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LABORATORIO DE IDEAS DE PROGRESO

SOCIAL DEMOCRACY AT THE DAWN OF A NEW ERA



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Manuel Escudero
Prologue by
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PROLOGUE

Writing the prologue to the essay by my colleague Manu Escudero (San Sebastian, 1946) allows me to join his interesting reflection on 21st century social democracy. An ideology that, as he rightly points out in his essay, in Spain's case has been renewed since 2017 under Pedro Sánchez's leadership, making PSOE one of the few social democratic parties worldwide that surpass 30% of the vote.

Manu Escudero has made very significant contributions to our party's debate and proposals since the late eighties, when Alfonso Guerra tasked him with organizing and developing «Program 2000,»¹ a highly innovative participatory process that gathered hundreds of contributions on a wide range of topics.

It was on that occasion when I first coincided with Manu. We have also shared some of the most vibrant moments in our party's recent history: supporting Josep Borrell's candidacy in the 1998 primaries, the «Initiative for Change» platform -during José Luis Rodríguez Zapatero's election as general secretary in 2000-, and, in 2017, the process that led to Pedro Sánchez's victory in the primaries; where we both collaborated in drafting the document «For a New Social Democracy»² with which our current general secretary presented his candidacy. His career in international organizations and his academic career have had as a latest milestone his work as Ambassador of Spain to the OECD, where he was also President of the Development Center between 2018 and 2024, launching important initiatives particularly in Africa.

Manu Escudero projects an original perspective on PSOE's outlook, undoubtedly filled with hope, but without underestimating at all the risks derived from the far-right's advance and the Popular Party's drift towards Vox's positions.

I believe he is right in attributing the right's virulent attitude against Pedro Sánchez to their anxiety over the accumulated achievements during these six years of progressive government, and particularly due to the evidence of a socioeconomic progress that challenges neoliberal approaches, thus threatening the most reactionary economic powers.

As Manu points out, the fury of the PP and their media and judicial allies is the other side of the coin of the results of genuinely social democratic policies, of which we should undoubtedly feel very proud. It is certainly very concerning that in the context of economic and employment growth, minimum wage increases, pension revaluation... the degree of polarization and questioning of institutions is so high, more serious than at any other moment in our democracy's history.

Yes, the threats to democracy and social progress are real, both within and beyond our borders.

¹ «Manifiesto del Programa 2000. Presented byr Willy Brandt, Felipe González y Alfonso Guerra», Fundación Sistema, 1991

² «Somos socialistas: Por una nueva socialdemocracia» 39 Federal Congress PSOE, 2017

Given the threats, it is necessary, first of all, to persevere in the course that, with the backing of the party's membership, we began in 2017 and which Escudero synthesizes very well in his text: fighting against all types of inequality (beyond consolidating the welfare state, acting on pre-distribution and not just redistribution), recovery and expansion of socialist ideals (adding to equality, freedom and solidarity, the effective equality between men and women and the defense of a habitable planet), and reaffirmation of social democracy's reformist and transformative drive (not just managing the present, but building a future of greater social justice, advancing new rights and freedoms and combating the most negative consequences of current capitalism).

This analysis provides a new perspective on the value of Pedro Sánchez's «no means no,» which prevented PSOE from following the drift of many other social democratic parties that made pacts with conservative parties or in any case assumed their economic postulates, sliding towards reducing the role of the state. In fact, one of the hallmarks of our political project's renewal is the conviction that without fiscal justice there is no social justice, unambiguously advocating for effectively progressive taxation.

And persevering in this course is not enough. We must urgently combat the disinformation that severely distorts the perception of reality, and our government is already working on this: strengthening the right to honor and rectification, making visible the economic ties of media or pseudo-media outlets, generating alliances with those who promote information integrity, involving civil society in this essential fight to defend democracy.

At this moment, when most European Union (EU) countries have conservative governments (several of them far-right, with no less than France and Germany at high risk of joining this category...), the responsibility falls on PSOE to try to halt this drift, also beyond our borders. The good performance of our economy, in full advancement of ecological transition and digital transformation, while defending greater social justice, helps us play an active role in the EU sphere, as a reference for social democracy's achievements; to this, Manu adds the potential for new alliances led by Spain with Latin America and Africa, continents in need of immense investments in green and digital transitions, and of course in education, healthcare...

And Escudero incorporates into his essay a first reflection, very pertinent, about Trump's arrival to the United States government; a fact that reinforces worldwide the drift towards populist, reactionary, and nationalist approaches, and which, as he points out, should not be underestimated at all.

We face a new version of capitalism: the big tech companies will condition Trump's decisions, who has already announced massive public investments to beat China in innovation, as well as widespread deregulation and reduction of the State's social capacity to act. His alliance with the owners of major social networks will undoubtedly worsen disinformation, distorting social perception about his management of immigration, fight against climate change, or women's and minorities' rights, thus weakening democracy.

Faced with all this, Manu proposes a strategy based on consolidating a renewed social democracy, capable of effectively combating disinformation, involving civil society in

the defense of democracy and human rights, in line with what has already begun under Pedro Sánchez's leadership, both in Spain and beyond our borders, particularly in the European Union sphere.

It's about combining social justice with a powerful innovation effort -ensuring greater autonomy from the United States-, as well as defending a rules-based multilateralism that favors alliances with the Global South and serves as a counterweight to the isolationism announced by Trump. In summary, an essay that advocates for the viability of our ideals, and a useful tool to reinforce confidence in our political project.

Madrid a 19 de Diciembre de 2024

Cristina Narbona Ruíz
Diputada y Presidenta del PSOE

THE CASE OF SPAIN

Spurred and inspired by the resolutions of the 41st PSOE Congress, and especially by the perspectives opened by Pedro Sánchez's Closing speech, I feel compelled to write this brief essay. The political maturity of what the PSOE Secretary General said has not been sufficiently dissected by many of the major analysts in Spain, perhaps due to the overwhelming prevailing noise. Allow me, therefore, to begin this reflection with some excerpts from his closing speech:

«The Spanish model is a success. And that success terrifies them (...) They attack feminism, we are going to renew the state pact against gender violence. They attack the labor reform; we will promote working hours reduction in this legislature. They attack housing; we are going to create a large public housing company capable of building and managing state public housing. They take photos with Netanyahu; we will continue defending peace. This is how we will make Europe advance. Because governing progressive policies is how we stop the right and the far-right (...) It is a key moment, in which it will be decided, in Europe and in the world, whether social advances are consolidated or are torn down by the far-right and the right»

In the crossroads situation in which we live, it is imperative to be grounded, to be realistic and very pragmatic. Pessimism seems to be the spirit of the times.

It is true that, if we look at the world in general, progressive citizens might have reasons to be pessimistic: the world is fragmenting, Trump has won even the popular vote in the USA. Liberal democracies are faltering, in Europe at least 7 countries have the far-right participating in one way or another in government (in Hungary, Italy with a majority, in Austria forming government, in Finland, Netherlands and Slovakia in coalition, and in Sweden as support to a conservative minority government). **But if we rush and give in to pessimism, we would be wrong, because this journey has barely begun, as well indicated in spirit and letter by the brief review of Pedro Sánchez's speech. More than an era of changes, we have come to live through a change of era**, marked by the 2008 financial crisis of neoliberalism, the emergence of a global pandemic, the increasingly narrow margin to ward off climate change, the advent of Artificial Intelligence, the international emergence of ultra ideology and the change in the economic and political model of capitalism in the USA, which will soon also arrive in Europe through the ultra-right.

At the dawn of this new era, multiple tensions are already becoming apparent: the capitalism of hyper globalization and financialization is becoming a technological and oligarchic capitalism, the right is being contaminated with a new post-democratic and populist ideology, and the ecological and energy transitions, and digital and AI transitions are transforming the economic foundation of societies and their social dynamics. But nothing is lost nor won, because almost everything, the great advances and setbacks, are yet to be written.

“More than an era of changes, we have come to live through a change of era, marked, among other milestones, by the change in the economic and political model of capitalism in the USA, which will soon also arrive in Europe through the ultra-right. But nothing is lost nor won, because almost everything, the great advances and setbacks, are yet to be written”

One of the places where these tensions manifest most acutely is Spain. If we zoom in at the country level and examine the case of Spain, we will see, however, that **it is progressive politics and social democracy, not the new right, who are currently winning the game.** This opens new perspectives that I will review in this essay.

In it, I will present three viewpoints, all related to **the spectacular success that Pedro Sánchez’s coalition government is achieving.** Spain is a testing ground for the great tensions of **the change of era** we are living through: the best way to describe them is as **the frontal struggle for power** by those who have always held it in Spain, reinforced by the new ultra ideology, as a reaction to the success **in the economic and social transformation of the country.** But the scenario doesn’t stop at the Pyrenees, it reaches Brussels: the success in Spain’s transformation implies **a responsibility and an opportunity to open new perspectives in Europe and, from Europe, on a global scale;** within these, the **critical factor** is the position as an engine of progress adopted by **European social democracy and its reformist potential.** Therefore, reflection on **the causes that have made success possible in Spain,** which go back to the **political repositioning, of reformism in the fields of productive transformation and social progress of Spanish social democracy since 2017 led by Pedro Sánchez,** provides a good practice for all European social democracy.



THE STRUGGLE FOR POWER IN SPAIN

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THE STRUGGLE FOR POWER IN SPAIN

Often, we face a reality that is difficult to interpret because it is complex, formed by different seemingly unconnected processes. The difficulty lies in that we clearly see the parts, but the connections, correlations, or causalities between them are not evident. In this Report, we will try to approach this complexity, to better interpret the situation of Spanish social democracy and progressivism today, and, starting from defining its situation, also contribute to a greater understanding of the tasks it faces.

Spain's socioeconomic success and its tense political scenario: two related realities.

First, we have before our eyes two seemingly unconnected aspects of Spanish reality, which seem to advance on parallel tracks:

On one hand, there are the achievements that the progressive government led by the PSOE is reaching from a social and economic perspective: economic growth that quadruples that of the eurozone (latest OECD data), and social progress, through successive reforms, that is impressive when considering the short time frame in which it has been achieved (in terms of employment, active population, labor reform, income inequality, exports, productive restructuring, social protection, minimum wage, energy prices, and much more). **In socioeconomic terms, Spain is experiencing a moment of splendor.**

However, on the other hand, **Spanish politics** is more strained than ever before in this long period of democracy. There is much «noise,» polarization, disinformation, political activism from some judges and judicial institutions. Regarding this last aspect, reality is plagued with «coincidences,» verifiable with a calendar in hand, that point to **synchronized actions**, whereby small organizations from the most antiquated right-wing, specialized in judicializing political life, bring weak cases to courts, which are quickly admitted by some judges. The investigations, without respecting the presumption of innocence or waiting for the procedural development of the case, are immediately used by right-wing political parties to **turn them into full-fledged public political accusations**, including cases against the Attorney General or the wife and brother of the Prime Minister. As a result, conservative leaders announce day after day that Spain has an illegitimate government besieged by corruption, dying and exhausted, which must be removed by any means and with maximum urgency.

There is no doubt that this toxic climate produces an effect on voters: from so much chaos, profusely and assiduously publicized by a roster of editorialists, media, pseudo-media and digital tabloids, there is a significant demobilizing effect and a self-serving confirmation that «all politicians are the same.» This leads many segments of the middle classes and many citizens who simply want to live in peace to withdraw and lose interest in politics. We can then affirm that, in contrast to the socioeconomic sphere, in the political sphere Spain **is experiencing one of the darkest moments in its democratic history since the transition.**

Until now, these two realities have barely been connected: on one side, Spain progresses positively, economically, with an authentic productive transformation, and socially, with unquestionable improvements for the working class and middle classes, and on the other side, Spain becomes tense and politically polarized in a negative way.

«As Spain progresses on the economic plane and that progress is channeled towards social progress, to that same extent the power enjoyed until now by those who have always held it is beginning to erode»

However, when we introduce the most central variable of politics, **power**, these two realities become deeply interconnected **as they are two sides of the same coin: as Spain progresses on the economic plane and that progress is channeled towards social progress, to that same extent the power enjoyed until now by those who have held it is beginning to erode. What we are experiencing at this moment is an increasingly naked struggle for power in Spain.**

We are addressing, because reality points to it, the harshest expression of what politics means, whose raw material is, precisely, **power**. Since Machiavelli, power has been defined as the central element of politics. Whoever holds power has the authority to govern, that is, to make decisions that are executed and affect all citizens.

This is why the democratic system - through which power was returned to the sovereign people and in which they decide through elections a form of government that represents the majority of citizens - **is one of humanity's most important achievements.**

The great step of social democracy consisted, historically at the beginning of the 20th century, led by **Edouard Bernstein and the German Social Democratic Party (SPD), in embracing representative democracy as the way to reform society and progress in social justice through democratic procedures.**

In Spain, this social democratic version of socialism was firmly established, **albeit with almost a century's delay** (and not before), during the democratic transition of the late 70s of the 20th century under the leadership of Felipe González.

The conservative option in Spain today: the naked struggle for power even if it weakens democracy

The phenomenon we are analyzing connects directly with our history, in which the conquest of democracy has been particularly harsh and bloody and has only managed to take root after more than two centuries of deadly confrontations. In Spain, the groups holding economic power, reinforced by conservative political expressions, and flanked by traditional media powers and cultural powers, including the hierarchy of the Catholic Church, have always believed that power belongs to them and have **traditionally played the role of reaction to democratic modernization.** This reaction has been joined by the power of international financial capital, the «shadow banking,» whose main objective is not so much to produce value as to obtain short-term profits.

There are not many **analyses and comprehensive portraits of economic powers in Spain**, and of how this coalition of great powers interrelates and operates.

But the still imperfect knowledge of reality does not detract from this analysis: the conservative party in Spain **has chosen to position itself at the forefront with the banner of reaction, and being aligned to the millimeter** with neoliberal postulates in economic matters or in its complacency with financial capitalism, **nothing would change under its mandate in terms of established powers**. That's why, because they defend them, they react as the situation is increasingly out of their control.

When we connect through the prism of power struggle the two realities subject to this analysis, that of a progressing productive and social scenario and a convulsing political life, **the board is reordered, and everything that happens takes on a new meaning. And the first conclusion is that in Spain those who find themselves on the defensive are the right-wing forces**.

In reality, it is not the left-wing government that is cornered, but the traditional political right and their social and cultural mediations **that are being overtaken by progressive political forces on their economic and social offensive**.

The crude and catastrophist hyperboles and insults that the spokespersons of the political opposition address us each week are not the manifestation of an offensive, **but rather of the defense, which judging by its virulence is quite desperate, of elites** cemented in ways of life and cultural clichés that facilitated power remaining in their hands, and which they have begun to lose control of.

It is not the progressive government that is situated in a position of resistance, although public opinion generally attributes **this position to the PSOE and its leader**. The cry of «let whoever can act, act» launched by the ideological leader of the Spanish right, Aznar, is the **cry of resistance from the right**.

Often from the progressive camp, Spanish political right-wing forces are criticized for being unable to establish a proposal, an alternative economic and social model. And that's why the political superiority of Spanish progressivism is affirmed, as it not only has one, but is putting it into practice. **But this is a criticism that should not proliferate**. Of course, the Spanish right has a model, neoliberal in its economic content (even though it's beginning to be outdated as the dominant model of the right, as we shall see later), and traditionalist in its social and cultural content. What happens is that this is not the priority in their agenda, because they have chosen another **objective: to reappropriate power in its pure and hard form through the shortest possible path**.

«It is not the progressive government or its leader who are situated in a position of resistance. The cry of 'let whoever can act, act' launched by the ideological leader of the Spanish right, Aznar, is actually the cry of resistance from the right.»

Armed with this interpretation of reality, progressive left forces in Spain must understand that what is happening is **proof of their success, of the application of their proposals through democracy, and not the manifestation of failure.**

To the extent that this economic and social progress deepens, to that same extent **the right will intensify its naked battle for power**, using all means at their disposal. This is the most important lesson that should be drawn from **Spanish reality: Spanish progressivism must get used to seeing it as the price that must be paid in Spain for the progress being achieved.**

The conservative right could have chosen another path. They could have deployed an opposition as harsh and persistent as desired within the limits of democratic rules and procedures. But they preferred to forget the role of democratic opposition **to escalate their offensive into a naked battle for power.** And, in that battle, they have chosen the strategies that can be most forceful for such an objective, which are four: **delegitimization** of the adversary, characterized by not considering them worthy or valid for a contest around specific policies or around tough but reasoned opposition; **polarization**, characterized by catastrophism, hyperbole, and insult (which is a disqualification not based on reasoning but on the intention to undermine the adversary, transformed into an enemy to be defeated); **«lawfare,»** or the partisan political use of democratic judicial power; and fourth, **lies or informational manipulation** that attempts to distort reality to annihilate the opponent.

These weapons are not new and have been used whenever there have been intense struggles for power. In the past, they were used by the most radical or extreme right-wing forces, such as Nazism in Germany.

«The conservative right could have chosen another path. They could have deployed an opposition as harsh and persistent as desired within the limits of democratic rules and procedures. But they preferred a naked battle for power. And they have chosen the strategies that can be most forceful for such an objective, which are four: delegitimization, polarization, lawfare, and lies or information manipulation»

The use of these instruments severely deteriorates democratic institutions. Delegitimization because it cuts at the root the possibility of seeking consensus, state policies, and dialectical clash with reasons and arguments; polarization because, being an extension of a prior comprehensive delegitimization, it sterilizes political debate and the search for agreements and spreads as a pernicious intolerance to the social climate, concentrating all public ills in one person (in the current Spanish case, Pedro Sánchez); lawfare because it leaves democracy devoid of an independent judicial power dedicated exclusively to maintaining the rule of democratically adopted law;

and lies or disinformation because they prevent voting or citizen position-taking based on data and circumstances in accordance with reality. Therefore, the choice of these weapons **carries within itself the original sin of weakening the democratic system.**

What strategy against the weapons used by the right in Spain?

One can and should be extremely firm in facing their strategy. But the response must have a limit: it cannot contribute to **further weakening democratic institutions.**

Against polarization, one cannot respond with more polarization, against insults one should not respond with insults, and against hyperboles one should not respond with greater doses of catastrophism.

«One can and should be firm against the right and its strategy, but the response cannot contribute to further weakening democratic institutions»

Against lawfare one cannot respond with a general condemnation of the entire judicial system, which is an essential part of our democracy, but rather, quite the opposite, with the defense of **an independent and impartial judicial power** that must ensure the rule of democratic law. I have introduced the term lawfare because it is appropriate to call things by their name. Lawfare is «the strategic use of legal procedures to intimidate or obstruct an opponent,» which is exactly what is happening in Spain in various cases. To respond firmly against it, without deteriorating judicial power, it is appropriate to expose in a **well-founded and repeated manner the malpractice of political activism from judicial instances**, that is, **the fact**. But judges can only be sanctioned by the judicial power system itself. This does not mean that lawfare should not be curtailed by limiting other elements that make it possible, such as **the abuse in the use of popular prosecution or the use of such popular accusations initiative in parliamentary settings without respect for the presumption of innocence or procedural procedures**. We must also promote and even demand **the control and sanctioning of malpractices, accountability, and self-evaluation of performance** by the judicial power itself, and democratize access to the judicial career, so that children of middle and working classes can also populate the judiciary.

Against disinformation, which is an **ecosystem** with multiple actors, we must respond with another **ecosystem against disinformation**, led by public instances - with the public demand for media transparency regarding their ownership and public aid, legally reinforcing the right to honor and the duty to rectify hoaxes - but also with a coordinated civic movement of rejection of disinformation by all involved actors, press, researchers, educators, etc., and in general all democrats.

Firmness based on data and evidence, reasoned use of legislation, along with an attitude of **restraint and moderation** is the most effective defense against the right's new weapons. Responding in kind could only lead to further weakening the democratic system, which is the fundamental weapon for advancing social justice: a balanced look at our history confirms this.

The transformation of the right, and the importance of not underestimating the ideological, political and economic model of the ultra-right.

The political right is undergoing a complete transformation: in the case of the US, the Republican party is being **subsumed into a new libertarian, populist right with serious antidemocratic impulses**. It suffices to remember that the leader who rallied the MAGA crowd on their way to storm the Capitol, Donald Trump, is today the new President of the US.

In Spain, it is necessary to address the elements that **are accelerating** the transformation of the conservative right, the **high «dose of steroids»** that right-wing resistance has received through the emerging far-right ideology, which to describe it properly should be defined as **a libertarian ideology** (a version that goes even further than neoliberalism in its obsession with dismantling **the welfare state**), **populist** (which appeals directly to the people and promises them simple solutions led by charismatic leaders) and **post-democratic** (because, as we have already seen, they carry within their origin the weakening of democracy and the advent of a new authoritarianism).

The Spanish right is falling into the hands of this new ideology carried by VOX **because it strengthens its direct struggle to reconquer power**: it strengthens it **electorally**, because without it, it could not aspire to govern at the national, regional, or municipal level. Regarding **ideological postulates**, it is yielding to it, becoming contaminated in terms of repudiation of women's equality, in the field of climate denial, in the rejection of immigration, seen as a threat to our security and culture, or in its refusal to consider democratic memory as a central aspect of our culture and history. And the same occurs with its strategic instruments of struggle: the Spanish right has embraced with complete naturalness the strategy of delegitimization, polarization, lawfare, and disinformation, because in its all-out struggle, in which the weakening of democracy is merely collateral damage, it coincides with the ultra-right as kindred spirits. The ideological nexus between both forces is in Madrid, in the ideology, postulates, and strategy used by the conservative government in the Autonomous Community and its leader, Isabel Díaz Ayuso.

The momentum of the **new far-right cannot be underestimated**, for at least three reasons. First, **this emerging ideology cannot be underestimated because one of its instruments, the disinformation strategy, is today acquiring enormous proportions with the proliferation of bots, trolls, astrosurfers, and influencers, often with organic ties perfectly coordinated with the ultra-right, and also due to the benign way in which major technology platforms treat disinformation**. Secondly, it cannot be underestimated because the new right is winning the **communication battle**. They have understood, which progressive political forces have not yet achieved, that **network communication today has two new attributes**, immediacy in time, and simplicity of message^{**}: these elements, combined with the fact that strategies of delegitimization, polarization, lawfare, and truth manipulation have greater network diffusion, explain the situation.

But there is a third reason why we cannot underestimate the transformation of the right that we are witnessing. It consists in the fact that Trump's ideological and political

proposal, which relies on the post-democratic and populist strategies outlined above, **has an economic nationalism plan behind it**, supported by two pillars: on one hand, an attempt to forge a **direct political coalition that bypasses the complexities of the democratic system with the great magnates who own the major innovation and technology companies, starting with Musk, Zuckerberg, and Bezos**. And on the other hand, **an attempt to reindustrialize the US through a new economic model of productive growth that leaves behind the pillars of the neoliberal model**.

Against hyper globalization, it offers protectionism for national industry and an expansionist foreign policy that could override international law.

Against financial capitalism, it offers a new perspective of productive capitalism. In truth, part of the criticism made of the past is that financial capitalism, while it fed the valorization of stock markets and consumption, nevertheless weakened industry, productivity, and technological innovation.

The reindustrialization of the US, one of the two pillars of its new economic model, has as its main focus and objective national security and, therefore, weapons innovation and hegemony in the space race.

Against tax cuts as a generalized formula of economic policy and the weakening of the welfare state (the mantras of neoliberalism), the assignment of a new role to the State, in the form of direct complicity at the undisguised service of its coalition and reindustrialization.

This new ideology, political model, and economic model is born supported by theoretical approaches such as the ideological current of Neo Reaction, or the so-called NRx algorithm³, as well as proposals like Agenda 47, the formal policy plans of Donald Trump's 2024 presidential campaign, or Project 2025, designed by think tanks like the Heritage Foundation, ideological documents that still need to consolidate among themselves.

This new model is not born without internal contradictions: financial capitalism versus innovative digital capitalism, populism versus authoritarianism, technological innovation versus condemnation of attracting immigrant talent, Musk versus Bannon...

But in any case, it is essential that progressivism begins to be aware that Trump's postulates are neither an eccentricity nor do they have to result in a false promise to deceive American voters. The core of the ideological proposals that we will soon see disseminated through the coordination of an «ultra international» that already exists «de facto» implies, consequently, **a serious attempt to return to the US, against China, economic, technological, and security hegemony.** And it does so, let's not forget, having won the popular vote in the past elections, the support platform that will serve for an approach to American union movements.

³ The Neo Reaction, also known as "NRx algorithm," is a philosophical and political movement that rejects the principles of modern liberalism, representative democracy, and egalitarianism. Proponents of NRx often criticize what they see as the collapse of modern civilization due to the expansion of the democratic state and the erosion of traditional social hierarchies. Some of the most influential figures associated with the NRx movement include Moldbug (Nick Land), among other thinkers. The Neo Reaction, while not a mass movement, has gained a following in certain spheres of the alt-right, libertarian, and tech communities.

Why the Conservative Strategy in Spain Has Feet of Clay

Meanwhile in Spain, the conservative party remains unfazed with its strategy of extreme reaction to the progressive coalition government in its search for shortcuts to regain political power. They have announced it for 2025. And their strategy will consist of continuing to delegitimize the adversary as much as possible, continuing their polarization and manipulation of reality, and **above all placing a good part of their strategy on whatever lawfare might yield**. These are variations on the same theme: «power belongs to me and I want it as soon as possible».

But this strategy has a short run and can be predicted to end in resounding failure for at least three reasons. The first, it will not succeed **because what is sought is not the supreme good of justice, but to remove the coalition government**; what matters least is the final verdict in Courts of the cases against the President's wife and brother or against the Attorney General, but rather to undermine the credibility and resilience of the government in unresolved processes that are prolonged as much as possible. The second, and more powerful: **because the PSOE is not a corrupt party** and the «popular» accusations are empty of substantive content. But above all, there is a third reason: the PP will have to react to the new approaches of the ultra-right that attack the very foundations of the outdated neoliberal model that the conservative party still defends. If they don't do it themselves, it will be the far-right Vox who will update the ideology of the Spanish right sooner rather than later.



THE PATH TO LEADERSHIP IN EUROPE

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THE PATH TO LEADERSHIP IN EUROPE

The New Scenario and Europe's Potential

In the global geopolitical framework, as we are entering this new era, **nothing will be as it has been until now**, but we also don't know how the world stage will be configured.

We are now in a more fragmented world from the perspective of international trade, a process that will tend to intensify with the type of protectionism that seems likely to progress under the Trump administration, based not so much on autarchies but on a combination of protectionism and the pursuit of advantageous zones of international trade influence or even the annexation of new territories. The Global North appears increasingly divided between liberal democracies and the advance of ultra populism beginning with the USA, and the Global South emerges more assertive, organized, and with little desire to align overnight in the various areas of influence that are emerging in this fragmented world. And while it's true that the struggle for hegemony between the USA and China will intensify, we are also seeing that authoritarian states like Russia, «ademocratic» states like China, or states with authoritarian traits and formal democracy like India, do not view with great concern the emergence of new populist and post-democratic right-wing movements in developed countries, and furthermore aspire to win the alliance of the bulk of countries in the Global South. The results obtained in the European Council on Foreign Relations survey, «Alone in a Trumpian world: The EU and global public opinion after the US elections,» are illustrative in this sense, showing how **a large part of emerging countries have positive expectations regarding Trump's presidency in the USA**, in contrast to a European Union that views it with marked suspicion and rejection.

And above all, in the USA, the country that still maintains the greatest geostrategic power on a global scale, **a new national populist alternative** is emerging, based on economic and industrial ultra-nationalism directly connected with major digital magnates and their capacity for technological innovation. This new model threatens to shatter multilateralism as a mode of international relations, weakens democratic institutions that until now mediated with the interests of technological giants, and uses strategies of delegitimizing the adversary, polarization, and the use of disinformation, strategies that will make the democratic fabric in the USA even more fragile, and that finally shows a genuine fervor for developing an international ideological crusade, understanding that their new model is the response needed, not just for the USA but on an international scale.

Is there an alternative to the model that the new right is implementing? Where an alternative to this model has the greatest chance of emerging is in the European context and it is the social democratic formula being built in countries like Spain.

Spain must consolidate the socioeconomic progress it has initiated to carry weight in Europe.

The role that Europe can play on a global scale **is decisive** both to become **a reference for the most resilient model** of democracy (**European social democracies**, which are liberal democracies reinforced by a welfare state, built over a century), and in terms of competing for alliance with Global South countries.

In the current situation and addressing the European perspective, it is crucial, and not very common, to distinguish **between liberal democracies and social democracies**

Both have the guarantee of democratic rule of law and individual and collective freedom. **But social democracies have extra resilience.** Because they have advanced more in terms of social justice for all citizens, **they will offer much greater resistance** against the new ultra ideology and policy of dismantling the social and democratic state. And it is in **Europe precisely where the highest density of social democracies in the world exists.** Therefore, if we think on a global scale, **Europe emerges as the region that has the most options to stop the wave of national populism that has begun to erode democratic regimes.** This argument is important: despite the rise of anti-European forces in Europe itself, **the degree of resistance that Europe will oppose to possible national populist policies from the Trump administration will be unexpectedly intense.**

But to make it possible for Europe to be decisive on this international scale, it must achieve a **greater degree of unity and distance conservative forces from their vacillations and flirtations with the new national populist right**, which aspires to halt greater European integration from within, and consequently, to undermine its possible role as a global democratic power.

Europe is not a sovereign state, like the USA or China, but rather an association of states that, over 80 years, has followed a process, **unique in the world**, of gradual transfer of sovereignty. Therefore, **political leadership in Europe is mediated by the relative economic weight of each Member State.** In other words, European leadership is earned **through a combination of a country's economic weight and its political initiative and capacity to influence.**

In today's Europe, the leadership that **until now France and Germany held, the nuclear epicenter of the European Union itself, is at a low point**, in both cases due to a combination of economic stagnation and the advance of anti-European and right-wing populist forces. This implies the need for other countries, until now in the second tier, to consider intensifying their activity on the European front. Such is the case of Spain.

Spain has gained economic weight - today it **spectacularly leads** economic growth in the eurozone - and has shown **great momentum in the political sphere** in recent years thanks to the initiatives of Pedro Sánchez and his government. As a result, our country's prestige has increased incontrovertibly, and proof of this is that, despite all the setbacks in the election of the new College of Commissioners, including the failed attempt by the PP and EPP to remove her from the position, **the First Vice-Presidency of the Commission**, the second most important position in the European Commission, has gone to a Spanish woman, Teresa Ribera.

And with prestige **comes opportunity and responsibility**. Spain cannot aspire, overnight, to have the GDP of France or Germany, but it can try to be one of the champions, a David who subdues Goliath, and who, in a turbulent world, contributes **significantly to organizing European ranks**.

But to contribute meaningfully in Europe requires more than notable economic performance and the prestige it brings. Spain, if it wants to carry weight in Europe, must demonstrate that **its economic growth is stable and continuous over time, that it structurally becomes one of the engines of European growth**. And this means gaining economic weight by developing and consolidating in the coming years **the economic assets it already possesses**.

«Spain cannot aspire, overnight, to have the GDP of France or Germany, but it can try to be one of the champions, a David who subdues Goliath, and who, in a turbulent world, contributes significantly to organizing European ranks»

This is the second reason why Spain must consolidate the socioeconomic progress it has initiated: it's not only because it is transforming the country in favor of its working and middle classes, **but because Europe is not an entity separate from its member states: when Spain gains economic weight, Europe gains it too**.

But to achieve this, it must give what has already been accomplished in Spain **greater intensity and continuity beyond 2025**, a year in which Spanish growth forecasts still far exceed those of other EU countries.

Developing, with an eye on Europe, the productive specialties that are already succeeding in our country, thus becomes doubly urgent.

It is the government's task to decide the lines of progress. What is stated here is that this must be done **with a sense of urgency and high doses of pragmatism and effectiveness, with an eye not only on Spain, but on the strength of the European Union**.

European socialdemocracy, decisive against national populist politics in Europe

It was noted above that the European Union has a governance system where political initiative is mediated by the economic weight of each member state, **so that both the political and economic planes count for European leadership**. Although the economic situation in France and, particularly, Germany faces economic difficulties, **their main problem is political**. The evident fact is that, in both countries, the advance of the anti-European ultra-right is increasing, significantly in Germany and approaching the doors of power in France.

Spain, as in the case of its economic growth path, enjoys growing political prestige in the Union. This is due firstly to the evidence that with a minority left-wing coalition government needing constant alliances with other democratic forces, Spain is nevertheless governed with remarkable stability. And this well-deserved prestige is due to the **political initiative that the coalition government and Pedro Sánchez's leadership have already demonstrated** in crucial European or international issues such as the creation of the Next Generation Fund or the «Iberian exception,» but also in the positions it has taken **avoiding «double standards» regarding Ukraine and Gaza,** defending in both cases international law and **international humanitarian law,** or advocating for the **two-State solution** in face of the continued massacre inflicted by Netanyahu's government in Gaza. Thus, it has on the political level, a proven foundation **upon which to expand its political initiative.**

Spain's efforts should undoubtedly **be focused on strengthening the Union's progressive pole,** which means, **first and crucially, working to strengthen European social democracy.** In this field, the experience of Spanish social democracy's political repositioning, which will be addressed next, can be useful.

«In the current situation, it is social democracy's ideology adapted to current conditions that can truly offer restraint and an alternative to the new right, as well as the foundations for European leadership on a global scale. But this ideology must be updated.»

In the current situation, it is **social democracy's ideology adapted to current conditions that can truly offer restraint and an alternative to national populist politics in Europe, as well as provide the foundations and basis for European leadership on a global scale.** But this ideology must be updated. And in this field, Spain can be a good example: the **political repositioning** of Spanish social democracy that occurred in 2017-18 has been a **remarkable event,** and has had a **tangible effect, making it possible for Spanish socialism to move in just a few years from a period of decline with decreasing citizen voter support, to a recovery, to a new situation of electoral strength.** It is in this **new reformulation of what social democracy means in today's world, and in Pedro Sánchez's vision and leadership** where lies the ultimate reason for Spain's social and economic strength, its growing international prestige in the political field, and why it is today **a very effective barrier against the advance of the far-right.**



THE STRATEGIC REPOSITIONING OF SPANISH SOCIALISM

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THE STRATEGIC REPOSITIONING OF SPANISH SOCIALISM

The strategic journey of Spanish socialism since 2017 **represents more than just an anecdote**. As a matter of fact, the PSOE **repositioned itself both in its thinking and political practice**, shifting its position in the spectrum (more to the left), formulating new values and inaugurating a period of long-term reforms. This political repositioning was genuine, true, and lasting. And it freed PSOE from a tendency toward political decline that was beginning to emerge. We are talking about how **a political movement began to ward off what seemed to be the inevitable destiny of old social democracy** - a destiny of electoral irrelevance that various socialist organizations in some European countries are still trying to escape.

“Spain’s efforts should undoubtedly be focused on strengthening the Union’s progressive pole, which means, first and crucially, working to strengthen European socialdemocracy. In this field, the experience of Spanish socialdemocracy’s political repositioning can be useful.”

Most of the arguments and proposals presented here are **postulates that transcend a single country**. Overall, they point to the response of a renewed social democracy to the new conditions of 21st century capitalism.

What changed in the PSOE in 2017 and thereafter?

Between December 2016 and March 2017, the backbone of the current Spanish social democratic project began to take shape.

What did this project consist of? It can be defined with four strokes: as a **reformulation of what social justice means**, a **recovery and expansion** of socialist values, an emphasis on the changing era by introducing from the start **the challenges of transitions** - ecological/energy and digital/AI - and a change in the way of understanding politics and **reformism**.

Regarding the first aspect: until 2017, Spanish socialism fundamentally defined social justice as the fight for **«equal opportunities» through the redistributive mechanisms of the welfare state**. This was particularly clear in the Spanish case. Since socialism came to power in 1982 and during the last decades of the 20th century, Spain built a welfare state on four pillars: universal healthcare, universal education, a network of social services and dependent care, and social protection for workers (social security, unemployment insurance). In this way Spain, although belatedly, joined the social democratic consensus that prevailed in Europe since World War II, giving birth to various European welfare states. Building the welfare state also required an **ambitious fiscal reform** to make taxes progressive in Spain. On such foundations rested **until practically our days** the socialist conception of social justice: made reality **through fiscal redistribution mechanisms and through the universal provision of basic public services**.

However, with the beginning of the new century, and despite the existence of a welfare state, it became clear that developed societies **are becoming more unequal every day**, and that this is because, before the redistribution process, **in pre-distribution, that is, in the very reality of production**, capital is taking the lion's share of income, and that, in labor income, every day **there is a greater divergence** between a minority who are doing well and a majority who have stagnated.

In a word: beyond equal opportunities, **the fight against inequalities in income, wealth and gender has today become a central element in the pursuit of social justice within the socialist political project**. The fight against inequalities was an element that **had not been incorporated into socialist discourse in Spain before 2017**.

The second aspect of that repositioning of Spanish socialism in 2017 refers to **the principles of socialism**. The common thread that ensures continuity with a 140-year history, which they do not want to renounce, are the principles of socialism.

Socialism was the aspiration of **worker liberation**, and was based from its origins on an ethic of social justice, fraternity among the dispossessed, and the struggle for emancipation from capitalist exploitation. Social democracy, as noted above, inherited these values and completed them: since the late nineteenth century, its hallmarks were **the struggle for reforms** that would improve workers' living conditions and, a new element, **a radical adherence to representative democracy**.

To these hallmarks was added a triad of values: **equality, freedom and solidarity** - where it is **the chained combination** of the three values that gives them their precise socialist meaning. The values of democratic socialism have combined the pursuit of social justice with respect for individual freedom.

Where this combination is best manifested **is in conceiving freedom as the absence of domination**, the most wonderful definition for human dignity: a person is free **when they are freed from all forms of domination**⁴ (such as that caused by capitalism or that which women still endure in patriarchal civilization). The collective struggle against domination so that every citizen can achieve freedom implies the collective fight against oppression and **presupposes the need for democratic state intervention for their elimination**. It is this distillation that eventually crystallized in the SPD maxim coined in Bad Godesberg in the mid-twentieth century: social democrats aspire to «as much market as possible, as much state as necessary»

In the context of the project that Pedro Sánchez promoted in 2017, two new principles were formulated and added to the longstanding principles of democratic socialism. On one hand, **ecologism**, as an essential guarantee of secure, fairer, and more lasting progress for both present and future generations. On the other hand, **feminism**, elevating to the status of principle that the 21st century must be the century of the definitive conquest of equal opportunities and rights for women, the end of centuries of domination, and the definitive eradication of patriarchal civilization in all orders of life.

⁴ Philip Pettit and his "New Republicanism" ought to be a reference for contemporary socialism. "Republicanism: A Theory of Freedom and Government", Clarendon Press, 1997.

The third aspect, **the emphasis on the new challenges that the new era brings regarding ecological/energy transition and digital/AI transition**, is heir to the first modernization already carried out in the eighties by Felipe González's socialist government, and implies the presence of a **productive modernization element** both then and in the social democratic reformulation of 2017. This aspect is important because it reflects an integration between the modernization and productive restructuring that Spain has initiated during recent years with the social progress it has pursued.

The last aspect and perhaps the least known of the repositioning on the political board that the PSOE adopted then, was that **it became a party with reforming will**. At that time, there wasn't much awareness that the distance they wanted to put with the «old social democracy» wasn't so much in **the field of grand alliances** with center-right parties. Of course, this type of alliance was abhorred with the famous «no means no» and the refusal to support Rajoy to form government in 2016.

Now seen in retrospect, the «no means no», which at some point was maintained almost alone by Pedro Sánchez and which forced him for consistency to even abandon his seat as deputy, was an example of how to take on a commitment based on principles, resist with it and, in an example of tenacity, maintain it for several years until turning it into the motion of no confidence that removed the PP from government in 2018 due to its corruption problems.

The great change in Spanish social democracy: from managing the existing to reforming impetus

But within that refusal, the «no means no», **there was another element**: the rejection of settling for being a governing party dedicated to managing the existing, and **the commitment to become a reforming party**.

There was a **meeting point** between the practice of grand coalitions and the renunciation of the reforming spirit. At the height of neoliberalism's ideological hegemony, grand coalitions between center-right and center-left **could only be established within very clear limits**: the paradigms of minimizing state intervention and relaxing tax progressivity, privatizing, for the sake of alleged efficiency, as much public management as possible, or dismantling any barrier, justified or not, to economic and financial hyper globalization. In other words, the reforms that could be introduced **were so limited that in the end what mattered was not reforming policy, but mere management**.

Limited to management, the alternative character that social democracy could wield against conservative parties was nothing more than **being the best managers**, the smartest ones, **trying to maintain, at the same time, the objectives of equal opportunities through a welfare state subject to the tyranny of macroeconomic orthodoxy and rigid budgetary discipline**. **Anthony Blair and Gerhard Schröder were the maximum exponents of this social democratic drift**. But even in Spain, this **supremacy of management** was, at the beginning of the 21st century, the guiding star of Spanish socialism.

«The real and effective strategic repositioning of Spanish socialism driven by Pedro Sánchez was followed, as a consequence, by a change in trend in the electoral decline to which it seemed irremediably destined»

And it is at this point where the political repositioning of Spanish socialism can be most clearly verified, **which has moved from mere management to readopting the position of a reforming force**, whose reason for being is reforms in favor of the middle classes and working classes.

There is a fact that has not been, even in Spain, sufficiently analyzed: when Pedro Sánchez became Secretary General of the PSOE in 2017, the **real and effective strategic repositioning of Spanish socialism that he promoted** was followed consequently by a change in the electoral decline to which it seemed irremediably destined.

Before the political repositioning we are referring to, there was already talk of **«15% social democracy»**, referring to the generalized and irreversible decline of social democracy throughout Europe. But the PSOE, after its repositioning, returned to being the **«30% social democracy»** since the elections of April and November 2019. It is surprising that this empirical fact of first magnitude has not been analyzed in our country or abroad with sufficient emphasis.

The decline of European socialdemocrats

First and last results of social democratic parties in parliamentary elections between 2000 and 2017, in percentage Created by Local Focus for EDJN

	2000	2017
Austria	36,5	27
Bulgary	17,1	27,2
Czech Republic	30,2	7,3
Denmark	29,1	26,3
Finland	24,5	16,5
France	23,8	7,4
Germany	38,5	20,5
Greece	43,8	6,3
Italy	43,2	25,4
Netherlands	15,1	5,7
Norway	24,3	27,4
Portugal	37,8	32,3
Spain	34,7	22,0 2015, 28% 2019
Sweeden	39,9	31
Switzerland	23,3	18,8
United Kingdom	40,7	40
Average	31,4	21,3

It is very important that this silence does not lead the PSOE itself to forget its recent history, thus losing a fundamental change that has occurred within an old party that, nevertheless, has been able to overcome a decline that seemed already certain.

The success was due to the combination of three determining elements: **a leader, his communion with the majority of militant bases, and his contribution of a new project.** A leader, Pedro Sánchez, free from ties to the past and capable of genuinely approaching the militants; militant bases that supported him enthusiastically and no longer shared the version of management socialism that PSOE had become; and an ideological repositioning that declared PSOE as bearer of an alternative not only against conservative right-wing parties, **but against an economic system that seems destined to create growing inequalities, destroy the foundations of human life on the planet, **promote technological progress whose norms are removed from the common good, **and perpetuate injustices against women.**

It is evident, for those who want to see it, that this is being **a reforming era in Spain both in the social plane and in the economic and productive plane.** And it implies that **the fundamental change in orientation of Spanish socialism has been to re-embrace the reforming drive and impetus, one of the essential elements of social democracy.** But that spirit has not been a mere declaration of intentions, but **the backbone of the government activity** led by Spanish socialism.

European social democracy must once again embrace this reforming spirit. It is essential that it does not remain constrained to managing what appears at first sight as the field of the possible. Social democratic reformism implies a broad conception of the struggle for reforms that takes into account **their sustainability over time and the calculation of the correlation of forces and the forging of alliances to make these reforms possible.** What it does not imply, what has been overcome, is continuing to act within the margins dictated by the management of the existing. It implies imagining new solutions to new problems, making reforms possible through the examination of the existing correlation of forces and the work of negotiation and permanent dialogue with them. This conception of the necessary reforms, whether moderate or radical (as we will need both in the 21st century), is **a central principle and practice** of 21st century democratic socialism.

«European social democracy must once again embrace this reforming spirit. It is essential that it does not remain constrained to managing what appears at first sight as the field of possible management.»

A group of people in a crowd, overlaid with a red grid pattern. The text is centered and reads:

**A NEW ERA,
TWO
ALTERNATIVES:
NATIONAL
POPULISM OR
SOCIAL
DEMOCRACY**

AVANZA

A NEW ERA, TWO ALTERNATIVES: NATIONAL POPULISM OR SOCIAL DEMOCRACY

It is time to close the circle, summarizing the new situation.

Under Trump's leadership, we see a new alternative emerging in the ideological, political, and economic spheres:

- **In the ideological sphere**, it defends a proposal that despises equality between women and men, denies the significance of climate change, erects a frontal rejection against immigration phenomena, criticizes globalism, and despises the multilateral order. A constellation of theoretical approaches and think tanks (NRx, Agenda 47, Project 2025, etc.) serve as a substrate to support this ideology.
- **In the political sphere**, it establishes a **coalition** and a direct alliance between the Trump administration and the great magnates of innovation in the USA, bypassing democratic mediations and procedures. This alliance implies attributing a new role to the State, but not so much as a guarantor of the common good, but as a subrogated factor that must accelerate, through public support, these magnates' innovation plans in the digital field, platforms, social networks, and Artificial Intelligence, as well as in the arms and space race.
- Alongside this antidemocratic and oligarchic drive, this alternative uses the weapons of political polarization, the use of social networks to disseminate its ideology, and enhances disinformation with either enthusiastic support or permissiveness from major social media platform owners. The authoritarian and antidemocratic impulses of this political approach are clear. Also on the political level, it is showing disregard for the multilateral order and international law, while being very active in effective partisan coordination with like-minded governments or parties, advancing in the creation of a genuine "international of the ultraright." In other words, it aspires to a new international order and does not reject the possibility of interference in other countries to defend the vital interests of the USA.
- **In the economic sphere**, takes national security and defense as the base objective, and proposes the reindustrialization of the USA through a decisive commitment to productive capitalism, a new escalation of tariffs against the rest of the world, while criticizing the previous era inspired by neoliberalism: this is why this alternative is critical of globalization as well as with the results of financial capitalism, which have weakened productivity and productive jobs creation. In its scheme, tax cuts are no longer a central element of economic policy, unless they are understood, in the case of companies, as a protectionist subsidy. The bet of this new economic model is that it will contribute to improving the living conditions of working and middle classes, of all of them and not just heterosexual white men, as many have defined until now: it was the vote of the working class and middle classes that ensured Trump's victory in the past presidential elections.

- > This ideological, political and economic model should not be underestimated for at least three powerful reasons: on one hand, due to the recovery of a leading role for the State in service of innovation led by major tech magnates. On the other hand, because its emphasis on **reindustrialization could be crowned with success within the USA****, albeit at the expense of many peripheral countries**. Finally, it should not be underestimated due to the power granted by having the ownership and conduct rules of major platforms and social networks at the service of Trump and his coalition, with their enormous influence over the thinking of hundreds of millions of people. As previously stated, Trump may seem eccentric and extravagant, but he has a plan.
- > At a more abstract but equally important level, the national populist alternative defends “decoupling”, **the growing dissociation between capitalism and democracy**, the two central systems, economic and political, that had gone hand in hand since World War II. Or, as brilliantly analyzed by Nacho Álvarez⁵, we are witnessing the “shipwreck” of a long era of **democratic capitalism**, the one that enabled what others have called the “**social democratic consensus**” and which gave liberal democracies the capacity for integration and social welfare. The most important consequence will be a resurgence of capitalism that uses political power to serve its own interests directly and undisguisedly.

Is there an alternative to Trump’s national populism? A possible alternative should have one outstanding characteristic: **being innovative**. A solid alternative to a proposal with innovative elements like Trump’s, which also wraps itself in the populist mantle of being anti-establishment and anti-bureaucratic, cannot be a **conservative response that merely bases itself on defending what exists**, but must combine the defense of valid elements of current social and political reality with fully innovative aspects.

The foundations for this alternative already exist, the construction of this alternative is possible. It already exists **within the European context**, and in inspiring and proven government experiences such as Spain’s case. **It is about a social democracy adapted to current conditions.** What are its features?

In the political sphere, the consolidation of a **social democratic regime**, as **the most integrative and effective alternative among liberal democracies**, as a political model **that has emerged from the European social and political fabric**, and **that combines democracy and individual and collective freedom with the social and democratic rule of law, with a Welfare state**. It is evident that Trump’s national populism carries within itself, both through the creation of a “techno oligarchy” and through the instruments it uses, polarization and disinformation, a clear effect: **it will seriously harm and weaken the democratic regime**. The defense of democracy is, therefore, a consubstantial element of the progressive and social democratic alternative. But it will no longer be sufficient if it is not combined with an integrative social component.

In the economic and social sphere, it goes beyond mere growth and, as in Spain’s case, is based on four pillars:

⁵ The shipwreck of democratic capitalism, Nacho Alvarez, 19/12/2024, Cinco Días

- Growing with **social justice**, channeling the fruits toward the **working class and middle classes**, and toward **equality for half of the population**, that is, **women**. And doing so knowing that achieving social justice is as important in **predistribution**, in the conditions of production and work, as in the **redistribution** of income.
- **Affirming the welfare State**, particularly by deploying **public education to ensure the generation of talent** as the epicenter of growth.
- Growing by **changing the economic base** to enable an **ecological and energy transition** in the fight against climate change, to preserve our biodiversity and ensure access to water.
- **Incentivizing productive investment over speculative investment**, placing Spain and Europe at the technological forefront by **increasing the pace of digitalization and AI utilization** in economic activities.

In contrast to the reindustrialization proposed by national populism, based on **protectionism** and **expansion in the name of their own economic interests**, and although it is a formidable challenge, the alternative already underway in Spain and Europe must fully develop has a **central component of reindustrialization and technological innovation**. Spain has already demonstrated that it is possible to channel the fruits of growth toward the middle classes and working class while simultaneously undertaking, with great success and the highest degree of efficiency, actions in productive modernization and technological progress. In fact, the Spanish economy will continue to be the best-performing economy in the entire developed world in 2025, building on an equally leading performance in 2024.

This perspective will become a reality to the extent that the European Union pursues, **immediately and urgently**, priorities that somewhat reflect those that have been outlined by Draghi or Letta at the request of the European Commission itself.

European leadership on a global scale: European priorities

The most effective way for Europe to resolve its internal problems, in relation to the ultra-right anti-European forces within it and regarding the vacillations of conservative forces is, without a doubt, to gain clarity on the **priorities that it should have in order to be a global reference**.

« In the international context we are analyzing, the European Union appears as the only hope for social democracy, for moderation regarding protectionism, for the restoration of international law, humanitarian law, and international institutions. But it will only be able to act significantly if it achieves its strategic

autonomy and chooses as its objective to position itself as the third power, alongside the USA and China, seeking a restoration of the international order. »

In the international context we are analyzing, the European Union appears **as the only hope** for social democracy, for moderation regarding protectionism, for the restoration of international law, humanitarian law, and international institutions. But it will only be able to act significantly **if it achieves its strategic autonomy** and chooses as its objective to position itself **as the third power, alongside the USA and China, seeking a restoration of the international order.**

The world's current situation **thus adds a radical sense of urgency to the need to formulate priorities for Europe and unite progressive forces around them with a focus on the Union's development in the immediate future.**

Very much in line with some of the conclusions from the Draghi and Letta Reports, the following priorities for urgent implementation should be mentioned⁶:

- > Strategic public investments:** Undoubtedly, the most important is making Next Generation Funds permanent through European debt issuance and through the expansion of European taxation. Europe, due to its political tradition maintaining a central role for the State, can consider a new role of the "State as entrepreneur" that leads investment and catalyzes private investment in strategic terms. But for this, it must have its own funds permanently. If this does not happen, strategic investments will be developed by those EU member countries that can afford it. And this will surely, as is happening now, weaken the essential integration of European markets. This is probably the most important issue to resolve in Europe: without properly European funds, it will not be possible for Europe to initiate a novel process of industrialization and construction of a global-scale technological vanguard.
- > Unification of capital markets and the banking system:** Related to the previous priority, and equal in importance and urgency, unifying the European banking system and **integrating its capital market and internal market in general.**
- > Strategic energy autonomy:** Ensure European energy autonomy including the increases in consumption that digitalization, AI, and data centers will entail, with renewable energies and the necessary interconnections.
- > Industrialization and entrepreneurship:** Promote the channeling of European savings that currently flows outside Europe annually in hundreds of billions of euros towards a) European investments in a central effort for reindustrialization and b) towards a new European generation of entrepreneurs to whom properly European venture capital is channeled.

⁶ These priorities are presented in the report by the AVANZA Foundation « Holding a mirror up to Europe », lab-avanza.es

- **A European AI:** this objective has two important and complementary aspects. On one hand, European AI aims to emerge with a **strong humanistic character, respecting individual and collective rights of citizens**. This implies a logic for applications, platforms, and AI itself not based purely and exclusively on data capture and the need for dialogue/pressure on large tech companies to eliminate the most harmful effects of the rules they are imposing that harm these rights. **On the other hand, promoting European tech giants by making competition rules more flexible, and incentivizing the creation of applications, platforms, and AI related to established European sectors** (healthcare is a good example) with the aim of successfully competing in global markets.
- **Security and deterrence:** undertaking the creation of a European army and coordinated action in defense systems, security, and arms industry.
- **Alliances with the Global South:** a genuine approach to Global South countries particularly in Latin America and Africa in several priority aspects, a) establishing bilateral agreements with these regions to be defined on equal terms, incentivizing industrial value-added production in third countries regarding strategic raw material imports to Europe, with clauses ensuring both partners benefit from the agreement, and b) contributing with new solutions to financing from Europe the fight for development and against climate change in the Global South. At a time when major powers are seeking new allies, **Europe should address the perspective of the birth, beyond 2050, of a new geopolitical region based on the strategic alliance between Europe, Latin America, and Africa, which rebalances the board and becomes a driver of global progress.**

Faced with the hesitations of conservative pro-European forces with far-right groups, the factor that can provide leadership among European political groups in pursuit of this alternative **is the European social democracy**.

And in order to achieve this, it is absolutely essential that European social democrats **update their discourse and unite around it:** in this field, the political repositioning that Spanish social democracy has carried out since 2017 can be a good practice to apply to the specific conditions of each country.

Beyond Europe, the social democratic and progressive alternative outlined here cannot be undervalued on a global scale. The European model of international relations, in contrast to the disorder that national populism can bring, ensures a basis for multilateral understanding with Global South countries, whose interests in economic development and progress in productive diversification align better with a multilateral open trade scheme based on rules, where equal-to-equal relationships can prevail, and where respect for international law and humanitarian rights are guarantees of peace and coexistence among peoples. And in this field, if it is true that we see the emergence of an “ultra international,” it is equally true that the Socialist International is experiencing a genuine spring under Pedro Sánchez’s leadership.

Finally, it will not be so easy for national populist forces to clear a path for their alternative in Europe. Civil society itself, productive forces, defenders of democracy,

or those who aspire to a sustainable world will not accept without a fight the national populist alternative.

The task of building a social democratic and progressive alternative is enormous, but it is possible. As noted at the beginning of this reflection, **we are beginning a journey whose end is not yet written, a journey that begins now at the dawn of this change of era.**

To close this reflection, it will be good to review the alliances that can contribute to the materialization of the social democratic and progressive alternative's roadmap.

Allies for Progress

Social democracy and progressive politics, at the national, European, and international levels, to consolidate their alternative, have **five major alliance fields** that they should develop in their political practice.



Alliance for democracy:

This first and main alliance is valid at all scales - global, European and national. Faced with the reaction orchestrated by the traditional right, contaminated by national populist ideology and expressions that are enormously weakening the democratic fabric of politics, **the contest that has begun revolves around consolidating or weakening democracy:** and it is a battle in which **potentially all democrats could be involved**, from those who understand that politics must be based on information integrity, seeking dialogue and agreement, respect for opponents, strict separation of powers, to those who resist the disappearance of the political center and democratic right. Social democracy must extend its radius of action, understanding genuine liberal political thought, political liberalism (as opposed to the crude economic caricature of neoliberalism), which millions of democrats hold in their convictions, because **in the current scenario the first and main achievement should be the consolidation and perfection of representative democracy:** post-democracy and post-truth must become a bad dream that could have become reality but which, through the conjuring of all democratic forces, remained just that - a bad dream.



Alliance for socioeconomic progress, innovation and productive investment:

Faced with powers seeking to extract rents without adding significant value to the economy, **it is necessary to continue progressing on a new growth path**, which is already being implemented in Spain's case, where it has been demonstrated over the last six years that it is possible to grow through productive investment and pre-distribute the fruits of that growth to the middle and working classes. All forces that support productive investment and sustainable growth could end up rowing in the same direction: from the middle classes insofar as their main asset is, as in the case of workers, **productive work**, to large companies **that haven't surrendered to the extractivism of "shadow banking"**, SME entrepreneurs, cooperatives, self-employed

workers, entrepreneurs, professionals, and merchants. In this field, large productive private companies are potential allies, and achieving their alignment with these objectives is essential. For 21st-century social democracy, forging this **alignment of large productive companies' interests with the common good is the path that could lead in the very long term to a new post-capitalist society.**



Alliance for territorial rebalancing:

Today, the antagonism between capital and labor continues to exist, but it has given way to a new **territorial divide**, - where **the peripheries**, intermediate cities, depressed industrial areas, inland areas, and rural zones- lack the **same levels and expectations of wellbeing and prosperity** compared to major central conurbations. Therefore, these peripheries, and **the development of their entire social, economic, and cultural fabric**, are a new objective ground for alliances. In this aspect, as already raised earlier in this reflection, Spanish social democracy has opened a new chapter of **regional socioeconomic development through Industry 4.0 in inland Spain and regions with lower per capita income**, based on regional plans designed and implemented in a federal cooperation regime between the Autonomous Communities and the national government.



Alliance with Science:

In this new era, **Science (Exact, Physical, Chemical, Natural, and also Social Sciences) has become the engine of uninterrupted and exponential progress**, the meeting point where major innovative advances in each discipline feed back into digitalization and Artificial Intelligence, and into the reconstruction and decarbonization of the economic base. Scientific research, **both for its disruptive potential and its method**, is a potential ally of progressivism, for at least two powerful reasons. Firstly, because to face the enormous growth of hoaxes (remember those related to vaccines or climate change), and foreign interference in the field of cybersecurity, to **combat denialism, there is no better antidote than scientific evidence.** This places science and millions of scientists, lovers of their work, their methodology, and their experimental search for truth, in the field of fighting against disinformation. But there is another, even more powerful reason. The advances that have occurred and will continue to occur require that **humanism, the person, be placed at the center**, which presupposes the need for collective regulations that make possible the control of such advances and ward off the threats of uncontrolled innovations that harm citizens' rights and freedom. Digitalization, which has generated massive platforms, applications, and social networks, cannot have as rules of conduct those established by the owners of these applications and platforms; their algorithms cannot have as their sole purpose the private benefit of their owners through the capture of data that can be sold to the highest bidder, nor appropriate people's private data without their consent, nor manipulate users to be induced into communities above their freedom of choice, nor create addictions like infinite scrolls or new mental illnesses. **New Charters of Rights are necessary in the field of digitalization, Artificial Intelligence, genetic manipulation, or intervention in the mind in the field of Neuroscience.** Scientists, protagonists of these advances, are the ones

who best know the effects that uncontrolled spontaneous growth, or growth exclusively based on private profit, can have on people. This is the potential of an alliance between Science and progressive forces that aspire to place the person, their individual freedom, and their individual and collective rights, at the center of current and future technological advances.



Alliance for convergence in development and ecological transition between the Global North and South:

In recent years, through digital platforms and social networks, **not only the economy but also politics and ideology** have been globalized. The boundary between purely domestic and international action is becoming increasingly diffuse and porous. At the same time, in just a few years, the international order has transformed into a fragmented scenario where aspirants to hegemony have begun seeking strategic alliances in the Global South and among emerging countries. The alliance between social democracy countries and these has solid elements on which to build: on one hand, Global South countries, in general terms, are not interested in protectionism but rather in **open trade that can be the basis for their productive diversification**, just as progressive governments in the Global North also defend the permanence of an open, rules-based trade regime where new generation trade agreements include compensation clauses for groups or sectors that may be adversely affected. The second objective area where new alliances can be woven is in **development financing and the fight against climate change in the Global South**. In this field, although both China and Russia are displaying enormous activity and capacity for initiative, the struggle for areas of influence **has barely begun**. Development financing needs in Africa, Latin America and the Caribbean, and Southeast Asia **are so enormous that everything remains to be decided**. Official Development Assistance, although important, is neither sufficient nor adequate for convergence with the Global South nor for its decarbonization. But a new approach combining elements such as the transfer of Special Drawing Rights from Global North countries, debt relief, and new mechanisms for making public funds available as catalysts for productive private investments towards the Global South **could indeed compete, and advantageously so, against other strategies**, especially if presented as mechanisms that **are deployed jointly, on equal footing** between social democracies and Global South countries. This is the other, and **perhaps decisive field in which there exists an objective basis to deploy alliances between progressive forces of the North and Global South**. In fact, in this field, the work that the **Socialist International, chaired by Pedro Sánchez**, can deploy may be a fundamental driver of this type of alliance. The Development Financing summit to be held in Seville in June 2025 could be an important milestone in this perspective, and **the dialogue for its preparation by social democrats worldwide presents itself as a crucial opportunity**.

Here concludes this reflection on the role that social democracy and progressivism can play in the birth of a new era and on how they can navigate the waters stirred by the new ideology of the right. If the Spanish case represents a good practice in this context, it can serve as a stimulus for the necessary updating of visions and strategies

of European and international social democracy and progressivism.

But nothing can be done alone: from Spain, from Germany or France, from many EU countries, and from other regions of the world, this reforming task **is crucial for a world that finds itself at a great crossroads** between two alternatives: democracy or authoritarianism, growth for all or increasing polarization of wealth, equality in welfare and income for all citizens regardless of where they live or resentment from the peripheries, science and technological progress at the service of all or of a few, and chronic divergence or effective convergence between the Global North and South.

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