PREFATORY REMARKS

Discussion and debate on the future of social democracy between British and European colleagues and comrades is vital, now more than ever.

We in the UK appreciate the solidarity, care and interest of our European colleagues and comrades. It will be remembered. It will be reciprocated.

Against this backdrop, I want to say a little more about friendship and solidarity – about our continuing commitment:

– to each other, across Europe,
– to the cause of social democracy,
– and to the idea of a Good Society.

INTRODUCTION

I am a committed British social democrat. I am a committed European. I am a committed internationalist.

And I have learned a lot about how to act on those commitments from debates about the Good Society.

And I understand that internationalism is of fundamental importance to the Good Society – because the Good Society is one that rises to and does not duck the challenges of climate change, the digitalisation of work and the effects of global markets, and because those challenges can be met only if we work together.

And for that reason it is important that – in the face of Brexit – we renew and refresh relationships: between Britain and Germany, between Labour and the SPD and between Europe and social democracy.

The crisis of Europe and the crisis of social democracy are intertwined – the one begets the other.

And when that crisis is resolved it will not be because Europe and social democracy have been disentangled.

On the contrary, social democrats need a strong Europe and Europe needs strong social democrats, thinking, working and winning together.

KEY ARGUMENTS

The crisis of social democracy has been under way for a long time. And it is linked to wider changes we have yet to grasp fully.

– For our social democrat forebears the agent of political change was the working class. And it was the organised working-class that gave social democracy power.

– Production was organised by big bureaucratic firms and that gave social democracy a clear focus for change.

– That also gave rise to a form of government, playing a role in brokering the class conflict and using its own bureaucracy to do things for people.

But almost all of that is gone:

– our societies are not homogenous and the working class is no longer a united political force;

– production has become multinational, dispersed along complex supply chains and thus hard to govern;

– and people are suspicious of both the capabilities and the intent of government agencies who say they want to help.

Our societies are individualised and lack cohesion.

Social democrats exist to get the market to serve people and to free them from servitude to the market. But because of all these changes, our capacity to do that – and people’s belief that we can – has been weakened.
We are now living through further dramatic change:

- from industrial national societies to the knowledge- and technology-driven globalised economy;
- from collectivist class culture to individualised consumer culture;
- and, just as importantly, from a print culture – newspapers, pamphlets and books – to a digital culture of WhatsApp, tweets and YouTube videos.

This is a world in which people’s political identities and interests are shaped not only by the economics of the factory but also – and perhaps more so – by the culture and sentiments of the Facebook Timeline.

But none of these changes make international social democracy a thing of the past. On the contrary, they make it a necessary part of our future. Only through international collaboration and cooperation between social democrats can our countries successfully:

- restore balance to an increasingly unequal digital economy;
- rebuild communities in which people live together rather than compete alone;
- reignite the process of making a just transition from an environmentally exploitative economy and society to one that is eco-centric: putting ecology at the centre of what we do.

But British cooperation with social democratic parties across Europe has not always been what it might be.

In the UK the historically dominant wing of the Labour Party has been pro-European but has supported only a watered-down version of a Social Europe. New Labour’s instincts were to weaken social directives and too often to boost market liberalisation. Labour wanted the economic benefits of the four freedoms without having to build the European cultural, social and political infrastructure needed to support it.

Corbynism, I think, took things too far the other way. It had a moral commitment to internationalist solidarity, but seemed not to understand the political and strategic necessity of internationalism. At times, it seemed as if we believed we could just ignore social and technological change and invent ›socialism‹ in one country.

Now Labour is looking for new leadership. Yet none of the potential leaders has said anything much about the future of social democracy or Europe. The leadership campaign has been pulling up and inspecting the weeds of past policy, not planting seeds for the future.

At the very moment when – after a fourth election defeat in a row and the biggest for almost a century – the Party should be thinking big, looking to the long term and building a broad coalition it is offering only small ideas, short-term considerations and a narrow appeal.

Meanwhile, the country is facing Brexit. I still think it is and will be an economic, political and cultural disaster for the UK. We will live to regret it. But it is done.

British social democrats are paying the price for never being wholeheartedly European. And now we face five years of a hard-right government that will try to deregulate our labour market even further, starve what is left of our welfare state and maintain its electoral coalition by feeding an inward looking English nationalism.

But let’s be clear. It may look like we are stuck in Europe’s past. But maybe we are one of its possible futures. What has happened to us may yet happen to others.

The harsh reality is that more than a decade of low growth and wage stagnation has sapped the vitality and values of the whole of the European Union. The prohibition against any deficit spending means that unnecessary and damaging austerity has been imposed on Europe’s weaker states, with horrific consequences for Greece above all, but with sub-standard growth for many others.

Europe punches its weight in trade because of the integrated Single Market but it has no means to reflate the economy in recession; it is not able to use the euro to counter the power of the dollar and to resist US blackmail of European companies, for example, over the Iran nuclear deal.

- Europe’s defence and military capacity is negligible. It has no influence in Syria, Ukraine or, most dramatically, in Libya where both Russia and Turkey intervene while the EU looks on helplessly.
- Europe’s industrial strategy is uncertain. Will it invest in new European cutting-edge companies or leave matters mainly to the market? And if it opts for investment then where will it find the resources?
- Europe’s climate change policy is contradictory. The new Commission wants to show leadership and has made serious policy commitments with its European Green Deal. But the budgets it can release are small because – yet again – it is unable to utilise the power and potential of the European Central Bank (ECB) and to enable quick, easy capital investment.

All of this leaves the EU ill-equipped to deal with the challenges of the twenty-first century.

There is a risk that its leaders will just muddle on knowing that change is needed but finding it too hard – waiting until their hand is forced by another, even bigger political crisis. And will be too late.

In these initial phases of the Brexit negotiations the 27 member states have shown impressive unity and they will be able
to withstand the initial shock of a major country leaving the bloc. But the forces of nationalism resonate across Europe, feeding on uncertainty, inequality and resentment.

Precisely because social democracy is in decline right-wing populism is on the rise. The chances of a Salvini or a Le Pen making a breakthrough remain high. As Thomas Piketty has recently warned: »If we don’t change the way the EU is organised, we’ll have another Brexit.«

PROOF

Now, this is a stark picture. Let me make up for it by giving the other side of the argument.

And by making use of the rich discussions we have had, between German and British social democrats, about the Good Society and about what we may think, say and do next.

The EU must reform.

The current balance of political forces in Europe means that the main impetus for reforms will inevitably come initially from the centre and the right.

Given the current bureaucratic structures of the EU, the momentum has to come from its political heavyweights, most crucially Germany and France. The measures need to be practical and immediate, using the EU’s existing instruments and mechanisms to revive and give it new impetus.

The first step will be to drop the austerity mind-set.

European Investment Bank funds and bonds should be available for extensive Green Deal investments in renewables, energy efficient home improvements and new low carbon mobility.

Encouraging an expansionist but green economic programme would give people a new perspective on European collaboration and a new vision of its future.

It would offer higher growth within planetary boundaries and lift the doom and gloom that has characterised the Commission for the past decade or more.

The second step is to deepen democracy within our nations and across them. Yes, we have to pool sovereignty – but that sovereignty must still be democratically accountable.

Now I am all too aware that in saying these things I run the risk of repeating the mistake of so many UK politicians. Lecturing you on what the EU must do. But I say these things because Europe remains the context for British political economy. The EU is our largest trading partner by far. Britons make over 50 million journeys to Europe each year. However fervently Boris Johnson may wish to Leave, the UK will Remain 22 miles from Calais – and 3,000 miles from New York. The interdependence of all people and nations can also not be wished away. The UK and the EU still have shared interests across a whole range of areas.

All parts of the progressive political spectrum – here and in the EU – need to be clear. For reasons of economics, geography, history, culture and security, a close working partnership between the UK and the Continent is now, and will remain in the future, in the interests of all.

Whoever becomes Labour’s next leader must pursue strategic leadership across Europe.

Back in 2017 the Bruegel Institute set out a pathway for the future relationship between the EU and the UK, recognizing the latter’s decision to leave. They acknowledged that this was no ordinary departure and that the EU needs to maintain a close and positive relationship with the UK, despite the storms ahead.

This is even more true today. A lot rests, for all of us, on the UK staying under the umbrella of the EU when it comes to security, defence cooperation and climate change.

But it also rests on the continued development by all of us, social democrats across Europe, of a vision of a Good Society.

In communities across Europe, our citizens are responding to the limitations of the remote state and the failures of the free market, by collaborating in addressing their social and environmental needs. Powered by new technology, the Good Society is being built anew, from the bottom up.

But it needs our help. The state – locally, nationally and across Europe – has to help accelerate, amplify and aggregate these new forms of collaborative politics. And only social democrats can do that.

CONCLUSION

There are threats. But there are also reasons to be cheerful.

Ideas and experiences are springing from the grassroots from all over Europe that can be tested and promoted by and shared with everyone. And there are signs of political change.

Portugal shows that progressives can work together, buck austerity and be electorally successful.

Sinn Fein, who have broken the decades-long domination of defensive conservative politics in Ireland, may start doing the same.

And in Italy the ›Sardines‹ have shown how important and effective social movements can be in resisting the rise of the Right.

Twenty years ago Blair and Schroeder penned their Third Way/ New Middle document. I think we can agree that it had – lim-
iterations. Ten years ago my good friends Jon Cruddas and Andrea Nahles published Europe and the Good Society, nudging us back onto a path that was both social and democratic.

Today, we social democrats of Germany and the UK have committed to renewing both our creed and our continent. The fate of social democracy and Europe go hand in hand. Our task, as it has always been, is to shape modernity in terms of our core values of solidarity, equality, democracy, peace and sustainability.

Only we can do it. And we can only do it together.