



## Progressive Governance in Hard Times

# How to Build Momentum for Electoral Success in 2024

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**T**he last decade has been tough for progressive parties in much of the advanced capitalist world. We are living through the new hard times where the combination of economic stagnation and geo-political shocks have not surprisingly disorientated many centre-left movements, leading them increasingly to vacate the battle of ideas. Within Europe, social democratic parties, have struggled to forge a coherent strategy and identity since the 2008 global financial crisis, which called into question the economic competence of centre-left incumbents while amplifying social grievances and deepening political polarisation. There are few countries in which European social democracy has been thriving in the last decade. Not surprisingly, some politicians on the Left look fondly backwards, hankering after a better yesterday.



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Yet there are hopeful if tentative indications of a new vitality emerging within the European progressive family. There is a growing awareness that social democrats need to engineer a major reorientation of their ideological position and ideas, drawing from the rich if diverse traditions of social democracy, liberalism and red/green politics. They need to entirely rethink their politics, their policies and their strategy not only to win elections, but to stand a chance of governing credibly in an increasingly unstable and insecure world. There has rarely been a more important moment for the progressive governance movement.

### **Politics: New Strategic Opportunities**

Much debate about the future has not surprisingly focused on the long-term challenges and structural threats to social democracy. It is apparent that recent decades have witnessed the marked erosion of the electoral strength of centre-left parties, as a consequence of the atrophy of traditional class structures accompanied by deindustrialisation, the weakening of labour unions, the rise of individualism, growing tax resistance, the stagnation in living standards of the middle class and the emasculation of traditional forms of community and solidarity. The



paradox, however, is that just as alterations to the fabric of our economies and societies poses a threat to progressive politics, it provides fresh strategic opportunities to master the contest of ideas and regain political ascendancy.

In terms of the battle of ideologies, it is clear that the market liberal settlement of the last two decades is beginning to break apart, while the social consensus in favour of activist government and collectively funded public services has rarely been more deeply rooted. Yet when we examine social and economic change at the granular level, we can discern more compelling and specific opportunities arising for progressive parties.



The development of market economies since the 1970s has led in many countries to growing spatial and geographical inequalities as economic activity is increasingly concentrated in cities, giving rise to 'left behind places' where citizens feel their local areas 'don't matter'. Progressive parties need to forge place-sensitive economic agendas rooted in local identity and attachment. Policies to improve productivity are critically important, not only focused on high innovation regions where new technologies are widely diffused, but in lagging places and the so-called stagnant sectors such as health and social care. The world needs to make much faster progress on the green transition, but that requires approaches that distribute the burdens of environmental change more fairly, helping working people through the potentially

destabilising economic transition. Inter-generational inequalities have risen markedly in recent decades, not least as a long-term consequence of the 2008 economic crash. In many countries, there is growing awareness that younger generations might well be more materially worse off than their parents.

Meanwhile, demand for collectively-financed public services adapted to individual needs has been growing in the midst of an ageing population accompanied by higher expectations of what the state can deliver. Finally, there is no escaping the growing predominance of identity politics in western societies. While far right parties seek to exploit resulting grievances, centre-left parties have to emphasise their capacity to broker compromise, respecting 'small-c conservative values', notably community, family, belonging, and national patriotism, while offering a steadfast defence of hard-won personal freedoms and individual rights.

### **Policy: Campaigning in Poetry, Governing in Prose**

To achieve political traction, these strategic themes have to be translated into concrete policy agendas and programmes that can be enacted by progressive parties in power, often confronted by daunting fiscal and budgetary constraints.

On identity and migration policy, there is widespread agreement that the issue cannot be vacated to far right parties, and that social democrats should develop an approach in which migration is managed with fair rules. That includes not imposing an unsustainable burden on native populations and particular countries (notably the periphery of Southern



Europe) during periods of fiscal austerity, while recognising that in the context of an ageing population, many European societies will continue to need economic migrants. Policies, particularly on housing and schools, have to focus on achieving stronger integration since growing ethnic segregation in Europe's cities is antithetical to progressive politics, while providing faster pathways to political and economic citizenship.

Higher public spending and redistribution are more necessary than ever to ensure that risks and burdens are fairly shared. Local governments need powers as well as resources to address the everyday concerns of local communities. At the European level, further enlargement and internal free movement are only likely to be politically feasible if the existing populations of member-states are perceived to benefit economically and socially. Interventions such as EU industrial policy are tools to enhance the future cohesion of the Union.

On place-based approaches to economic growth, the urban/rural divide and the green transition, parties need to develop policies that lead to a more equitable distribution of economic output as well as access to resources for regions where people have been disconnected from economic opportunity, tackling the root causes of insecurity. Policies must embrace the three 'I's': innovation, inclusion and infrastructure:

- Investment in 'universal public infrastructure' to ensure minimum standards of childcare, public services, and retraining programmes which are as important as 'physical infrastructure' (roads, digitalization, technology, the public realm). Public

investment needs to stimulate complementary private sector investment in 'left behind' places, creating new sources of human capital while strengthening transport connectivity and resilience. Progressive parties must embrace rural communities, rejecting the view that they can only succeed electorally in larger cities.

- Innovation means investing in the institutions of the knowledge economy, particularly in places that have suffered long-term decline and deindustrialization. There should be a particular focus on the role of universities, further education colleges and adult learning institutions in narrowing the innovation divide.
- Finally, inclusion means using all the available tools of public policy from fiscal redistribution to regulation to narrow disparities in economic and social outcomes. There should be a particular focus on wealth and inheritance taxes, shifting the burden of taxation from labour and income to property and capital, using the resulting revenues for investments that bridge the growing inter-generational divide that has arisen in many advanced economies. At the EU level, effective cohesion policies help to bridge the divide between people and places by supporting job creation and competitiveness within, as well as between, regions.





The green transition creates its own challenges, as voters fear they will be forced to absorb more burdens, despite the fact their living standards are already under pressure. Progressives need to show that policies such as strategic government investment in renewables and local energy infrastructure creates direct benefits, notably lower household bills and improvements in quality of life, not least clean air and water. Moreover, they need to remind voters that EU membership compliments efforts at the nation-state level to deliver greater security, notably through the Green New Deal.

Furthermore, geo-political risks are imposing increasing pressures on European governments to raise spending on defence significantly so they achieve the NATO requirement of allocating at least 2 per cent of national income. European governments pooling resources and acting collectively would help nations to manage these obligations at a time of growing pressures on public budgets.

### **Strategy: Forging new Progressive Coalitions**

Progressive parties have not surprisingly found electoral politics tough going in the new hard times. Yet the ensuing debate about the fundamental changes underway in our economies and societies is giving way to a new intellectual dynamism in many countries, with social democrats in the best position for a generation to actively compete in the battle of ideas. To win and govern successfully, however, they must be capable of attaining widespread electoral support. Amidst the worst cost of living crisis since the Second World War, voters are looking for

pragmatic solutions not ideological dogma. Progressive have an unrivalled opportunity to rebuild enduring electoral coalitions: in the so-called 'golden age', social democratic parties in Europe won power by appealing both to the traditional working-class and the rising professional and middle-class. They must do so again in a period when the middle-class has never been under greater financial pressure, and is exposed to new risks, not least the threat of generative AI supplanting professional occupations. To win elections, centre-left parties have to reject strategies that involve slicing and dicing the electorate with appeals to micro-targeted populations groups. Instead, they should be unafraid to make a wide and inclusive appeal to all classes and communities in the name of a society that is more environmentally sustainable, just, equal, and free. They must hold out the promise of a progressive future for all their citizens that provides security for those who feel that transformational change puts their livelihoods and future prosperity at risk. ♦

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