social standards or innovative products, while at the same time underpinning Europe's industrial policy strategy.

► *Not all European states and regions have the same capacity to attract private investment to achieve the transition we are collectively embarked on. There is a great risk of seeing territorial inequalities widen in Europe between regions.*

A future EU budget at scale must be the financial cornerstone of the EU transformation to ensure social and regional cohesion and the promise of upward convergence. State aid has a role to play and should not be considered

problematic per se if it is transparent, proportionate and bound with social conditionalities. The solidarity experienced during the pandemic must be channelled into a longer-term funding plan.

**In a tight labour market and ageing society, the EU should use all available means to improve the quality of employment, strengthen collective bargaining, increase purchasing power and boost the up-skilling and re-skilling of the existing workforce,** ensuring just transitions within and between industries. A real, sufficiently large, European industrial investment plan for clean technology value chains, with built-in solidarity, and a good jobs plan for each region should underpin the internal market. This would deliver a plan for workers worthy of the 21st century.



*Judith Kirton-Darling,  
Secretary General of industriAll  
Europe and former member  
of the European Parliament  
for North-East England*

# The dangers of promoting scale in the name of competitiveness

by Anna Kolesnichenko

An old buzzword is back in Brussels and European capitals: competitiveness. It also looks likely to become the main driver of the new Commission's agenda. Preparatory conceptual work is already ongoing, with two flagship reports by Enrico Letta and Mario Draghi commissioned to outline policy options for the single market and European competitiveness.

In this policy discussion, it would be helpful to be more precise about what we mean by competitiveness. Because the direction of some emerging policy proposals looks dangerous. There is a narrative that Europe needs to promote its own champions who, by acquiring scale, will be able to compete with American and Chinese rivals. Draghi's speech at the High-level Conference on the European Pillar of Social Rights in La Hulpe last April, to anticipate some of the findings of his report, was all about industrial consolidation to achieve scale and investment. Letta's recently published report gives more space to public sector-led investment and also speaks about a single market that has to deliver for all citizens. However, the core idea that expanding the European single market in telecoms, energy and transport is needed to achieve the necessary scale to be competitive is also a guiding theme of Letta's report: "By identifying the European one as the relevant market, we can finally enable market forces to drive consolidation and growth in scale". Similar proposals about the need to increase scale and promote champions can be heard all over Brussels fora. There are definitely benefits from enhancing the integration of the

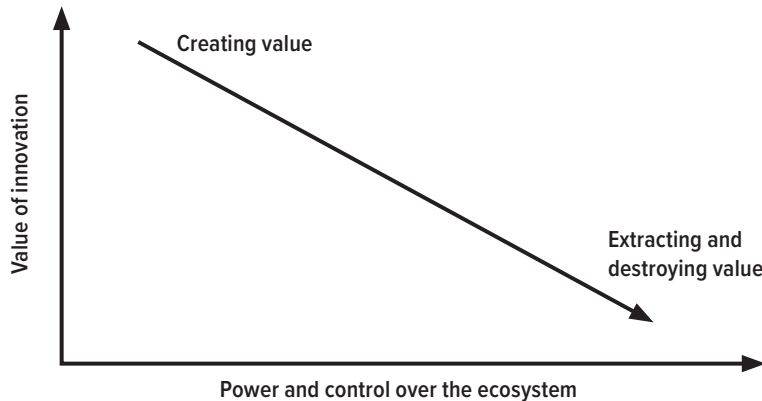
European single market, but using it as a tool to help big companies become even bigger, as the preliminary plan outlined by Draghi seems to suggest, is a questionable proposition.

The argument used by proponents of the large scale is that bigger companies can offer lower prices to consumers due to economies of scale and that they promote innovation as they have the necessary resources for this. However, all these arguments have for long been proven wrong. **The factual evidence shows that a monopolistic market structure dominated by several large players does not lead to enhanced competitiveness, and is not conducive to investment and innovation.** This has been a basis for all competition regulation, and indeed is at the core of the European single market.

► *The factual evidence shows that a monopolistic market structure dominated by several large players does not enhance competitiveness and is not conducive to investment and innovation.*

There is abundant evidence that big company-monopolists prioritise profits to their shareholders over investment. 2021-2023 saw a major upswing in share buybacks, with all companies in the S&P 500 stock index buying back a record \$923 billion in 2022 and \$795 billion in 2023. The largest part of these buybacks in 2023 (38 per cent) was done by ICT and telecom companies, led by Apple (\$84 billion) and Alphabet (\$61,5 billion).

The quality of innovation by Big Tech is also questionable. For example, in *How Big-Tech Barons Smash Innovation – and How to Strike Back*, Ariel Ezrachi and Maurice Stucke show that a large part of Big Tech innovation is not creating value, but extracting or destroying value. The more monopoly a company has, the more destructive its innovation is (see the chart). **Big Tech is using its monopoly power to shape the supply and demand for tech innovation towards innovations which exploit and extract profits from users and exclude competitors**, rather than 'disruptive' innovations. Due to their power, these companies end up dictating the direction of innovation.



Source: Ezrachi A. and Stucke M. *How Big-Tech Barons Smash Innovation. And How to Strike Back*. Harper Collins, 2022.

The effect of market concentration on prices is not beneficial either. For example, broadband internet prices in the US, compared to the top ten countries out of 216 globally, are among the highest in the world, both in nominal and in terms of purchasing power parity (see statistics of the International Telecommunication Union). They exceed the prices in all European countries by far. The reason is that the US telecoms market is dominated by four big companies. Is this what we want in Europe?

One may ask: how do we combine competitiveness with competition? And the answer is that they go hand in hand. For competitiveness, you need more competition, not less. To have a competitive economy you need to foster innovation and know-how (skills).

Joseph Stiglitz, for example, argues in his book *People, Power, and Profits* that "sustained productivity increases are based partly on investments in plants and equipment, but most importantly in knowledge, and in running our economy at full employment, ensuring that the resources we have are not wasted or simply sitting idly". Ricardo Hausmann also shows the primacy of skills and know-how for economic development and competitiveness.

**To increase innovation and know-how, industrial diversity and disruptive innovation must be supported. The role of industrial and competition policy is therefore to support disruptive newcomers.** Support for large incumbent companies can still be provided but should be accompanied by conditionality

► *To increase innovation and know-how, industrial diversity and disruptive innovation must be supported. The role of industrial and competition policy is therefore to support disruptive newcomers.*

to make sure their activity serves the public interest (fair pricing, restrictions on share buyback and dividends, protection of worker rights and others). A group of anti-monopoly organisations have just published a manifesto *Rebalancing Europe: A New Economic Agenda for Tackling Monopoly Power* with proposals for how European competition policy should be reformed and enhanced to support competitiveness and innovation in the EU. Cristina Caffarra and Nathaniel Lane also put forward good arguments and ideas on the topic.

More fundamentally, we need to ask ourselves for what, precisely, we want to be competitive. The ultimate goal of any society is to provide welfare and individual and collective flourishing for its citizens (while not damaging the welfare of others). In what way does competitiveness help us achieve these goals? And what sense do we enshrine in 'competitiveness'. Is it about producing the cheapest goods and obtaining larger market shares? Who needs this? Who profits from this? Competitiveness is a nice word, but we need to resist attempts to promote a monopolistic corporate agenda in disguise.

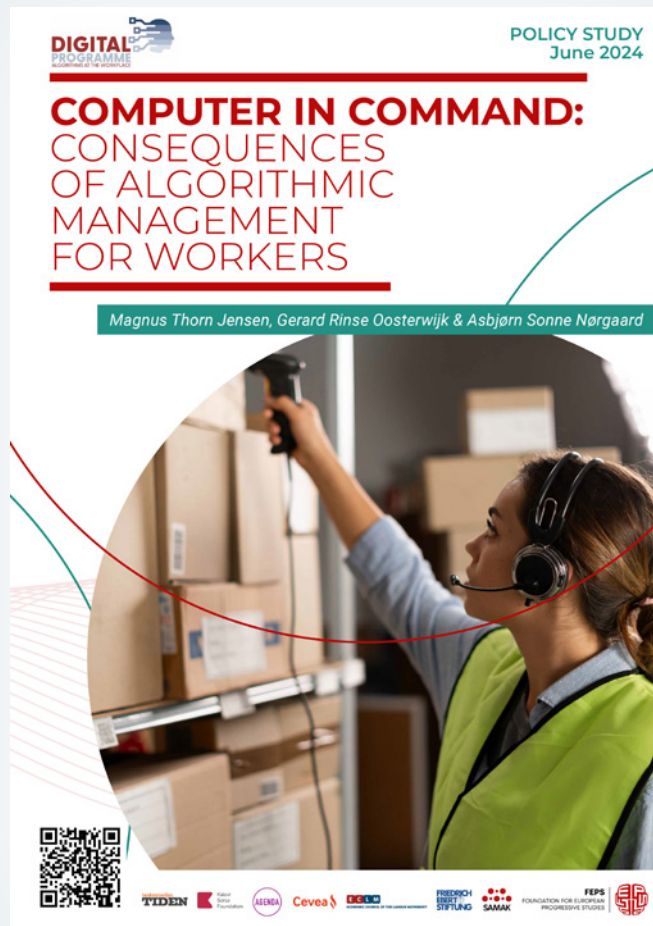
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Anna Kolesnichenko,  
FEPS Policy Analyst on Economy

# Computer in command

## Consequences of algorithmic management for workers



Our survey of over **6,000 workers** in Denmark, Finland, Sweden, and Norway reveals that **76% of the respondents are confronted with algorithmic management (AM)**, which has a serious negative impact on their working conditions.

This pioneering study systematically examines the consequences of AM, highlighting its adverse effects on workers, such as reduced job autonomy, increased workloads and stress levels, diminished trust between employees and management, and lower levels of job motivation and satisfaction. However, it also finds that these negative impacts are not inevitable and proposes ways to reduce them.





# DOSSIER

## PROTECTING DEMOCRACY FROM DIGITAL DISINFORMATION

In this super-election year of 2024, the question of defending liberal democracies and electoral processes from the escalating threat of ever-more sophisticated digital manipulation and disinformation has become paramount.

In this dossier, we analyse how disinformation tactics – often carried out by foreign actors – AI-generated false narratives and deepfake content pollute our information ecosystems, erode trust in democratic institutions, and amplify societal divisions eventually distorting and even disrupting the decision-making process.

The European Union has been proactive in proposing and devising robust countermeasures, establishing a comprehensive legal framework aimed at building resilience and ensuring a healthy digital sphere. However, whether this is sufficient will depend on the cooperation between public institutions, civil society organisations and private stakeholders to promote transparency, stop the spread of AI-fuelled disinformation efforts, and shape a digital future that is still in the making.

# The 2024 super-election year: navigating the geopolitical disinformation maze

by Olaf Böhnke

In the wake of the US elections in 2016, Western democracies awoke to a stark reality: the age-old practice of disinformation had evolved into a sophisticated, technology-driven shadow war, with liberal democracies squarely in the crosshairs. In this super-election year, this battleground has only expanded, with the stakes heightened by the advent of Artificial Intelligence (AI) and the relentless pace of digital innovation.

The Russian election in March 2024, far from being evidence of a democratic process, offers a crucial – if counterintuitive – lesson about the geopolitics of disinformation. This event not only underscores Vladimir Putin's iron-fisted control over Russia's state institutions, but also signals a broader, more insidious goal in the global systemic competition. Putin's self-induced victory projects the appeal of an autocratic model of governance characterised by a 'strong leader' ethos that is inherently anti-Western and anti-liberal, waging an autocratic-reactionary culture war against supposedly 'woke' ideologies of liberal democracies. His model exerts double pressure on the democratic world, notably gaining support from right-wing populist parties within Western states. What is more, **the Russian strategic communication apparatus has skilfully merged this anti-liberal culture war rationale with its narrative of the war in Ukraine to anchor its anti-Western agenda in the Global South.** The Kremlin's continued

political and economic engagement with the BRICS states and other governments in South America, Africa and Asia despite Western sanctions underscores this tactic, even if war as a political tool is rejected by many of these states. The 2024 election in Russia, therefore, not only confirms Putin's domestic political dominance, but also strengthens Russia in its efforts to form a global, anti-Western and thus anti-democratic alliance in which the domination of the digital information ecosystem plays a special role.

► *The Russian strategic communication apparatus has skilfully merged this anti-liberal culture war rationale with its narrative of the war in Ukraine to anchor its anti-Western agenda in the Global South.*

This global war on information is thus not limited to the digital frontiers of Russia. Autocracies around the globe, including China, Iran and North Korea, have mastered the art of disinformation, leveraging technology to erode trust in democratic institutions, sow discord and amplify societal divisions. These sophisticated and far-reaching campaigns destabilise democracies from within, targeting the consensus-building processes essential for democratic governance and turning public scepticism into a powerful weapon against the fabric of liberal and open societies.

The uniqueness of the super-election year 2024 lies in the unprecedented potential of AI to amplify disinformation efforts. **The ability of AI to generate convincing but false narratives at an alarming volume and pace, coupled with the sophistication of deepfake technologies, presents a formidable challenge to electoral integrity.** These technologies enable malign foreign actors to



craft and disseminate hyper-realistic synthetic media, manipulating public opinion and undermining the pillars of democratic discourse on a scale and pace like never before. Looking back to the June 2024 European election, AI has not yet played the role in information manipulation that many previously feared. But the potential for abuse is obvious; not preparing for it would be extremely negligent.

In response to these foreseeable threats, Europe has emerged as a proactive leader in recent years, implementing robust measures in advance. The Digital Services Act (DSA) and the AI Act are testament to Europe's foresight, establishing a comprehensive legal framework to curtail digital manipulation. Initiatives such as the Code of Practice on Disinformation further illustrate the EU's commitment to defending its online information ecosystem. Yet the battle extends beyond legislation. Consequently, it needs a broader strategy to promote public awareness, improve digital news and media literacy as well as build international coalitions committed to preserving the integrity of the global digital information space. But above all, it will only succeed if Western tech companies – and here we are talking primarily about US businesses – become more aware of the geopolitical dimension of this global systemic struggle and take responsibility for their products and platforms accordingly in order to prevent as much misuse as possible.

Drawing from Europe's experiences, post-election strategies should continue to enhance coordination, standardise defence mechanisms, and establish specialised counter-disinformation units like Sweden's Psychological Defence Agency or France's foreign disinformation watchdog Viginum, which offer a promising blueprint for other EU member states. The successes achieved by the current EU Commission, particularly the EEAS' StratCom unit for Strategic Communication (StratCom) with its website EUvsDisinfo, underline the importance of vigilance and the preventive debunking of falsehoods. Such measures require flexibility



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and proactive engagement in the digital sphere. The European Parliament has also done much to put the threat of malicious disinformation at the top of the political agenda in Europe with its (somewhat awkwardly worded) 'Special Committee on Foreign Interference in all Democratic Processes in the European Union, including Disinformation' (INGE), which was set up in 2020. Many national parliaments of EU member states should take this as an example. Moreover, the call to action extends beyond immediate defensive measures. Democracies must invest in the long-term resilience of their societies, emphasising the critical importance of digital education to equip citizens with the skills to discern truth from falsehood.

► *By confronting this threat head-on, liberal democracies in Europe and around the world have the chance to renegotiate and reaffirm the fundamental principles of what truth and integrity mean within their societal framework.*

As we move through the complexities of the 2024 super-election year, the confrontation with foreign information manipulation and interference presents both a formidable

challenge and a crucial opportunity for democratic renewal. **By confronting this threat head-on, liberal democracies in Europe and around the world have the chance to renegotiate and reaffirm the fundamental principles of what truth and integrity mean within their societal framework.** This requires urgent action, because the future of democratic governance depends on our collective determination to confront and overcome the pernicious influence of foreign and domestic disinformation. At this crucial moment, our shared commitment to democratic values and the proactive steps we take will ensure a legacy of trust and integrity for generations to come that will be instrumental in strengthening the principle of liberal democracy globally.

But let us not fool ourselves: this is a challenge of historic magnitude. The super election year will culminate with a US election that will have a profound impact on us all and may bring back the greatest nemesis of information integrity to the White House: Donald J. Trump.

Olaf Böhnke,  
Berlin Director and Senior  
Adviser to the Transatlantic  
Commission on Election  
Integrity (TCEI) at the Alliance  
of Democracies Foundation





# The Democratic Shield: safeguarding democracy in the age of AI

by Alicia Combaz

In this critical electoral year, the development of generative AI presents a growing threat to democratic processes. With disinformation, deepfakes and social media manipulation on the rise, it is urgent to develop effective countermeasures. New technologies, such as AI, could also be used for this purpose. We call for the rise of a 'Democratic Shield' to safeguard the integrity of elections and defend democratic principles.

In the wake of incidents like the one that took place during the campaign for the Slovakian national election in September 2023, when a deepfake surfaced just days before the polls, it is clear that the threat posed by AI-driven disinformation is real and immediate. Without robust and proactive measures to counter these threats, the integrity of democratic processes will remain at risk. To tackle this challenge, make.org, in collaboration with a task force of numerous civil society organisations, experts in the fields of AI and democracy, has launched a new initiative, the Democratic Shield: ten cross-society actions dedicated to ensuring the security and integrity of the European elections.

The Democratic Shield demands strong commitment from civil society, political and public stakeholders, as well as public institutions. EU institutions particularly need to engage in policymaking in the field of AI and democracy, reinforcing quiet periods and combating online disinformation.

Since the beginning, the task force has persisted in engaging with the broader public to promote discussion of these ideas. Significant efforts have been made to translate these ten ideas into tangible actions and guidelines. The task force has successfully reached out to all spheres of society, engaging private stakeholders, public actors and civil society organisations, advocating urgent actions to safeguard electoral processes. As a result, the initiative has not only raised awareness but also inspired meaningful action, demonstrating the collective strength of civil society in safeguarding democracy in the digital age.

The Democratic Shield called for stakeholder pledges that became a reality: for example, the Code of Conduct for Political Parties, spearheaded by International Idea, which was signed by all European Political Parties. The Shield also called for action from media organisations and influencers, to uphold transparency and ethical behaviour

in their communications. Echoing this call, the Journalism Trust Initiative, launched by Reporters without Borders has been involved in this field, advocating for trustworthy journalism. The initiative also mobilises civil society to improve resilience against attacks. In turn, relevant webinars were organised by task force members.

In line with the goals of the Democratic Shield, **significant advancements have also been achieved in formulating technology regulation policies ahead of the elections. The recent activation of civil society has put the protection of election integrity at the top of the European political agenda.** The importance of this is further highlighted in a recent publication in which the European Parliamentary Research Service stated that "foreign interference in election processes has become increasingly prevalent, exacerbated by new technologies and widespread social media use and increased geopolitical rivalry".



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The measures proposed by the shield coalition are in line with political calls from March 2022 when the European Parliament called in a resolution "for regulation and actions to oblige platforms, especially those with a systemic risk to society, to do their part to reduce information manipulation and interference". In addition, the Digital Services Act (DSA) in 2022 marked an initial stride toward election protection, imposing new obligations on online platforms, enhancing user safeguards, and implementing transparency measures. With the European elections having just taken place, pressure has been mounting for action, prompting the European Commission to release new guidelines recently that indeed echo the Democratic Shield's demands.

Under the DSA, platforms with over 45 million active users in the EU are mandated to implement election-specific risk mitigation measures tailored to each individual electoral period and local context. Among these measures, the guidelines now ask large social media platforms to implement an incident response mechanism during an electoral period in order to mitigate the impact of incidents that could significantly influence the election outcome or voter turnout. On 24 April, the Belgian Presidency took proactive steps by activating the Council's Integrated Political Crisis Response (IPCR) arrangements, aiming to enhance the exchange of vital information regarding foreign interference.

The idea of an incident response mechanism echoes the Democratic Shield's idea to reinforce the quiet period and its extension

to social media platforms, in order to regulate virality in the event of a massive attack. Additionally, the guidelines align with the Democratic Shield's objective to label all AI-generated content, thereby mitigating the impact of deepfakes. This initiative has been promoted by the task force.

These guidelines resonate with the essence of the Democratic Shield: **a call for widespread commitment across all sectors of society to fortify the integrity of elections.** The DSA's insistence on collaborative endeavours mirrors the aspirations of the Democratic Shield, fostering coordinated actions against the multifaceted challenges posed by emerging technologies, and addressing threats from malicious forces aiming to disrupt democratic processes. Encouragingly, the emergence of complementary initiatives underscores the commendable dedication of civil society organisations throughout Europe. For instance, the joint-submission published by a coalition of civil society organisations in response to the Commission guidelines exemplifies collective efforts, highlighting the crucial role of disabling recommender systems, which promote emotive and extreme content to increase user engagement, in order to safeguard elections.

► *Together, we possess the collective strength to overcome obstacles and uphold the very essence of democracy.*

In this unified effort, these initiatives lay the groundwork for a resilient framework, aimed to ensure the integrity of our elections and the vitality of democracy. As we navigate the complexities of digital democracy, the EU and civil society must unite behind these measures with a shared vision for a future where democracy thrives. **Together, we possess the collective strength to overcome obstacles and uphold the very essence of democracy.** We invite other civil society organisations to join us in this important effort to raise the Democratic Shield together.

It appears that foreign interference, including the use of AI-generated content, was indeed witnessed during the recent EU election campaign. False narratives were spread through social media, focusing on topics like climate change and migration. Additionally, identity thefts through the 'Doppelgänger' campaign – aimed to mimic the appearance of legitimate media websites – were detected. The elections have caused a political earthquake in some member states (such as Germany, Austria and France) and it appears that the rise of radical political forces was openly welcomed by members of third-country governments.

The Democratic Shield anticipated the challenges ahead of the elections and proposed action aimed to further safeguard the electoral context. Yet, while relevant steps were taken in line with the Shield's spirit, it is too early to assess their actual impact. As other elections will follow, democratic forces must remain vigilant, active and aware even after the European votes are casted.



Alicia Combaz,  
founder and CEO of Make.org



# Defending democracy in the digital world

## Whole-of-society approaches against disinformation

by Omri Preiss

How can we mobilise all parts of society and foster cooperation to prevent disinformation from threatening democracy? By applying experiences and tools from cybersecurity to information threats, we have a chance to foster cooperation, build resilience and eventually transform the online sphere.

The threat of disinformation to our democracies and way of life has been increasingly visible and hotly debated. We have seen floods of so-called 'fake news' overwhelm our media ecosystems, and overtake reasonable decision-making. As the digital world and the tangible 'real' world merge, online noise has very serious consequences in the physical world.

**The fact that new communication technologies bring about an upending of social order is not new – some hundreds of years ago, the printing press brought about a communication revolution, which arguably drove the Reformation and a wave of religious conflict.**

The use of broadcast and print media for manipulation in the second world war era led to Stalin originally coining the term *desinformatsiya* (disinformation). We have only seen a small section of the path on which these developments will take us, and the future is very much ours to shape.

It is tempting to think of misinformation – wrongful information posted online – as just

erroneous news, the product of careless use of the internet, or as merely a scientific or technological problem to solve. It is also tempting to think that if only we could give people the facts, they would avoid the lies and errors.

► *The fact that new communication technologies bring about an upending of social order is not new – some hundreds of years ago, the printing press brought about a communication revolution, which arguably drove the Reformation and a wave of religious conflict.*

However, in the ongoing struggle between democracies and democrats on the one hand, and authoritarian regimes and movements

on the other, information is being used as a weapon to manipulate, divide, degrade and undermine. **What we see unfolding around us are systematic, intentional and sophisticated influence operations that are intended to upend and undo democracy,** and to promote extremist and authoritarian agendas. The use of bot armies, fake accounts, AI-generated content – these are some of the tactics that have made headlines. This has been part of a sophisticated and comprehensive playbook that has been replicated and refined around the world over the past decade.

In this constellation the attackers have an advantage: all they need to do is to poke holes, to destabilise, to disrupt – it is always easier to break things than to fix them. The defenders have a disadvantage, as they can easily be left behind, chasing after the latest disruption. It is only through coordination, cooperation, resilience and transformation that a democratic information space can really be defended.

- *The fact that new communication technologies bring about an upending of social order is not new – some hundreds of years ago, the printing press brought about a communication revolution, which arguably drove the Reformation and a wave of religious conflict.*



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This is why it is crucial to have a common language around which to coordinate. Researchers, analysts, policymakers, communicators, campaigners, tech platforms, private companies – all of these actors need to establish a common understanding of both problems and solutions. Having a common understanding and a common view is the first step to taking effective, coordinated action.

Enter DISARM – Disinformation Analysis and Risk Management – an open-source common framework (or a 'taxonomy', for those who like big words) on disinformation tactics and behaviours, which is overseen by the DISARM Foundation. It is based on cybersecurity approaches, to give a common understanding to those who defend against information manipulation and interference (often foreign interference aka FIMI – Foreign Information Manipulation and Interference). This is part of an effort to create an overall common data model to defend against disinformation – to be able to build common databases of actors, behaviours, contents and impacts of disinformation. As an open-source effort, it is community-driven, aiming to take up input from a community of users across the space who

collaborate using the system. This approach builds on the experience and infrastructure developed in the cybersecurity field. It has gradually been adopted by the EU institutions, and is now increasingly also adopted by governments and practitioners around the world.

- *Once there is common understanding and collaboration, more resilient systems can be put in place so that defenders can get ahead and set their own agenda, protecting free democratic debate and rights online.*

**Once there is common understanding and collaboration, more resilient systems can be put in place so that defenders can get ahead and set their own agenda, protecting free democratic debate and rights online.** If policymakers have commonly agreed on ways to size up the problem, they can more effectively apply the policy measures set out in the EU Digital Services Act.

A more resilient information space, which protects digital rights and freedom of expression, free from malicious interference, can enable democracy to develop. Eventually, the digital space could be transformed to become more humane – to move away from an attention and surveillance economy towards business models that add more value and well-being, from vitriol and hate online, towards more inclusion and human development.

Alliance4Europe started as a non-profit organisation. It was established to bring together whole-of-society action to defend and advance democracy in Europe. It has supported these efforts to develop the systems that enable cooperation, to proactively build a more hopeful future for European democracy, and an effective playbook on how to get there.



*Omri Preiss,  
managing director of  
Alliance4Europe, and  
a board member of the  
DISARM Foundation*

# A New Global Deal

## Reforming world governance



Our book 'A New Global Deal: Reforming World Governance' is our progressive contribution ahead of the United Nations Summit of the Future taking place in September in New York. It contains proposals to reform global governance, address current global challenges and get the SDGs back on track.

This book has been produced by the Foundation for European Progressive Studies (FEPS), in collaboration with Friedrich-Ebert-Stiftung, Karl-Renner-Institut, Fundación Pablo Iglesias, Fondation Jean-Jaurès, Olof Palme International Center, TASC, and Earth4All. It was edited by FEPS president Maria João Rodrigues and includes contributions by numerous renowned authors.





# DOSSIER

## HOUSING IS A HUMAN RIGHT

The housing crisis in Europe is becoming increasingly urgent. In the past, it mainly affected low-income and vulnerable categories (including workers, migrants, youth and single parents). Today, middle-income groups too often see half their salaries eaten up by rent or mortgages.

Housing insecurity and housing costs also affect people's health and well-being. In the long run, they increase inequalities, reduce productivity and lead to environmental damage. Measures implemented by the EU member states are often insufficient and inadequate. At times, they can even exacerbate disparities.

It is time for the European Union to make the housing crisis a priority, formulate policies and legislation, and provide funds to ensure decent and affordable housing for all.



# We need a 'Marshall Plan' for housing

by Isilda Gomes and Christophe Rouillon

Recently, shortages of affordable housing sparked protests in Lisbon, Amsterdam, Prague and Milan, but also in small and medium size cities, with the most vulnerable people raging against rents that are swallowing up to half of their incomes.

In the past, the housing crisis in Europe affected only low-income workers, migrants, single-parent families and other vulnerable groups. Today, it has become a problem for middle-income citizens too. Currently, this crisis is certainly the main social issue, with far-right parties surfing the wave of discontent. These parties always prosper when they can exploit the social gaps that emerge out of underinvestment and inadequate government planning and, particularly, when they can blame migrants.

Therefore, as members of the PES Group of the European Committee of the Regions, **we have declared housing our first priority and we propose a Marshall Plan for housing.** Housing is not like any other commodity that can be bought and sold. It responds to a basic human need and constitutes a fundamental right, which must be enforceable and safeguarded for everybody.

Our Marshall Plan is twofold. Obviously, we need to build more housing. But supply is not the only answer. We also have to come up with an innovative regulatory framework that simplifies the rules (to build new housing units), improves the funding and ends the market-only approach to housing. We should not be afraid

to impose social conditionalities in this sector and actively fight against speculation.

**With average rents in the EU almost 25 per cent higher at the end of 2023 than in 2010, the housing situation is no longer sustainable. Qualified workers and those delivering crucial public services (nurses, teachers, firemen and the police force for example) are no longer able to live where they are needed,** as Enrico Letta highlights in his recent report *Much more than a market*. This demonstrates that, beyond the social crisis, decent, affordable, adequate and available housing is nothing less than a prerequisite to a competitive European Union.

► *We declared housing as our first priority for the European elections, and we propose a Marshall Plan for housing.*

The declaration of Portimão, adopted by our political family in April 2024, puts forward a series of concrete proposals that aim to adapt

EU policies, legislation and funds, and have them contribute towards decent and affordable housing for all, while promoting climate goals and sustainable and inclusive communities at the same time.

EU member states, which have a long tradition of social protection and welfare benefits, are regrettably lagging behind international law when it comes to the recognition of housing as a legal human right. **EU citizens, for instance, cannot appeal to their national courts when it comes to their right to housing. Making the right to housing an enforceable right must be our first priority,** besides increasing EU competencies in the housing field. Housing should be considered a common good and a human right to prevent, first and foremost, homelessness as far as possible and to be able to tackle it rapidly whenever it does occur.

Money is always the problem in terms of investments, but we can free resources to renovate housing and build new units. First, member states should have quantitative national public investment targets to build more public, social and affordable housing with financial sanctions if their national goals are not reached.





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Second, 10 per cent of the unspent funds of the Recovery and Resilience Facility (RFF) and 10 per cent of the revenues of the new European tax on high financial assets ('Tax the rich!') should be used to build new housing units and renovate existing housing units. Third, we propose to make it possible, during the next EU funding period post-2027, for the European Regional Development Fund (ERDF) to be used to build new social housing units in all European regions, where and when deemed necessary by regional and local authorities. We also propose to ensure that any housing project involving EU funds earmarks 30 per cent of those funds for social and affordable housing for middle- and low-income households.

Besides the investment strand, we need to review the EU rules and regulations on housing. **Our key demand in this regard is to recognise social and affordable housing for all – and not only for disadvantaged people or socially less privileged groups – as a service of general economic interest (SGEI).** Consequently, the next European Commission

should amend the SGEI exemption decision so that member states, regions and cities can develop social housing programmes - not only for the most vulnerable, but also for those on middle income. In addition, we ask the European Commission to better fight against speculation, including through an EU-wide real estate transaction transparency registry and through a better implementation of the new regulation on short-term rentals.

All these measures are essential to tackle the current housing crisis, but they are not sufficient. We need to go a step further. We have to engage in intergenerational housing, gender equality and fair implementation of the European Green Deal in the housing sector. **Let us do this hand-in-hand with all European institutions and members states, during a regular annual EU summit on social and affordable housing,** bringing all the stakeholders in the sector together so that nobody is left behind. Only like this we will be able to bar the extreme right, and bring long-term and fair solutions to all Europeans.

► *EU citizens cannot appeal to their national courts when it comes to their right to housing. Making the right to housing an enforceable right must be our first priority.*



*Isilda Gomes,  
Mayor of Portimão and  
member of the European  
Parliament, Portugal*



*Christophe Rouillon,  
President of the PES  
Group of the European  
Committee of the Regions*

# Addressing Europe's housing crisis

## By increasing supply, implementing sound policies and thinking beyond housing

by Hans Dubois

Rents and house prices in the EU have increased more than disposable income over the past two decades. Mortgage interest rates have risen rapidly since 2022. Housing unaffordability is a problem in all member states. There are huge inequalities between population groups. If not well designed, measures seeking to address housing unaffordability can have adverse impacts. However, there is a range of policies that should clearly be stepped up to address the housing crisis, including in areas beyond housing.

Housing unaffordability excludes parts of the population from housing, and leads to housing insecurity, problematic housing costs and housing inadequacy. These problems affect people's health and well-being, contribute to unequal living conditions and opportunities and result in increased healthcare costs, reduced productivity and environmental damage. They also contribute to labour shortages in geographical areas where housing costs are high compared to incomes, including in education, childcare, public transport, healthcare, long-term care and other essential services. This poses challenges for the delivery of these services.

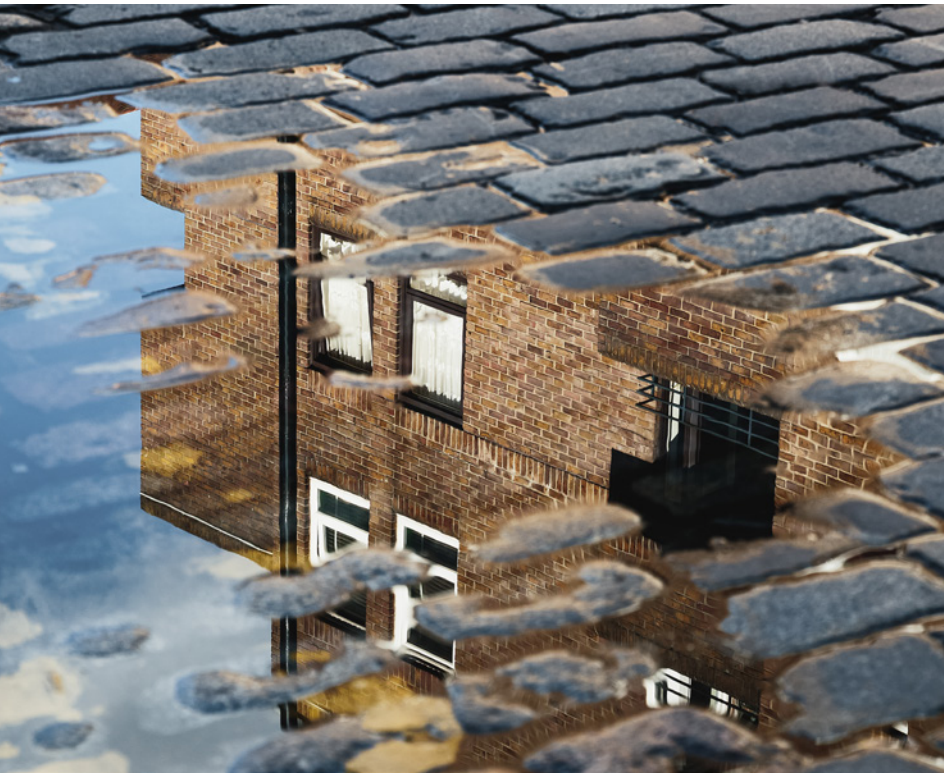
Groups most affected differ between member states, in size and the type of problems they face. There are enormous differences in housing affordability between geographical

areas within member states. In areas where jobs can be found – usually large cities – house prices and rents have increased most. However, **in all countries, people with low incomes are more likely to experience housing problems than those with high incomes. Spending 40 per cent or more of their income on housing (the 'housing cost over-burden', as defined by the EU) is more of a problem for low-income households.** In addition, in many member states, incumbent tenants are better protected by rent controls than those new to the rental market, who often only have access to social housing waiting lists.

Young people tend to be over-represented in these groups. As a result, they stay longer in the parental home. The proportion of people aged 25-34 in the EU who are employed and living with their parents was up from 24 per cent in

2017 to 27 per cent in 2022, with increases of 7 percentage points or more in Croatia, Ireland, Italy and Portugal. **Overall, the age at which still half of people in the EU were living in their parental home increased from 26 to 28 between 2007 and 2019. More often than before, those moving out of the parental home rent rather than buy their homes.** Renters on the private market face larger housing insecurity than people in other tenures. They also more often experience housing inadequacy, for instance in terms of poor insulation and energy inefficiency, noise from traffic, lack of space and lack of access to a balcony or garden.

For potential home buyers today, prices are record-high, as are mortgage interest costs. Although pre-2022 buyers still pay the same monthly mortgage interest payments today as pre-2022 if their mortgage interest rate



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was fixed for the long run, those with flexible, or short-term fixed, rate mortgages face increases in their monthly payments. And even people who own their homes without having to pay a mortgage need to be considered by policymakers. This group is the largest in post-communist and Mediterranean member states. Relatively often, they are older people living in rural areas. Many of them have low incomes and struggle with high utility costs amidst the rising costs of living. They cannot afford to keep their homes at an adequate temperature, nor to pay for home maintenance.

- ▶ *Overall, the age at which still half of people in the EU were living in their parental home increased from 26 to 28 between 2007 and 2019. More often than before, those moving out of the parental home rent rather than buy their homes.*

#### | WHAT CAN BE DONE?

Member states have implemented a broad spectrum of housing support measures. While benefitting certain groups, these support measures often come with challenges. **Rent subsidies and ownership support can create inequalities between people with and without access to support. For instance, mortgage support tends not to benefit the poorest, who are more likely to rent.** These subsidies and support can also drive rent or house prices up, as people who receive support are able to pay more for housing. Mortgage support can contribute to over-indebtedness, facilitating take-up of larger mortgages – a problem when people become unemployed for instance. Subsidising utilities purchase (electricity, gas) is at odds with the Green Deal, as it facilitates energy use, contributing to climate change and environmental degradation.

The extent to which these measures can have adverse impacts depends on their design. For instance, in some countries (Germany,

- ▶ *Spending 40 per cent or more of their income on housing (the 'housing cost over-burden', as defined by the EU) is more of a problem for low-income households.*

the Netherlands and Poland), housing support decreases with income, rather than being available only for people with income below a certain threshold. Rent controls can be such that incumbents are more protected than people new to the market and discouraged from moving to housing that better suits their needs. They may be protected from rent increases since they moved in long ago, but would lose this protection when moving out to a different dwelling (to downsize after children leave the home, for instance), and/or to a different town (for employment opportunities, for instance). Rent controls can be designed in ways to reduce these disincentives and inequalities. **Mortgage support can come with insurance against job loss. Social housing protects low-income groups against housing inadequacy and plays a key role in preventing and addressing homelessness.** However, in many member states it has a very limited capacity. Even those countries with the largest social housing stocks have long waiting lists. These can be reduced, but it is a challenge to do this without compromising on housing quality and stability.



There is a range of measures which really needs to be stepped up if policymakers want to solve the housing crisis. These include increasing housing supply by ensuring homes are built and renovated and vacant dwellings reduced (by large real estate investors for example); and increasing the capacity of so-called 'Housing First' programmes, offering homes to people who are (or about to become) homeless as a first step, rather than after engagement with social support. These measures have been proven effective in addressing people's homelessness, but many member states do not have the capacity to house more than one per cent of the homeless.

► *Proactive measures to support people with accumulating rent, utility and mortgage payment debts should be implemented at an early stage.*

Rather than subsidising energy use, the focus should be on reducing energy needs (insulation, solar panel installation). However, measures to reduce households' need to purchase energy often do not reach low-income groups. To do so more effectively, necessary pre-payments could be abolished for low-income groups, and measures should be designed to benefit both tenants and lessors alike in order to be taken up. Finally, **proactive measures to support people with accumulating rent, utility and mortgage payment debts should be implemented at an early stage**. For instance, support services approach once rent or utility arrears are noted, or when eviction notices are issued.

Housing problems can also be addressed by policies in areas beyond housing alone. Suburban areas, for example, could be better connected with low-cost public transport and cycling infrastructure. If focusing only on some areas and increasing the quality of life there, these measures would probably drive up house and rental prices. However, if access to such low-cost transport is improved at a larger scale, it can contribute to better household finances, better human health (cleaner air, physical activity) and a cleaner natural environment.

Also, people's financial situation should be improved, with employment opportunities and effective social protection. For instance, **in several member states, at least 20 per cent of people entitled to minimum income do not receive it** (mostly because they do not know about their entitlement). Furthermore, many people could work, or increase their working hours, if access to high-quality child and elderly care was improved. Ensuring access to services, such as healthcare and education, is also key in maintaining living standards regardless of housing costs.



*Hans Dubois,  
senior research manager  
in the Social Policies  
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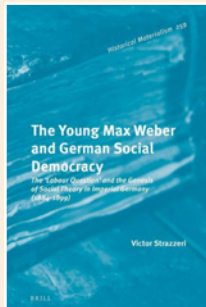
# PROGRESSIVE READS & VIEWS

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# Discarding old convictions with good reason

by Alexander Behrens



**Victor Strazzeri**

*The Young Max Weber and German Social Democracy. The 'Labour Question' and the Genesis of Social Theory in Imperial Germany (1884-1899)*

Chicago, 2023

"Weber? Weber? Wasn't that the guy who could explain everything a bit better than Marx?" This sentence comes to mind every time I hear the name Max Weber. My former history professor in Tübingen spoke these words in front of the Mohr Siebeck Verlag – Weber's publishing house. He grinned broadly and was delighted with his dig at the author of the Communist Manifesto. My professor had a few things in common with Weber when it came to lifestyle, status thinking and questions of ownership: Weber, was a descendant of Huguenots; the other was a Württemberg pastor's son. Both were pretty conservative. Bourgeois – but liberal in their essential attitude and with a big heart for the proletariat. "Class-conscious bourgeois", as Wolfgang J. Mommsen said, who once coined this wonderful term for Weber, brilliantly describing his social position.

However, Weber was politically even a little more right-wing than my professor, to use this modern way of defining his position. Weber's father had been a member of the Reichstag

for the National Liberal Party. His son became a supporter of Friedrich Naumann's Liberal Party. **Max Weber joined the All-German Association in 1893 and fervently advocated German imperialist fantasies of world conquest. In 1899, he even left the All-Germans with great fanfare because he thought that too many Poles were being allowed to cross the borders into Germany and were taking jobs away from the Germans.** Weber is also credited with quotes such as: (Karl) "Liebknecht belongs in a lunatic asylum and Rosa Luxemburg in a zoo". Or: "Liebknecht was undoubtedly an honest man. He called on the street to fight – the street killed him".

► *Max Weber joined the All-German Association in 1893 and fervently advocated German imperialist fantasies of world conquest.*

Seen from the outside, there seems to be a clash between origin, milieu and Max Weber's work. A conservative who is considered a 'bourgeois Marx'? Why? How did that come about? How could that be? Put simply, this irritation was the starting point for Victor Strazzeri's book *The Young Max Weber and German Social Democracy*. In fact, Max Weber recognised the revolutionary political power and socially formative significance of the working class early on. He approved of their political representation, the Social Democratic Party. And what is more, among the German conservative nationalists, he was one of the few who saw the social or labour question as "a life-and-death decision", as Pankaj Mishra stated in his essay *Flailing States*, published in 2020. **Weber even saw a possible political alliance between the bourgeoisie and the rising strata of the working class. Strazzeri describes very clearly how the young Weber made this ideological 'twist' and developed his positions in the Germany of the last emperors.** The declared aim is to show how the social question and its various 'refractions' influenced

Weber's development as an intellectual, from his time as a law student in 1884 to 1898/99. Strazzeri does this excellently, with many details and analyses of Weber's correspondence and early work, which has been little received compared to his major writings.

The book begins with an anecdote about Weber's family. As Max's mother was too exhausted to breastfeed him after his birth, the wife of a Socialist-minded carpenter came to the house. Whenever the boy later opposed his father and uncle, Hermann Baumgarten, with social and democratic positions, they consoled themselves by saying that he had absorbed his political views with his nurse's milk.

Strazzeri's book is divided into two large parts, and it is a thoroughly challenging read for people who have no in-depth knowledge of Marxist theory but are interested in the history of culture and ideas (like me). But worry not, we Marxist pedestrians will also get our money's worth from Strazzeri, who is himself a historian.

In Part 1, he traces some of Weber's family history, the views of the young student, the historical circumstances in which Max broke with the liberal-conservative milieu of his forefathers, and the external social circumstances that changed his thinking. **Strazzeri's main thesis is that Social Democracy and its influence in the German empire played a decisive role in this break along the lines of the 'social question'.** To put it crudely, the power of the SPD as a political interest group opened Weber's eyes to the lower classes.

Part 2 is a meticulous and complex analysis of early works and those from the middle creative period in which Weber dealt with agricultural labourers, the working class as a whole and the social phenomena of his time. Weber's association activities are also addressed, for example, in connection with the major empirical

study *Die Lage der Landarbeiter im ostelbischen Deutschland* ['The situation of agricultural labourers in East Elbe Germany'] of 1892 or his involvement in the Evangelical Social Congress. Strazzeri concludes that Weber's analytical key, his in-depth study of the workers' point of view, and his desire to understand their driving forces and motivations were directly related to their recognition as legitimate political actors. This not only enabled him to draw far-reaching conclusions about the significance of the labour question but also marked a break with the deeply ingrained patriarchal attitudes towards workers that were prevalent among the German upper classes.

Beyond these and many other fascinating individual aspects, perhaps the most interesting, even impressive, thing about Strazzeri's work is how he shows the 'maturation' of an intellectual, which we can observe in detail. And no, it is not easy to explain. **If Max Weber was not already so well known that he is reflexively quoted in every historical or sociological proseminar paper with Friederich Nietzsche, Walter Benjamin and Aristotle – one could almost rub one's eyes when reading Strazzeri's book: a conservative scion who ends up with completely different political positions from those with which he started.** He also provides scientific justifications for Weber's development that allow the political challenger of his ancestors, Marxism, to get away largely unscathed.

Weber regarded his society at the time as a regulative whole. The force that drove the flywheel was "modern capitalism as the most fateful force of modernity". And he saw the milieu from which he, Weber, came as just one of many social players – no longer necessarily as the privileged upper level of society, as his father had done. Weber recognised that the social question would almost inevitably lead to a fight against his own milieu of origin.

**He understood and justified as necessary the emergence of Social Democracy as an organised force that brazenly defied the liberal-conservative camp.** Of course, it was the result of blatant social and economic grievances. But what conservative thinker in the German Empire would ever have been interested in that?

► *Weber even saw a possible political alliance between the bourgeoisie and the rising strata of the working class. Strazzeri describes very clearly how the young Weber made this ideological 'twist' and developed his positions in the Germany of the last emperors.*

**Summarising Strazzeri somewhat roughly, Weber was no longer an inner conservative after these insights. The phenomenon of the social question led him to break with his milieu of origin.** Of course, this was much more complicated than I have described here, but in essence, this is precisely what is shown in the analysis of Max Weber's lesser-known writings, which Strazzeri analyses in the second part of his work in order to support his historical interpretation in the first part. Strazzeri already hints at this at the beginning of his book. You remember: Max Weber absorbed his empathy for the working class with his nurse's milk. His later elaborations on this were – in Marxist terms – superstructure. By virtue of his great analytical talent, this bourgeois Marxist, this left-wing national liberal, this conservative dyed in communist wool, thought beyond his time. For Weber, the reason for the power of the social question lay in the failure of liberalism and its economic-ideological conception of man. Bingo! As a contemporary, that is a lot of clarity and acumen to muster!



There is much to learn from Weber-Strazzeri. With *grandezza*, Max Weber gives us an example of what an intellectual must be able to do and be today, even in times of 'turning points': open, insightful, unprejudiced and ready to discard old convictions with good reason, without immediately throwing the baby out with the bathwater. Weber's development could be a good background for many of today's discussions. What is more, it can serve as a lesson against the irreconcilability of today's debates. **The 'moral' is that rethinking is always possible but we need to take the results of our analyses seriously enough.** Just as the time has finally come – for example – to chase away neoliberal doctrines of conservative provenance, which do not give a damn about the common good, we on the left must today begin to question this very devil with regard to certain forms of an elitist, disintegrative individualism with a strong sense of entitlement, which also do not care about social coexistence.

Strazzeri's book on Weber's transformation is an excellent academic study. But if we consider its results, it is even more than this. **It makes us realise that we must never forget to see society as a whole and the groups of people who populate it as powerful players. We must never underestimate their social and political power – especially when we are not planning revolutions or want to avoid them.** We should always ask ourselves what legitimate demands people will make of politics and our social life tomorrow and what interests and power relations will ultimately emerge. If we could always succeed in doing that – it would be quite something, would it not?

► *Strazzeri's main thesis is that Social Democracy and its influence in the German empire played a decisive role in this break along the lines of the 'social question'.*

*Alexander Behrens,  
historian, editor at the  
publishing house  
J. H. W. Dietz Nachfahren*





# A left-wing globalisation?

by Nils Kleimeier



**Marc-William Palen**

*Pax Economica.  
Left-wing Visions of a Free Trade World*

.....  
London, 2023

In his book, *Pax Economica: Left-wing Visions of a Free Trade World*, Marc-William Palen revisits the history of globalisation and excavates a forgotten lineage of left thought and activism: the economic peace movement, cosmopolitan activists who advocate a peaceful world united by economic interdependence. This type of free trade activism contrasts with the prevailing narratives of British gun-backed imperial free trade. Palen's book emerges not only as a historical account but also as a timely intervention in an era increasingly defined by the resurgence of economic nationalism and protectionism.

Palen's historical account represents both a revelation and a reinterpretation, asserting that the history of globalisation is far more ideologically diverse than commonly acknowledged. **By weaving together the stories of pacifist capitalists, Socialists, feminists and Christians, he aims to present a more nuanced understanding of globalisation's origins. Some proponents were motivated by profit, others by the proletarian revolution, the fight against world hunger, or religious beliefs.** What united them, Palen painstakingly shows, was the pursuit of *Pax Economica* – "a new prosperous economic order devoid of imperialism and war".

The book shines in its critique of protectionism and its imperial consequences, making a compelling case for how desires for self-sufficiency have historically led to expansionism and confrontation. Friedrich List's protectionist teachings loom large here. Popular again today, Palen reminds us that List's teaching about "cultivating waste territories" and "barbarous nations" into the "highest means of development of the manufacturing power" represents a "protectionist call for colonial expansion". What we remember as the imperialism of British free trade, Palen recasts as Listian protectionist imperialism.

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Where Palen struggles is in his last chapter. While he uses the first five chapters to untangle the first century of globalist activism, he squeezes everything between the second world war and Russia's attack on Ukraine into the last chapter. This density is even more concerning as this chapter also contains a crucial analytical element: Palen's 'theory of error' – his explanation of why a *Pax Economica* failed to manifest itself at different points in time. This theory of error merits attention as it is pivotal for the book's political conclusions.

Why did a *Pax Economica* not develop after the second world war? In his first explanation, Palen argues that the postwar institutions – the United Nations and the Bretton Woods system – were influenced by the idea of such a *Pax Economica*, but failed to overcome the rapidly rising paranoia and division that the cold war created.

Why did the Global South's aspirations of a New International Economic Order fail? The second glimpse of a *Pax Economica*, the 1970s activism of the Global South for a fair free trade system, failed for the same reasons. Palen shows how well-founded demands were dismissed and suppressed due to fear of the Bolsheviks and anti-capitalist revolutions.

Why did a *Pax Economica* not arise after the end of embedded liberalism? To explain the 1980s period, Palen introduces a counter ideology against the *Pax Economica*, the so-called neoliberal 'free-enterprise system'. **He argues that neoliberals utilised the century-old groundwork of the globalist movement by aligning with christian activists. These christian libertarians slightly adjusted their position from 'free trade is a divine law' to 'the free-enterprise system is clearly outlined in the bible'.** Under the rule of neoliberal thought, the chances of child protection, anti-colonisation and democratisation for the Global South vanished. And while Palen criticises Listian theories for their colonial heritage in developed countries, he deems them necessary and just for developing countries.

► *Palen argues that neoliberals utilised the century-old groundwork of the globalist movement by aligning with christian activists. These christian libertarians slightly adjusted their position from 'free trade is a divine law' to 'the free-enterprise system is clearly outlined in the bible'.*

But why did globalised neoliberalism ultimately fail to deliver a *Pax Economica*? Palen's judgment of the neoliberal era is one of eroding democracy, powerful corporations and "endless US war". He describes it as a "bipartisan neoliberal penchant for coercive interventionism and the superficiality of the Washington Consensus". Palen explains the end of neoliberalism with the rise of sanctions, embargos and coercion culminating in Brexit or the America First style foreign policy. He identifies our current era as a neo-mercantilist period, reinforced by the Covid-19 pandemic, China's regional expansion and Russia's nationalist imperialism.

All these accounts lack detail and are focused on highly complex events where the direct impact of interest groups' influence is difficult to trace. This leaves Palen's theory – or rather theories – of error unconvincing. In turn, this causes problems for his own political agenda – a new *Pax Economica*. Palen calls for a "new supranational governing structure" including a disturbingly western-centric "triumvirate of the United States, Europe, and the Global South". While certainly ambitious, it lacks detail, justification and, most importantly, an effort to learn from past failures in establishing a *Pax Economica*. Yes, Palen calls for vigilance against "economic nationalist partnership" with the right, arguing that the emerging protectionist order is the opposite of what left activists have demanded for over a century. Yes, he urges us to use the open door of "neoliberalism's demise" to fight for a "left-wing globalist" *Pax Economica*. However, **he fails to explain how such a model could resist renewed co-optation by neoliberal forces. This is precisely what happened in the past, repeatedly.** How can we be sure that it will not happen again?

Additionally, we already live in increasingly separated blocs. The politics of reshoring and decoupling are popular, if not yet irreversible. If the cold war prevented *Pax Economica* before, how can we overcome today's division and paranoia? Palen fails to make a compelling case for how to avoid the pitfalls that have historically undermined *Pax Economica*.

**Given his superficial theory of error and a blueprint that does not meaningfully engage with the failures of the past, he cannot solve the schism of the left regarding globalisation.** This is important, as even the title argues that the *Pax Economica* is a leftist vision – but is it really and is it desirable for the left? Left-wing scepticism towards globalisation is as old as the support that Palen foregrounds. Moreover, the Marxist embrace of free trade follows a distinct strategic calculus: globalisation as a pathway to Socialism. The crux of this

argument – that free trade accelerates class conflict to the point of revolution – poses a pivotal question for today's left: is an anti-capitalist revolution still desired? For the Marxist tradition, support for globalisation would be conditional on continued commitment to revolution. Although Palen presents this tension in his chapter on Socialist internationalism, he fails to address its implications for today. Instead, he advises the left to be moderate and align themselves with capitalists, thus depriving the original Socialist case for globalisation of its analytical foundation.

This leads to the general theme of the book: visions. Palen maps the interconnectedness of activists through their organisational and personal networks and privileged free trade visions. **Just like these activists, he sidesteps the often-dirty realities of globalisation on the ground. Palen justifies this by arguing – in an eerily familiar manner – that 'real' globalisation has never been tried before.** For a specialist history of left-wing globalist networks, this restriction is unproblematic. However, it severely limits the political conclusions Palen draws in his final chapter.

*Pax Economica* serves as a crucial reminder that free trade was once a left-liberal ideal. It highlights its potential as a counter-narrative against the rising tide of protectionism. Yet by foregrounding the ideal over the actual and the possible over the proven, Palen's work ultimately falls short of providing a convincing left-wing case for a free trade world. His exploration into forgotten activism enriches our understanding but also underscores the difficulties of navigating an increasingly fragmented global order.

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## Hands over the city

.....  
Francesco Rosi, 1963

"How much does a square metre of land cost here today? €300? €500? But tomorrow this same square metre may be worth €60,000 or €70,000 or even more. That's 5,000 per cent profit. What can give you this today? Trade or industry? (...) Invest your money in a factory, then with unions' demands, strikes, health and social insurance, all these things will give you a heart attack. But instead, with real estate, no worries, no risks, only profit. We just have to make sure that the municipality brings roads, water, gas and electricity here".

If you thought these words were the opening lines of a contemporary movie denouncing modern urban development, you would be forgiven. But no, this is 1963, and it is Francesco Rosi's classic *Le mani sulla città* (Hands over the city). Just... the currency was intentionally changed.

Set in post-war Naples, this socio-political drama delves into the murky depths of real estate speculation and corruption. It depicts the inter-connection between politics and the real estate grid, and shows the evil of unchecked capitalism. The film follows the unscrupulous property developer Edoardo Nottola, masterfully portrayed by Rod Steiger, whose ambition to make money is matched only by his disregard for ethics and for the human cost of his actions. His machinations, underpinned by political collusion and amorality, reveal a city on the brink of moral collapse. He leads the creation of a new centrist party to preserve his influence on zoning laws and urbanism. This anti-hero incarnates a local politician's worst features: zero respect for the public good and the public sector, which are only means to more speculation.

The film is raw, dialogues are sharp, characters vividly drawn and the stakes palpably high. Rosi indulges in documentary-like realism. In fact, he did actually consider making a documentary to denounce a reality he saw first-hand. However, fearing censorship, as many of the political protagonists were still in charge at the time of filming, he opted for a fictional movie. A final explanatory note clarifies that the connection between local politics and greedy real estate developers is no fiction. Hands over the city is a narrative about one man's greed, and an indictment of systemic corruption. Today, it invites viewers to reflect on their own urban and political environments, and it resonates with a world facing similar issues of gentrification, displacement and political complicity. If you feel particularly jaded about the state of modern urban development, take a trip back to 1963. You will find that, all too often, the more things change, the more they stay the same – until we can really start controlling capitalism and prevent it from controlling our decision-making.

David Rinaldi



## On the Fringe

.....  
Juan Diego Botto, 2022

During *On the Fringe* I spent my whole time remembering the hardest moments of the 2008 economic crisis: unemployment, evictions, bankruptcy, precariousness, poverty. And to help deal with those painful memories, I kept telling myself, "Fortunately, things are better now, the worst is behind us". That is why probably one of the most distressing moments comes in the epilogue: "Today (Spain, 2022), 100 evictions occur every day. And 400,000 have taken place in the last decade".

*On the Fringe* is a Spanish-Belgian social thriller that tells the interwoven story of various characters over the course of 24 dramatic hours. The common thread is evictions, debt, unemployment, precariousness, poverty and desperation. A mother of a five-year-old child about to lose her home; a migrant young mother juggling several jobs who is about to lose custody of her child; a ruined entrepreneur whose mother is about to be evicted; and a lawyer fighting against the system, the saviour who cannot save himself. It also portrays citizens' solidarity and activism within a crippled welfare state.

This is Juan Diego Botto's first film. Co-written with journalist Olga Rodríguez and with superb performances by Penélope Cruz and Luis Tosar, it is a painful but necessary reminder for all progressive thinkers, policymakers and activists that an increasingly large part of society is facing these kinds of hardship and that we must continue fighting against them – especially in the current context of a far-right gaining increasing access to governing bodies.

The film is also definite viewing for those who are frightened by an alleged security and squatting problem in Spain and are regularly urged by the right and far right to install security systems in their homes. The real housing problem is not the threat of squatting, however, but the fact that too large a part of society simply cannot afford a roof over their heads – a basic human right.

The action occurs in Orcasitas, a working-class neighbourhood in Madrid, but it could be anywhere in Europe. It would be a mistake to think that the story of this movie has to do with a specific context and a specific place. Capitalism, speculation and the search for profit have no frontiers and must be controlled.

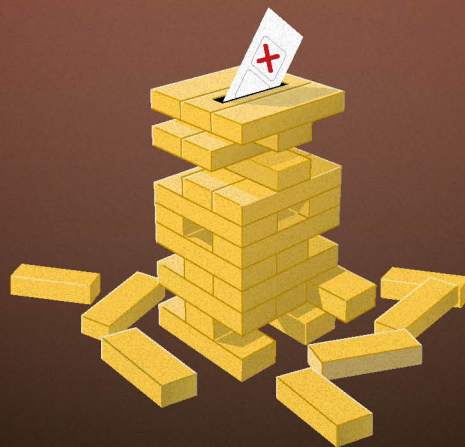
According to the dictionary, 'fringe' is "the border or outer edges of an area or group". Sadly, and wrongly, we seem to have accepted that a small part of society will always live 'on the fringe'. Nevertheless, with inequalities increasing across Europe, the risk is that – unless we stop them – the edges will keep widening and getting more blurred until they are no longer edges.

Ainara Bascañana

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