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2003 will be crucial for the renewal of the progressive Left.

In Europe the high tide of Centre Left influence came after Gerhard Schröder's victory in September 1998. Eleven of the 15 EU governments, and four of the biggest Member States had Centre Left Prime Ministers. On the other side of the Atlantic Bill Clinton occupied the White House.

Today we have a Republican President of the United States and it is uncertain what will be the political character, as well as personality, of his Democratic challenger in 2004. The Centre Right is unprecedentedly strong in France and Italy. Social Democrats have lost their strong position in a string of smaller EU countries – Austria, Portugal, Denmark and the Netherlands. And Gerhard Schröder narrowly scraped back to power, having made a remarkable electoral recovery, and at the time of writing faces huge challenges on many fronts.

In Britain we are in a typical mid-term. After two election victories, we need to recover momentum and project our progressive agenda for the third New Labour term we look set to win.

## Editorial

Peter Mandelson MP,  
Chair of Policy Network

But what should that agenda be? What lessons can be learned from our collective political experience? What are the new policy directions where progressives should lead the way? These are questions Tony Blair addresses in his keynote article on the future direction of

the Third Way. He will also be debating them with fellow Heads of Government at the Progressive Summit which he will be hosting in London in July.

And alongside that Summit, Policy Network will hold a Conference of policy experts, advisers and Centre Left politicians in order to debate the next steps forward.

I trace the origins of Progressive Governance to another Conference in London ten years ago. It was a bleak Saturday in January. Several hundred of us had given up part of our weekend to hear Bill Clinton's campaign team explain how their candidate had just won the US Presidency. To people like me on the British Left, who had struggled to pull the Labour Party back from the wilder shores of extremism, but were still suffering the pain of a fourth successive defeat, the Clinton message was a remarkable tonic. It demonstrated how the Centre Left could construct a political platform that could win over the mainstream majority, but remain true to our core Centre Left values. That New Democrats programme of economic opportunity for all, active government to advance social justice and rights matched by responsibilities was a powerful and refreshing alternative to the Reagan-Thatcher neo-liberal consensus we had lived under so long. It was an inspiration to New Labour. When Tony Blair won power in Britain in 1997, it seemed entirely the right thing to do to explore whether we could turn that shared Third Way approach into a nascent international progressive movement.

The Right has always jibed that New Labour and New Democrats had

nothing more in common than an opportunistic will to win elections. In contradistinction, we sought through the Third Way to demonstrate that we represent a coherent governing approach: an approach that would dominate the intellectual high ground in the era of globalisation. We succeeded spectacularly for a time. Now is the moment to recharge our batteries. The political timing is right. But so is the opportunity to reflect on a world of multiple insecurities that feels very different from the confident mood of the latter half of the 90s.

The Progressive Governance Conference in July will be thoroughly prepared.

There will be a series of working groups examining different dimensions of the challenge facing progressives: how to combine a renewal of economic dynamism with more social justice (in European terms, what the Lisbon agenda means for the reform of the European social model); public service renewal; migration and integration; the extension of a rights and responsibilities agenda in society; corporate reform and the responsibilities of big business; and global governance. The articles in this edition of Progressive Politics are important initial contributions to this debate.

The Greek Prime Minister and Polish Foreign Minister survey European economy and society. In March, the Spring European Council – held under the Greek Presidency – will be required to give renewed impetus to the Lisbon Strategy. As Constantine Simitis notes, some progress has been made towards the goal of making Europe the most competitive economy in the world by 2010, but in many areas this is too slow. In addition, as Włodzimierz Cimoszewicz argues, it is important

that the future Member States from Central and Eastern Europe and the Mediterranean Countries are fully integrated into this process.

These countries are preparing to hold referendums on their accession to the EU.

Indications are that the referendum debate is likely to be a “shrill and abrasive affair”, with some arguing that if they join, the new Member States are likely to become little more than a dumping ground for goods and a source of cheap labour. The Spring European Council provides us with an opportunity to convince them otherwise, while

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simultaneously letting our citizens know that the EU is dealing with issues of direct concern to them – jobs. In July we are delighted to be inviting the Centre Left governments of Poland, Hungary, the Czech Republic and Romania to join in our Conference proceedings.

The European Commissioner responsible for Justice and Home Affairs examines the challenge of migration and asylum in Europe. As António Vitorino’s article illustrates, there are many myths in this area. These myths, as well as current policies, which often encourage illegal immigration, need to be combated head on.

*“The way our administrations work makes it extremely difficult to send people away once they are in. So, it pays to come in illegally.”*

While Vitorino argues that we need to take on illegal immigration in

partnership with other members of the EU and third countries, we must also accept that we should open up legal channels for economic migration. Here, as in other areas, the role of the EU, and partnerships with our neighbours will be of upmost importance.

In addition, and despite the fact that recent security scares have linked terrorism and asylum seekers, Vitorino is rightly anxious that these two concerns do not come to be considered synonymous with one another.

Vitorino also addresses squarely some difficult issues for the Centre Left.

*“I am not prepared to sacrifice religious freedom or equality between men and women on the altar of a multicultural society.”*

He believes migrants should learn the national language. Allowing them to remain aloof in the name of ‘freedom of expression’ encourages a ‘ghetto’ culture.

*“If no action is taken, we shall help ignite the public’s frustrations, and fuel the extremist parties that have mushroomed in recent years.”*

The issues of corporate reform and the responsibilities of business are addressed in two articles by John Browne and Nicole Notat, one CEO of a blue-chip company, BP, and the other a former trade unionist.

Browne argues that firms have to invest in the development of society if they want to ensure they can do business successfully in the future. He acknowledges that some may be concerned that corporate social responsibility is little more than neoliberalism dressed in ethical clothing. Browne also reminds us that

NGOs do not have vetoes on the actions of private firms whose primary concern is still the creation of profit.

*“NGOs are advocates. We should respect and debate with them, but they do not have a veto on what we do.”*

Nevertheless, Corporate Social Responsibility, and corporate reform more generally, reflects a growing recognition that citizens are judging the quality of firms on a far broader set of criteria. Notat points out that during the 1990s, 90 per cent of American firms listed in the Fortune 1000 had an ethical code of conduct: in Europe the figure was only 50 per cent.

There are three articles relevant to global governance. It is not just Europe’s internal unity that needs to be re-asserted here, but also we need to consider whether Europe’s solidarity with the US is also in need of strengthening. Too often, the European left gets bogged down in unjustified anti-Americanism. If we object to American ‘unilateralism’ we have to ask ourselves what we as Europeans are contributing to the evolution of a new international system and how better we can project Europe’s combined strengths.

Of course, global terrorism, weapons of mass destruction, migration and asylum are not the only global challenges that progressives are confronted with. As Gro Harlem Brundtland illustrates, in the 21st century the slums of Nairobi threaten those who live in the wealthy part of the world in a manner not too dissimilar to the way the slums of London threatened the inhabitants of Mayfair in the 19th Century.

While globalization has the potential

to be a force for better health, as for other issues, Saskia Sassen warns that the current mechanisms of global governance are not sophisticated enough to ensure democratic participation and accountability. They have shown the ability to develop, and, if the appropriate level of political will can be mobilised, these mechanisms could be reformed.

However this edition of *Progressive Politics*, like the first, focuses above all on the modernisation of public services as one of the central

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challenges facing the Centre Left. In opposition to the Right, whose dearest wish is to see public services fail, progressives must develop policies that reconcile the increased individualism of our modern society – testified to by increased demands for choice – with the continuing need for people to act together in solidarity in order to promote, through the instrument of high quality public services, security and opportunity for all. We need new style public services tailored to the needs of a less deferential and more demanding population, one that is both more informed and assertive.

The resolution to these dilemmas requires that we challenge the status quo and fundamentally redesign monolithic, largely state provided and centrally managed public services. These services were based on a

paternalistic relationship between the state and its citizens, one in which the state played the role of protector or provider while the individual citizens were often the passive recipients of universal, often basic, standardised services. In the UK, this was the essence of the post-war 1945 settlement, which must now be radically refashioned.

Alan Milburn, Britain’s Secretary of State for Health in UK, demonstrates that he is one who will never run away from this formidable political challenge.

*“We can preserve values and yet still change structures. We recognised this when we got rid of the old Clause 4 from our Party’s constitution. We did not change the values in which we believed but we renewed our Party’s appeal as a result. We now need to end the old Clause 4 approach to public service delivery. We must not abandon the values and ethos of public service but – through local control and ownership, diversity and choice – we must now reconnect public services directly to the public that they serve.”*

Milburn argues that Whitehall dictat does not and cannot deliver public service improvement any more than total local freedom or free-for-all competition could.

*“The new political battleground is the politics of localism. The Tories desperately want to claim this ground. I predict that whatever policy pronouncements they manage to come up with over the next few months they will make every effort to stress their commitment to localism. In the process they will want to paint Labour as the party of the centralised, out-of-touch State; the party of government-*

*knows-best rather than consumer choice; the Party of one-size-fits-all, take-it-or-leave-it public services.”*

Milburn sees his landmark proposals for Foundation Hospitals moving local control “beyond just local managerialism into genuine local ownership”.

David Miliband, Britain’s Schools’ Minister takes as his starting point that the left stands for a new, modern vision of citizenship. Public services are central to opportunity and security, and these are the heart of modern citizenship. As education is the means through which citizens’ economic and social futures are decided, it is thus the heartbeat of a nation.

If education is to provide citizens with the economic and social skills they need for the future it must, simultaneously “counter the rising boredom among our younger generation. It is, then, high time that we evaluate education from the perspective of the learner, use ICTs to make classes more interesting, and remodel the school workforce itself.”

Public service reform however is not well understood or supported in the Centre Left’s core constituency. Tiziano Treu looks at the experience of public-private partnerships which are often opposed from an ideological standpoint. It is not just in his native Italy but also in the UK that private initiatives are viewed with concern and scepticism by public sector staff. Of course, to make a success of public service reform the commitment of public service staff is essential. But certain myths about public-private partnerships need to be laid to rest. Recent developments in the British NHS have ensured that the majority of

staff working for Private Finance Initiative contractors will maintain NHS terms and conditions. As Treu argues, in this context:

*“Unions should persuade members that innovation is an opportunity to improve the quality of their work and restore the ‘dignity’ of public service employees.”*

Choice is an equally controversial issue in public service reform. As Jorgen Abildgaard and Torben Vad illustrate in their analysis of the use of the voucher system in Scandinavian health provision, these systems have empowered the elderly and disabled – among others – by allowing them to manage their own personal assistants and to participate in activities outside their home. Extending choice – and thus improving user satisfaction – is likely to increase support for universally funded services among those who might otherwise be tempted to opt out. In turn, increased choice can provide instruments to empower those whose needs have hitherto been ignored by service providers.

Douglas Alexander, a Minister in the Cabinet Office, puts these debates in a more political context. We should be careful not to present questions of public service reform in a technocratic manner. The real lessons to be drawn from recent electoral results in Europe and beyond is that to be successful political parties need to tap into the emotional dimension of politics, to provide a larger political narrative that helps the electorate make sense of the choices being offered and the policies being promoted.

*“The test is to understand what resonates with voters, to appreciate*

*their desire to see our policies as part of a grander vision.”*

New Labour successfully managed this by stressing the importance of schools and hospitals during the 2001 general election in the UK – which might otherwise, given the weakness of the Conservative opposition, have turned into a referendum on the government rather than a battle between political choices. In Germany, the current problems faced by Schröder and the SPD could be seen in this light. “Elections are about mandates, and it is by no means clear that the narrative Schröder presented during last September’s election was one capable of developing a broader coalition in favour of reform,” as Alexander argues.

This is a useful reminder that the political as well as technical challenges for progressives remain large. In the months running up to the July’s Progressive Governance Conference, Policy Network will play its part in helping progressives meet these challenges by facilitating a wide ranging, well structured debate between politicians, strategists and experts. It is only if the modernisers mobilise, both intellectually and politically, that the 21st century will belong to the Centre Left in a way tragically that the 20th century did not.

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