

## Europe's Turning Point

Article by Rosa Martínez Rodríguez, Yolanda Díaz

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After responding with solidarity to multiple crises in recent years, Europe now stands at a crossroads between a return to the ancien régime of austerity and a Union based on ambitious climate action and robust social protection. Confronted with a conservative resurgence ahead of the 2024 EU elections, Greens and progressives need to join forces and stretch their imaginations, argues Sumar's leader Yolanda Díaz.

**Rosa Martínez Rodríguez: The European Union built its shared institutions on the neoliberal consensus that markets know best, and the job of the state is to enable their functioning. Now that consensus is crumbling across the world. What does this mean for Europe?**

**Yolanda Díaz:** The agreement on the European recovery plan during the pandemic was a really important turning point, not because of its budget – which was by no means insignificant – or because of its content but rather because of its underlying principles. The agreement demonstrated that there was another way of doing things, that it was possible to change the economic approach to European politics, which many had believed, up to that point, to be constrained by market forces.

Now, over three years later, the European project finds itself at another historic crossroads, with two possible routes. The first is neoliberal reconfiguration, which essentially consists in safeguarding the privileges of upper-class Europeans. This first route will guarantee that the mistakes made in Maastricht and Lisbon are repeated, and will lead us back to obsolete fiscal rules that are incapable of responding to current challenges and unfit to ensure a fair digital and ecological transition. This is also the road towards a Pact on Migration and Asylum, which reinforces the current outsourced, security-based model that has turned the Mediterranean Sea into a mass grave.

The second route is one that aims to protect the majority of Europeans and confront the climate crisis. It's the route I mentioned before, that of a Europe which, after the dismal handling of the 2008 economic crisis, managed to protect workers during the pandemic. It is the route of recovery funds that, despite their limitations, showed that we can do everything we'd been told was impossible for decades.

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Following [EU "founding father"] Jean Monnet's idea that Europe is forged in crisis, we should build on this turning point that came about in response to the coronavirus crisis. We should move from repairing to preparing, as [economist] Mariana Mazzucato would say. Abandon once and for all the doomed policies of austerity and focus on embedding public investment plans, fiscal stimulus, and tried-and-tested tools such as the SURE mechanism [to safeguard employment in emergency situations]. We have to nurture those glimmers of enlightenment that we saw during the pandemic and make them the permanent, dependable rules of the game.

**What is the role of the green transition in this second route you describe? Can climate policy contribute to making Europe more social and reduce inequalities?**

In order to take this positive route, it is essential for the EU to become a superpower in the fight against climate change. At a point of global realignment, in which Europe has yet to find a truly autonomous profile, this role is key.

Because of its legal power, its defence of climate diplomacy, its size, and other factors, the EU is capable of being the driving force behind democratically and socially responsible ecological planning on a global scale, an example of climate policy for the rest of the world to follow.

Over the last few months, we have witnessed a worrying attempt to dismantle the European Green Deal. We have seen this with the Nature Restoration Law and with the statements of Ursula von der Leyen and Emmanuel Macron, who are calling for a slowdown of the green European agenda.

Faced with this alliance of climate deniers and delayers, we have to say, loud and clear, that reaching climate objectives is more urgent now than it has ever been. An expanded European Green Deal, with renewed ambition and a more aggressive timeline, has to be our main political focus over the next decade. There is no time to waste.

For this reason, we need to expand the Fit for 55 agenda and strengthen the social mechanisms of the Green Deal such as the Just Transition Fund and the Social Climate Fund. This will ensure that the burden of fighting the climate emergency doesn't fall on the shoulders of workers but on those who pollute the most. We also need to create new tools such as a SURE climate mechanism to protect workers throughout the transition and ensure that it does not have a negative impact on employment.

**Industrial policy is back in vogue, also at the European level. But can it be pursued in a way that increases democratic control over the economy, instead of socialising risks and privatising profits?**

Europe and its member states need active industrial policy and green industrial planning. What we need is more and better planning to reduce the uncertainty marking the current zeitgeist.

Industrial policy has made a comeback, but it cannot be the same as before. We need long-term, structural transformation of our model of production.

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We need green industrial planning to help bring about an economic paradigm shift in the EU by pursuing a truly progressive agenda for workers. Additionally, we need a green reindustrialisation process that puts workers' rights at the centre and makes public aid for companies conditional on their meaningful contribution to a fair ecological and digital transition. The last of these points is of the utmost importance. [Progressive US senator] Bernie Sanders made his support for the US CHIPS Act conditional on companies meeting a series of criteria to benefit workers. It can be done, and it is essential that we do it.

For this reason, green industrial planning also means a fair transition that puts workers front and centre by creating new jobs and improving salaries. This idea was at the forefront of our electoral manifesto for

the Spanish elections in July: we spoke about a national energy transformation plan that included rehabilitating 500,000 homes per year, increasing investment in renewable energy, and making Spain a forerunner in electric mobility.

This is also connected to the need for an increase in strategic autonomy that serves the people of Europe, not the financial interests of weapons manufacturers. We need our own industries so that we can make decisions that do not require the blessing of third countries. We need our own industries so that Europe can have its own voice and an independent role in the current context of geopolitical uncertainty.

**In the past few years, Europe has created space for member states to invest more. Spain has been a key force, building coalitions for policies like joint borrowing and the energy windfall tax. What do you see as the interplay between progressive governments at the member state level and progressive leadership at the European level? And can Spain still play that role?**

Spain's role in Europe has changed a lot over the last legislative term. A decade ago, Luis de Guindos, Mariano Rajoy's economy minister, boasted to the Eurogroup that his counter-reform of labour laws was "extremely aggressive". Today, our labour reform is an example to all of Europe that things can be done in a different way. Ten years ago, Spain was on the margins of a Europe that was gripped by austerity. Today, we are coordinating extremely ambitious and successful initiatives at the EU level, such as the directives on minimum wages and pay transparency.

It is a source of pride to see former "PIIGS", and southern Europe as a whole, playing a pioneering and historic leadership role at a time of reconfiguration of the European project.

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I am convinced that we can keep playing this role if we continue to be ambitious and innovative, and if we understand this moment not as a time for consolidation but for progress. The choice is between taking small steps forward or great leaps backward.

**"Europe is an intergovernmental pact that needs to become a democratic, social and federal project," you wrote earlier this year. Why does Europe need to make that next step forward? And is this horizon realistic as things stand?**

Well, the international programme of Sumar [the left-wing progressive party founded and led by Díaz] had three main objectives: finding a democratic way out of the great eco-social crisis; reconstructing democracy in Europe by strengthening multilateralism and international law; and moving towards a more socially robust Europe. This last objective is a precondition for the first two, and we need to be ambitious.

We've talked about going beyond the Stability and Growth Pact – an obsolete component of the Maastricht Treaty – by making the fight against the climate emergency one of the European Central Bank's objectives. This could take many forms, including replacing the European Stability Mechanism with a European Debt Agency; moving towards redistributive and integrated fiscal policy that avoids social dumping among member states; legally codifying the European Pillar of Social Rights or the Social Progress Protocol; and democratising the Union's institutional framework. One final point on realistic

horizons. In 1949, while postwar welfare states were being constructed, [economist and political philosopher] Friedrich Hayek wrote an essay entitled “The Intellectuals and Socialism”, in which he stated that, faced with the victory of Keynesianism, market liberals needed a new, radical utopian vision. Thirty years later, many of Hayek’s views had become mainstream. I think we should learn from the success of neoliberalism. We need transformative horizons, because if we push hard, if we stretch our imagination, we can go much further than we think.

**Progressives are not the only ones with a vision for Europe. Surprisingly, the far right is more transnational than ever. What is the choice before us in your view? What is their Europe, and what is ours?**

Well, I think that we have a lot to learn from that. Despite its many internal differences, the far right has managed, both in Europe and the rest of the world, to build a transnational network and cast itself as a unified, coordinated political actor. I think that progressives need to do the same. That is why, in the spirit of [Marxist theorist Antonio] Gramsci, I always speak of building a progressive historical bloc, a green historical bloc: a broad and diverse alliance that goes beyond electoral politics; one that incorporates political forces from different traditions alongside social, intellectual, and institutional movements. This can even include sectors that have up to now, been part of the neoliberal model. To face big challenges, we need big alliances. People do not want us to all be the same, to stop thinking independently – they want us to join forces, to move forward together and improve people’s day-to-day lives. That is Sumar’s innovative vision for Spain, and we now want it to be our contribution to the European stage.

**What’s at stake in the 2024 EU elections? Why do these elections matter for Spain?**

Everything is at stake in these elections. Our country’s continued relevance in Brussels and, above all else, the future of the European project itself are on the line.

Look, a few months ago in Spain, certain people were declaring victory months before the polls opened. In our country, we have shown that victory is not certain for an alliance between the Right and the far right. On the contrary: it is a thing of the past.

The same is happening now with the European elections. Several months out from the elections, many people in Europe are saying there’s nothing to be done, that there are only two possible outcomes: either an alliance à la Meloni [between the centre right and the far right] or resigning ourselves to the usual grand coalition. That’s simply not the case!



Rosa Martínez Rodríguez is a member of the *Green European Journal* editorial board and a former Green member of the Spanish Parliament (2015-2019) and was co-spokesperson of the Spanish Green Party (EQUO) from 2014 to 2018. She is currently a member of Spanish political ecology “think and do” tank EcoPolítica.



Yolanda Díaz is a Spanish politician and lawyer specialising in labour law. She is the leader of the left-wing party Sumar.

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