A new agenda to unite progressive democrats for the coming decade

The London Progressive Governance Conference comes at an important juncture for the international centre-left. Headlines are still being captured by international relations, especially the Middle East. But the challenges of domestic policy reform are just as great. The creation of a new progressive, democratic agenda for the coming decade – the aim of the London conference – needs to encompass both. The contents of this journal pave the way for this bold agenda.

What unites the contributors is their shared values and the common understanding that a Left conservatism must not be allowed to undermine attempts in all our countries to modernise and reform. As Gerhard Schröder argues, “If we fail to modernise ourselves and our societies, then uncontrolled market forces will modernise us.” We must consider the interests of future generations and not get “trapped into defending our past achievements”.

This means making the intellectually hard and electorally challenging choices. But preparing for the future leaves us with no alternative. That future is defined by globalization. It brings insecurity as well as opportunity. This insecurity is reflected in economic terms – jobs, pensions, and access to skills and education. It means constant uncertainty. Socially, it is reflected in crime, immigration, and problems with the integration of minorities and mounting family pressure.

What characterises the progressive left is our recognition that, faced with these challenges, we must not weaken the power of collective action which equips people to cope. The world of today makes the neo liberal individualism of the 1980s less relevant, not more. But nor is it right to reject new means and methods of achieving our established ends.

As Tony Blair sets out in this Journal, the task of centre-left politics in the years ahead is to protect people against insecurities old and new, to empower them to achieve the potential that lies uniquely in them and to prepare ourselves for a more challenging future.

In today’s interdependent world, no country can tackle this agenda on its own. The great strength of the progressive Left, as opposed to large elements of the Right, is its recognition that we cannot cut ourselves off from our continental neighbours or from wider alliances.

The fundamental challenge that places a huge collective responsibility on every country, north and south, is to reverse the global divisions and polarisation of income and wealth that are a scar on our consciences. The quest for global social justice is not marginal to our agenda, an obligatory add-on to all international communiqués or the final couple of paragraphs in our national party manifestos. It is central both to our

The New Progressive Agenda

Peter Mandelson
values and to the conditions for our future security.

The world has changed since the 1980s and 90s
We now live in a different world to that which existed when I first started helping to shape New Labour. If the world has changed then so must our mindsets.

Economic confidence worldwide has been shaken. We can no longer take for granted that global liberalisation and technological advance will automatically lead to more widely spread growth and prosperity.

It is a cliché, but September 11th changed the world. The comfortable feeling of security that we all experienced after the collapse of Communism has all dissipated. Progressives all accept that we have both to fight terrorism and tackle its underlying causes. As Iraq showed, consensus on the means is elusive.

In Europe, the fabric of our societies is tearing at the edges. Rising public disquiet about crime, anti-social behaviour and immigration as well as perceived abuse of the system by asylum seekers have all contributed. Right wing populism has played a part in driving the Left from power in Austria, Italy, France, Denmark and the Netherlands.

The Third Way speeches of the 1990s spelt out that the task of modern social democrats is to equip people for a world of ever more rapid change. We have surprised ourselves by the impact we have made.

The need for a new wave of progressive renewal
But now we need a new wave of progressive renewal.

Renewal is what keeps progressive political movements alive. Parties survive for long periods as defenders of particular social interests, as standard bearers of once powerful ideologies, and as instruments of individual political ambition. They may even from time to time get elected. But without a relevant governing project, in touch with constantly changing social and political challenges, they will not prosper.

Being in touch is different from pressing the populist buttons of the moment. Over the last couple of years hundreds of thousands took to the streets against globalization and the

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United States, but did that result in millions flocking to the polls in support of the Left? People are wary of simplistic responses, even if they share an emotional sympathy with its advocates. What makes the difference between inchoate Left populism, and a serious progressive party winning power and using it for constructive ends, is the coherence of a relevant and renewed governing project.

Renewal is not about the centre-left carrying lightly their values and principles. Our timeless progressive values – fighting inequality, extending social justice, building social solidarity – remain the same.

But the Left has always been at its best when it has modernised.

In Germany, it was not until 1959 that the Bad Godesburg Conference completely finally rejected Marxist ideology and turned the SPD into a modern social democratic party working within the framework of a market economy. Today Gerhard Schröder is bravely leading his party towards a new modernisation. His Agenda 2010 recognises the need for welfare state and labour market reform in order that Germany can achieve the goals of full employment and fair opportunity for all. It is tough, but there is no other way.

In Brazil, President Lula faces an even tougher modernising challenge: how to pursue business friendly policies that attract investment and promote growth, while at the same time obtaining the resources to tackle the direst poverty, because the poor cannot afford to wait. The situation is more extreme but his approach is fundamentally the same “enterprise and fairness” agenda that Gordon Brown has made the hallmark of New Labour economics.

In Britain, the basic lesson of Labour history is not that we modernised too much, but that in the past we never modernised enough.

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In the 1950s it was argued that the centre-left should focus on the ‘ends’ of greater social equality and personal freedom, not the ‘means’ of public ownership and State control. Their influence resulted in the Labour
Governments’ civilising legislation, and great expansion of empowering public services. But the failure to tackle industrial relations and trade union reform led to Labour’s defeat in 1970 and weakness beyond. A generation later again, Labour began to recover after we had almost consigned ourselves to the fringes of the Hard Left lunacy. This created the conditions for New Labour’s success. But the world has changed since Bill Clinton and Tony Blair launched the Third Way. We cannot afford to remain locked in the thinking of the 1980s and 1990s. We have to summon up the intellectual and political energy to move on.

Lessons from New Labour’s experience
New Labour’s role at the Progressive Governance Conference is not to preach to others about our achievements. But, nor should we abandon the principles that have underlain this success. These remain of universal relevance as the overseas contributions to this Journal demonstrate. First, we have been right to separate ends and means. We stick with our values, but are open-minded about innovative means to realise them. That is how Tony Blair persuaded the Labour party to abandon the Clause Four commitment to the ‘nationalisation of the means of production, distribution and exchange’.

Today the same argument applies with equal force to public services reform. Strengthening of public services is central to progressive values. But experience in many countries show that uniformity and monopoly of delivery has not resulted in equality of access and opportunity. Our public services do not need an agenda of marketisation and privatisation. But they do need more pluralism, diversity, user choice and innovation, as the new Dutch Labour Leader, Wouter Bos argues in his Journal piece.

Second, we have to be a party of production as well as redistribution. At one time, some thought that the role of modern social democrats was to sit back, wait for capitalism to deliver the goods and then distribute the fruits in a more socially acceptable way. Social democrats have something distinctive to say about markets, as John Kay explains. Markets, reinforced by macroeconomic policies that are conducive to stability, are a positive thing. They allow experimentation and innovation, which is the dynamic force behind economic advance. And that is a human value as well as an economic one, offering the entrepreneur as well as the consumer scope for greater individual self-fulfilment.

However, markets will not work for the good of society in a social vacuum on the basis of textbook theoretical models. Markets need to be genuinely pluralist. To do this, they must be disciplined by rigorous competition. Competitive markets are a Left wing policy to curb the unfair accumulation of private power. Social democrats should on principle advance policies that entrench the effective functioning of competitive markets – free trade and in Europe, the extension of the Single Market and single currency. Market failures need to be addressed by political interventions that are shown to work: not interference in individual company decisions through picking ‘winners’ or subsidising ‘lame ducks’, but the development of comprehensive supply side policies for infrastructure, education, research and the supply of capital that add to the flexibility that markets offer.

Göran Persson is correct to identify that in Europe a new politics of production requires that we re-assert our commitment to the comprehensive agenda of structural reform adopted at Lisbon in 2000.

But he also points to necessary changes in the architecture of European economic management. “The European Central Bank needs to follow the example of the Federal Reserve, and become a more active player within the European economy”.

Third, progressives need the values of social liberalism to refresh our traditional commitment to collective action. We live in an age of individualism. The individual, whatever their background and whatever their endowment of talent, must have a full opportunity for self development. In the UK we have launched SureStart to help children get a better start in life from the most disadvantaged backgrounds. At the same time we have made the promotion of enterprise a Labour value with some of the most generous incentives in the world. We see no contradiction.

In this Journal Gösta Esping-Andersen argues that the best policy for the future to extend individual opportunity and overcome the stubborn inequalities of social inheritance is to undertake a “full frontal attack on poverty in families with children”. Gösta’s mantra is “invest in babies”, as he sees this as both the most
effective tool of achieving equal opportunities and ensuring that a larger percentage of the population has the cognitive skills they need to thrive in the new economy.

**Fourth, we must develop further the concept of shared citizenship based on mutual rights and responsibilities.** For example, where the unemployed have genuine opportunity to accept a job or undergo training, they should accept it or lose benefit entitlements. The reaffirmation of the value of work, for those who can, is vital in building a new progressive consensus for tackling poverty. Higher social benefits without corresponding obligations are politically unsellable to families on modest incomes who work hard for a better life for themselves and their children.

But rights and responsibilities should not simply apply to the poor. Social democrats should at all times foster the social dimension of successful enterprise – fair standards at the workplace together with partnership between management and employers; responsibility to the consumers, the environment and local communities; and accountability through greater transparency before shareholders, pension fund members and public opinion.

In the Journal, Stephen Davis reminds us that “a thriving private sector is the lynchpin of dynamic economies”. In the current climate, however, the trick for progressives is to “help spawn market corporations skilled at cultivating commercial dynamism in a context of accountability and responsibility”.

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The emerging new policy agenda
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as pensions funds and shareholder institutions” because “companies with active, long-term shareowners are more likely to produce higher returns”.

**Fifth, we should never cede unnecessary ground to the Right.** Crime and social disorder are top of the list of my constituents’ concerns. One of New Labour’s most important achievements is to set aside the political correctness that puts a barrier

between centre-left politics and their natural supporters. But increasingly in the last few years, questions of migration which are even more difficult for the progressive Left to grapple with, have become equally important.

Jean Chrétien sets out the scale of the demographic challenge in Canada. He argues that multicultural societies are actually more dynamic and attractive to the creative workers that generate economic growth in the knowledge economy. Diversity is an economic strength. Progressive should promote “respect for diversity, cultural richness, intercultural dialogue and openness” but not at the expense of common citizenship. “We must continue to strike the right balance”.

The extensive intellectual preparations for this Conference point to the
emergence of an exciting new domestic policy agenda to:

- **Re-cast universal public services for the consumer age**, with a personal offer tailored to the needs of the individual, with individuals themselves taking more responsibility for their own health and education – not through payment, but through commitment. We need self-confidently to encourage the development of voluntary and ‘third sector’ institutions that combat social risks and meet new needs. We need a better balance of top down pressure and bottom up dynamism, driving forward contestability in all main public services and steadily expanding choice in all its dimensions: all driven by the purpose of advancing equity within a framework of universality.

- **Create a new welfare system** that can manage the breakdown of old lifecycle structures on which much of the 20th century education, health and welfare state were founded, focusing resolutely on investment in children to conquer new social risks. Improving the lives of children is now a moral and economic necessity. We need to develop “baby bonds”, invest in children’s centres and provide new forms of support for new parents. We also need policies to tear down the barriers to opportunity and social mobility – inadequate ladders of lifelong learning and the second chance; the constraints of childcare, transport and time; and the gender pay gap.

- **Develop a strategy for scientific innovation** with government pro-actively supporting the most promising technologies in order to ensure the ideas of the future are incubated and applied commercially. Social democrats must restore belief in the capacity of science and technology to enhance our lives rather than bring unacceptable risks.

- **Instigate new ‘rules of the game’ for managing migration**. We should open up new channels for legal migration and restrain channels unrelated to labour market needs. We should ensure that new rights and duties mark the life of permanent migrants, while resolutely defending tolerance and respect for ‘otherness’ in societies that will become more culturally diverse.

- **Promote transparent corporate governance**, maximising the contribution of human capital to wealth-creation through sustained investment in training and skills, and the promotion of employee commitment to enterprise, within competitive markets.

- **Articulate a new citizenship ethic** that promotes community and embeds rights and duties; develop
social programmes for tackling the causes of crime and disorder.

{ Make a virtue of environmental sustainability, for example through road charging as a means of investing in appropriate infrastructure.

| A renewal of the modern social democratic state |
| None of this will be achievable without a renewal of the state. As the Clinton Democrats famously argued in the 1990s we have to ‘re-invent government’ for the modern age: not slimming down or privatising the state, but renewing and enhancing public institutions. A decade on, this idea remains just as relevant to the progressive left. We have confidently to restate our distinctive vision for dynamic and active government, transcending the old divide between the Left’s misplaced defence of the old fashioned Statism, and the Right’s desire to dismantle the state altogether. The cornerstone of the new progressive agenda must be a radical development of the ‘enabling state’ principle.

The role of a reformed state, fit for the challenges of today, has to be more than about giving everyone a ‘fair chance’. This traditional enabling state model is vulnerable to the criticism that structural inequalities would not be overcome merely by making life-chances available to a broader range of citizens. It is the individual’s capacity to realise opportunity that is decisive (and the state has a duty to invest in the capacities that make this possible).

So the state has to go further and offer guarantees so that as far as possible opportunities are actually realised by individuals in the interests of society as a whole, as long as the individuals are willing to play their part. For example, failure to achieve a decent standard of education is not simply a misfortune for the individual, but in a knowledge society, calamitous for the nation at large.

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This more expansive concept of the enabling state I would describe as the ‘mutual guarantee state’.

Responsibility must be widely shared between citizen and state. In relation to healthcare for example, individual lifestyle has a significant impact on outcomes beyond the treatment provided by the healthcare system itself. Education will only succeed if pupils themselves are avid learners. Regeneration of deprived communities depends on new investment, but ultimately renewal must come from within. The state has to be recast on the basis of a new social contract of rights and responsibilities. The role of government is to forge this contract by equipping individuals – and communities – as best they can to meet their responsibilities.

The issue at stake is not in fact bigger or smaller government. Nations are viable with very different shares of public spending and GDP. It is the capacity of the state to act as a dynamic agent of greater prosperity and social justice that is key, and that...
requires continuous and far-reaching reform.

An internationalism fit for today’s world
A century ago the internationalism of the Left was regarded as dreamy idealism totally antipathetic to the traditional pursuit of national interest through diplomacy, empire and war. Today internationalism and the national interest are basically one and the same.

The mission for progressives is to manage global stratification and inequality through multi-lateral institutions that advance global social justice, plan a long-term transition to ecologically sustainable economies, and strengthen the international community’s nation-building capacity.

As Mike Moore warns in his article: “Globalization is not a threat to the world’s poor. Marginalisation, the denial of what the world offers, is.”

We have all to be ‘robust multilateralists’ now. Robust in fighting for a stronger more focussed international development effort directed at basic education, public health and the future of Africa. Thabo Mbeki’s article sets out this progressive challenge in stark terms. Global poverty “now constitutes the deepest and most dangerous structural fault line in the contemporary world economy”. He challenges the progressive politicians of our time “to demonstrate whether they have the courage practically to define themselves as progressive, recovering their historic character as true champions of the poor”. As Jean Francois Rischard’s article illustrates, this courage applies to the methods we use to resolve new global problems. They require innovative solutions.

We also need to be robust, militarily if need be as a last resort, in tackling the many real threats to our security, and democracy and advancing the humanitarian values all progressives share in face of dictatorships, repression and genocide.

For European social democrats, the strategic objective is obvious: a stronger, more united European Union, working in more equal partnership, not in rivalry, with an internationalist United States. We should spare no effort to realise that objective. No nonsense must divert us from it. The leaders of the Left must stand up to crude anti-Americanism, even if causes temporary dissent and difficulty. In Britain, New Labour has a moral duty to argue against the assorted xenophobes and sceptics of the British Right for our full commitment to Europe and for pooling of sovereignty with our partners where the added value will increase the EU’s effectiveness.

Javier Solana echoes the view of Schröder and Persson when he argues that Europe can continue to be a force for good in the world. A more united Europe should be able to promote progressive values more effectively, and this must be done in partnership with the US, not competition. “The
notion that the US would be better served by disaggregating Europe contradicts generations of American wisdom, and is profoundly misguided”, he argues.

Gareth Evans addresses the thorny issue of the legitimacy of international intervention. “In some circumstances military intervention is not merely defensible; it is a compelling obligation”. The question is to identify under what conditions the obligation or responsibility to intervene exists. “The international community should not be placed in the morally untenable position of being required to wait until genocide begins before being able to take action to stop it”. For Evans, the UN is key. “When it comes to authorising military intervention for human protection purposes, the UN should be the first port of call”. But he is also aware that the “difficult question to answer is whether it should be the last?” Progressives cannot duck this debate.

Conclusion – re-energising the spirit of progress
Progressive politics must recapture a spirit of social progress. We must never lose our sense that progress is indeed possible and re-energise the battle for greater equality.

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