

European Union Social Policy

European Union Policy-Making
'2019 Crisis' Special Session

frama.link/eusp-2019



BUILDING
SOCIAL
EUROPE

Overview

- **Pensions** ('delayed income')
and other old-age cash transfers (long-term care)
- **Unemployment benefits** (also an income transfer)
and protection against job-based discrimination
- **Sickness benefits** (cash transfer + service economy)
incl. catastrophic healthcare expenditure, paid leave
- **Family benefits**
incl. parental leave
- **Poverty relief** (*minima sociaux*)

The Community and the Member States, having in mind fundamental social rights such as those set out in the **European Social Charter** signed at Turin on 18 October 1961 and in the 1989 **Community Charter of the Fundamental Social Rights of Workers**, shall have as their objectives the promotion of employment, improved living and working conditions, so as to make possible their harmonisation while the improvement is being maintained, proper social protection, dialogue between management and labour, the development of human resources with a view to lasting high employment and the combating of exclusion.

[Treaty establishing the European Community 2002, art. 136](#)

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[Treaty establishing the European Community 2002, art. 136](#)

Research questions

1. Extent of **EU agency**

vs. National welfare-state mandates (Esping-Andersen)

2. Type of **'European Social Model'**

vs. National market protection mechanisms (Polanyi)

Both affect the scope (who gets what, when and how) of what have historically been **state-based**, **class-based**, **redistributive** policies

Interested stakeholders

- EU-level **institutional triangle**

Commission, Council (Member States), Parliament

N.B. All have highly heterogeneous preferences

- EU-level **non-governmental** stakeholders

Trade unions (*syndicats*)

Employers and business interests (*patronat*)

'Social NGOs' (e.g. gender equality groups)

EU social partners



Example EU-level 'social NGOs'



FEANTSA



European Social Network



EUROPEAN WOMEN'S
LOBBY
EUROPEEN DES FEMMES



Eurochild



EUROPEAN ANTI POVERTY NETWORK

'Leibfried and Pierson' view of EU social policy

1. A 'hollow core'

i.e. No real (i.e. treaty base) mandate

2. Prominent role for courts in policy development

i.e. Europeanization via case law

3. Tight coupling to market-making processes

i.e. Market-enabling policy orientation

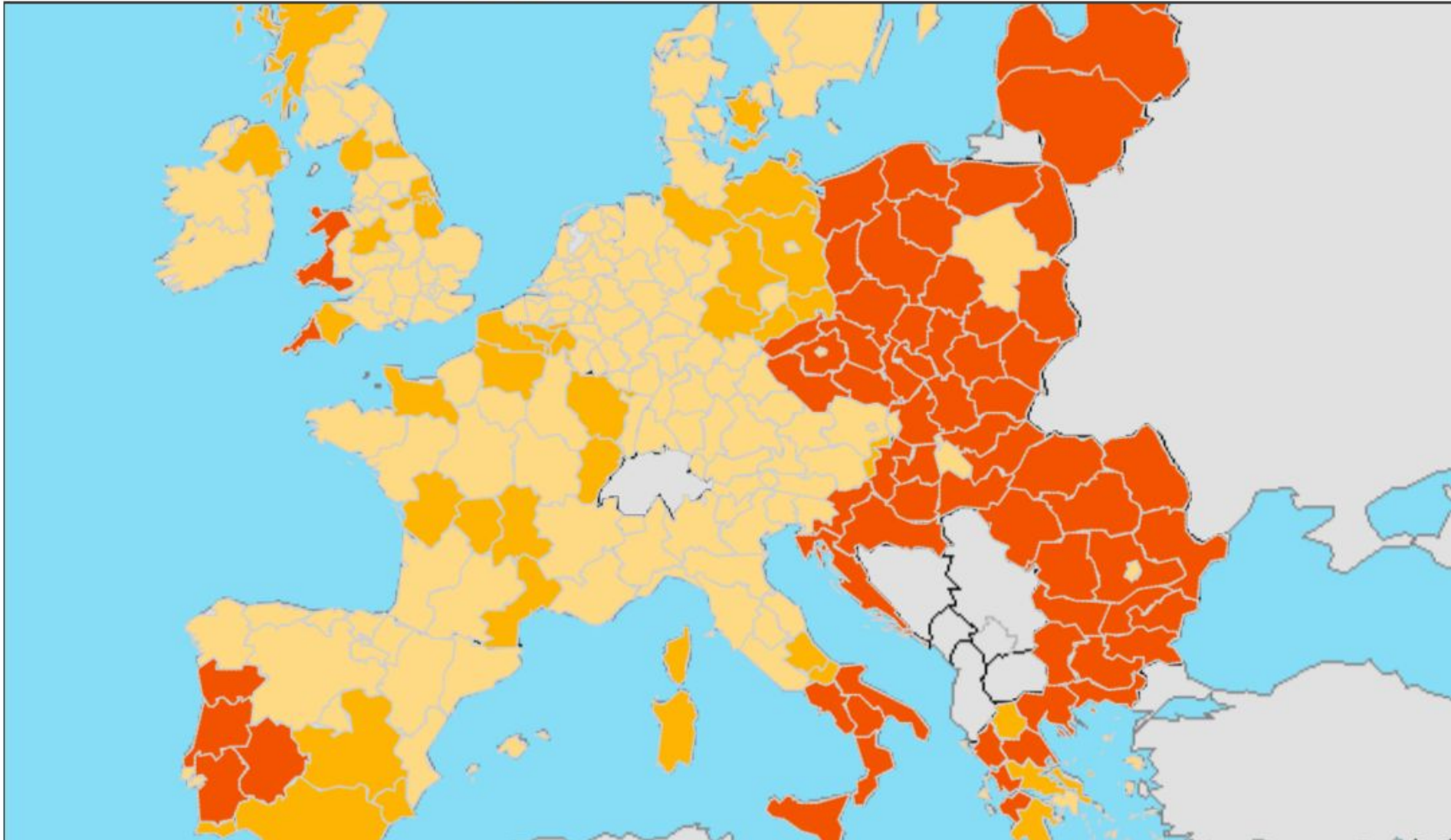
'Hollow core' attributes

- Unlike welfare states, EU **cannot raise direct funding** via taxes and social contributions

Instead, **European Social Fund** (ESF, 10% EU budget) and **Structural Funds and Cohesion Fund** (ERDF + CF)

- Most of EU social policy is **not legally binding** — most initiatives are consultative/voluntary
e.g. **Open Method of Coordination** (OMC) in employment, 'social inclusion' and health (cognitive harmonization)

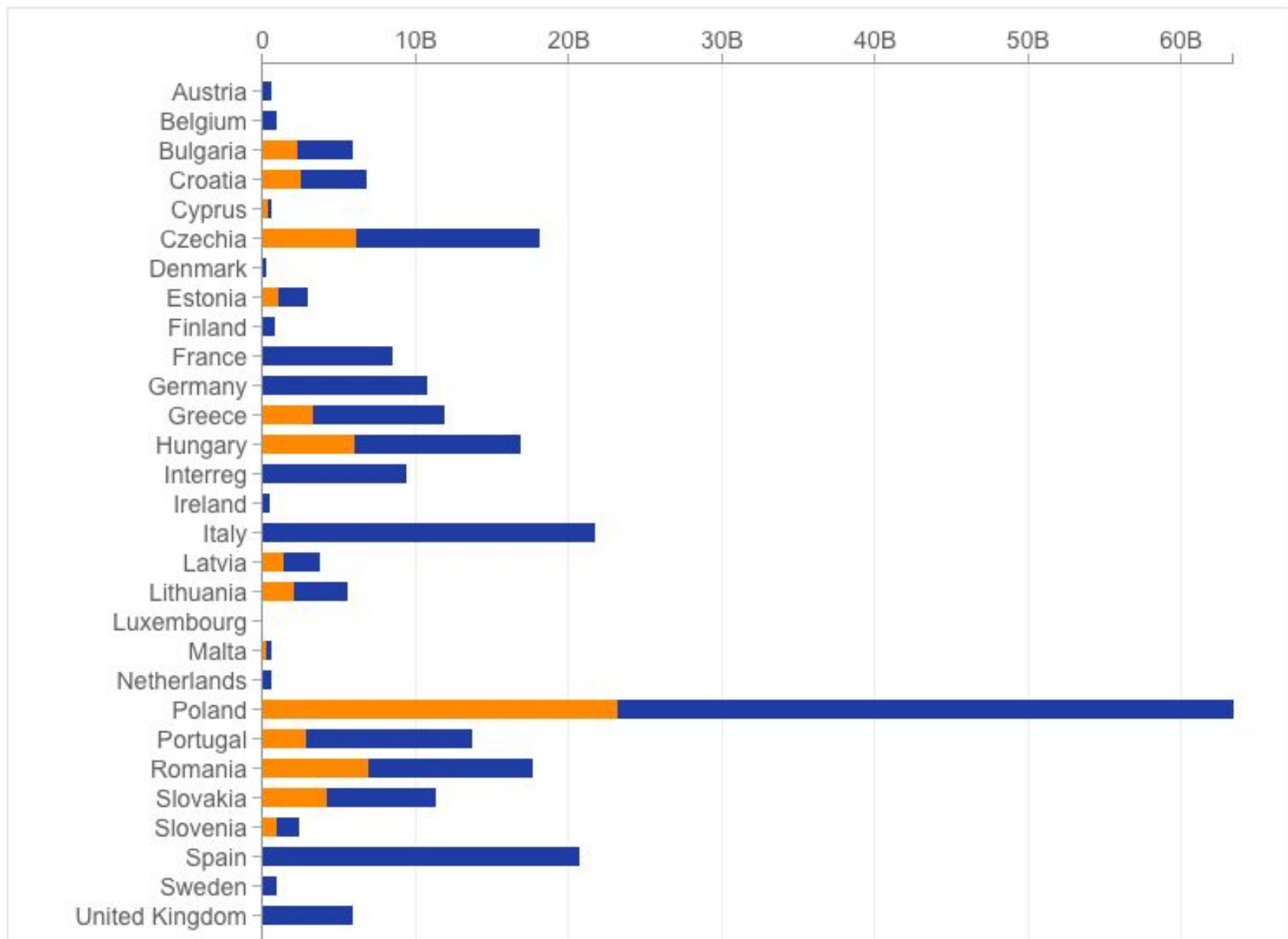
Structural Funds (ERDF and ESF) eligibility 2014-2020



- Less developed regions (GDP/head < 75% of EU-27 average)
- Transition regions (GDP/head between 75% and 90% of EU-27 average)
- More developed regions (GDP/head >= 90% of EU-27 average)

Funding for regional and cohesion policy in 2014-2020 amounts to €351.8 bn.

Detailed data and charts are available in the [Cohesion Policy Data portal](#).



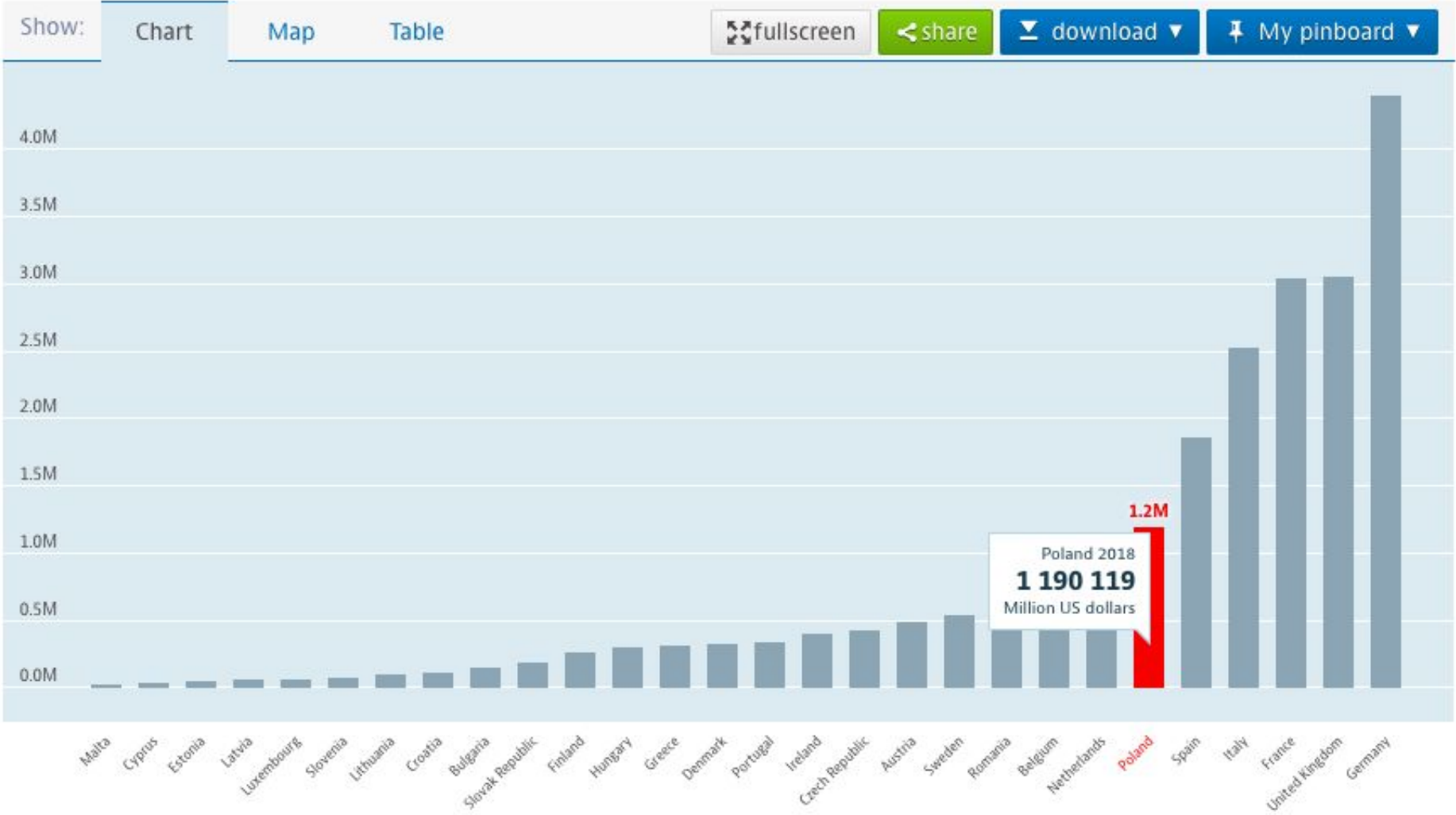
Social spending Public, % of GDP, 2018 or latest available

Source: Social Expenditure: Aggregated data



Gross domestic product (GDP) Total, Million US dollars, 2018 or latest available

Source: Aggregate National Accounts, SNA 2008 (or SNA 1993): Gross domestic product



'Market-making' orientation

- Treaty base features social policy as a way to **harmonize employment opportunities** on the Single Market

e.g. removing discrimination* against migrant workers
(* pluralistically defined since Lisbon Strategy)

- Overarching logic of Single Market postulates that **social protection will follow from economic growth**

this + controversial nature of EU budget expansion =
most EU social policy is regulatory (budget-neutral)

'Court-supported' policy development

- **Community Method** applied to social rights like health and safety, gender equality (more than equal pay) and protection against discrimination on labour market

All of those rights have received EU legal support via unanimity or, for some of them, via QMV since SEA/1992

- **Active ECJ involvement** in enforcing directives predates expanded powers of European Parliament

(whereas national social policies are likely to have developed the opposite way)

Gender equality

Promoting equal economic independence for women and men, closing the gender pay gap, advancing gender balance in decision making, ending gender based violence and promoting gender equality beyond the EU.

Equal pay

[The gender pay gap situation in the EU](#)

[Causes of unequal pay between men and women](#)

[EU action against pay discrimination](#)

[Combating pay discrimination in Member States](#)

Who we work with on gender equality

[National gender equality bodies](#)

[High-level group on gender mainstreaming and
Advisory committee on equal opportunities for
women and men](#)

[European Institute for Gender Equality](#)

Gender positiv

[Initiative
decision
business](#)

Challenges

Crucial contentious points

- **'Markets first'** is not a universally shared position

see e.g. **ETUC's position** that 'Social Europe' should act as a buffer against (not an enabler of) globalization

- **Welfare states differ a lot** at the (sub)national level

i.e. no agreement on how much social protection should be granted, to whom, and how (family v. state v. market)

- **Welfare provision** generates high political benefits

i.e. domestic governments will want to keep it (mostly) national to continue claiming credit for it

Welfare state differentiation

- Different initial **welfare state regimes** (Esping-Andersen)
Liberal (US/UK), Social-Democrat (Sweden/Nordic),
Conservative-Corporatist (FR/DE)... + Southern? Eastern?
- Internal differences between **social policy sectors**
e.g. Health (Bismarckian, Beveridgean) ≠ Pensions
- Important, sustained differences in **expenditure levels**
- **Reform convergence**, e.g. dualization (insider/outsider)
of labour market and universalization of health coverage

Two overlapping crises, c. 1980s—today

- **Permanent austerity**, a.k.a. the Welfare State Crisis

Stagflation, rising expenditure and dependency ratios

→ Cost containment, privatization/marketization, and rarely, retrenchment

- **Aggravated austerity** under the Global Fiscal Crisis

→ Six-Pack and Two-Pack (SGP reforms, 2011 and 2013)

→ Fiscal Compact (a.k.a. TSCG, non-EU treaty, 2012)

→ **European Semester** and CSRs, since 2011

European Semester (Verdun and Zeitlin)

- Builds on previous **coordination instruments**

i.e. Stability and Growth Pact (SGP), Broad Economic Policy Guidelines (BEPGs), European Employment Strategy (EES), Lisbon Strategy, Social Open Method of Coordination (OMC)

- **Increased severity** of corrective measures

i.e. harsher sanctions within **Excessive Deficit Procedure** (EDP), new **Macroeconomic Imbalance Procedure** (MIP), sanctions for non-compliance with CSRs, **Reverse QMV**

Social CSRs (Copeland and Daly)

Table 1: Distribution of the Social CSRs Classified along a Market Correcting–Market Making Continuum (2011–15)

| <i>Year</i> | <i>Market Correcting</i> | <i>Mixed</i> | <i>Market Making</i> | <i>Total N</i> |
|-------------|--------------------------|--------------|----------------------|----------------|
| 2011 | - | 48% (27) | 52% (29) | 56 |
| 2012 | 9% (6) | 52% (34) | 39% (25) | 65 |
| 2013 | 8% (5) | 53% (32) | 39% (24) | 61 |
| 2014 | 6% (4) | 59% (39) | 35% (23) | 66 |
| 2015 | 12% (5) | 50% (21) | 38% (16) | 42 |
| | 7% (20) | 52% (153) | 41% (117) | 290 |

SOCIALISING EUROPEAN SEMESTER



The problem and its causes

- **Market-correcting measures are being slashed** right when higher unemployment and lower labour profitability would justify them more
(And since those resources are not evenly distributed, they result in a *Euroclash*-style electoral situation.)
- Why this is happening might be traced to the **partisan composition of the Commission** and to “**concentration of intergovernmental bargaining power** in the hands of the German government” (Graziano and Hartlapp)

Conclusions

Policy takeaways

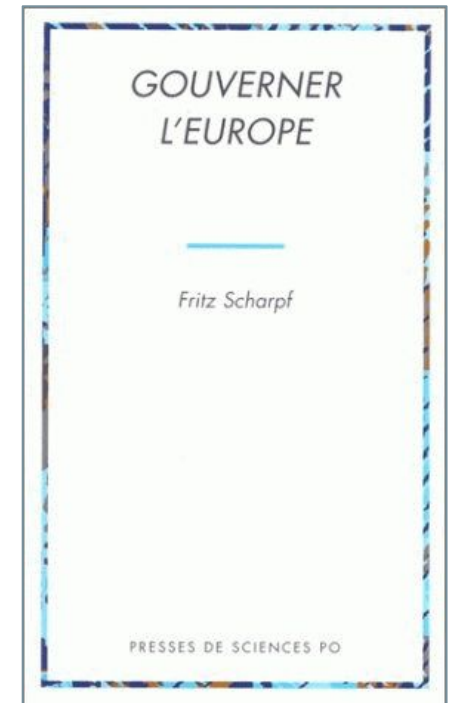
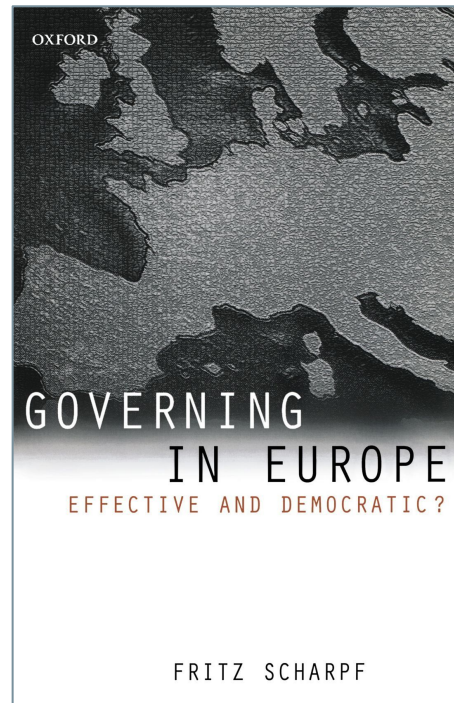
- The EU's **'hollow core'** (Leibfried and Pierson) makes it a **regulatory state** (Majone) that cannot create extensive market-correcting social policies
- On the other hand, its **'negative integration'** powers are immense (internal market four freedoms), which leads to highly visible **constitutional asymmetry** (Scharpf)
- The result is **input/output disjunction** (Easton/Scharpf): demands for social protection are not being matched by the inclusion of 'austerity buffers' in the EU policy mix

The asymmetry of European integration, or why the EU cannot be a 'social market economy'

Fritz W. Scharpf ✉

Socio-Economic Review, Volume 8, Issue 2, April 2010, Pages 211–250,

<https://doi.org/10.1093/ser/mwp031>



Practical takeaways

- There is a vast **academic literature on welfare** state regimes, social policies and the European Social Model
Employers (EU institutions or NGOs) will expect that you know some of it, and know how to navigate it if need be
- **Official statistics** and (e.g. expenditure) data will come mostly from Eurostat and from the OECD
You will also be expected to know how to navigate that, and how to interpret it (e.g. % of GDP measures)

OXFORD

Social Change in Western Europe

Colin Crouch



21st century
europe

General Editor:
Helen Wallace

Society & Social Change in 21st Century Europe

Colin Crouch

Personal recommendations

- Go and **explore the main policy platforms** to understand common arguments and mental models of stakeholders

e.g. for EU health policy: **European Health Forum Gastein** (EHFG) and **European Public Health Alliance** (EPHA)

- Self-teach yourself the **basic applied economics** of the domain of interest (employment, pensions, health...)

Basically, take any handbook on the domain, and learn how the basic economic indicators and models work



European
Commission



STATE OF HEALTH IN THE EU

Pooling expertise, strengthening knowledge

- EXECUTIVE SUMMARY -

Health at a Glance: Europe 2018 presents comparative analyses of the health status of EU citizens and the performance of the health systems of the 28 EU Member States, 5 candidate countries and 3 EFTA countries. It is the first step in the *State of Health in the EU* cycle of knowledge brokering. This publication has two parts. Part I comprises two thematic chapters, the first focusing on the need for concerted efforts to promote better mental health, the second outlining possible strategies for reducing wasteful spending in health. In Part II, the most recent trends in key indicators of health status, risk factors and health spending are presented, together with a discussion of progress in improving the effectiveness, accessibility and resilience of European health systems.

MAKING THE CASE FOR GREATER PRIORITY TO IMPROVING MENTAL HEALTH

- Mental health is critical to individual wellbeing, as well as social and economic participation. Yet, according to recent estimates, more than one in six people across EU countries had a mental health issue in 2016, equivalent to about 84 million people. Moreover, in 2015 the deaths of more than 84 000 people in EU countries were attributed to mental illness or suicide.

“The total costs of mental ill-health are estimated at more than 4% of GDP – or over EUR 600 billion – across the 28 EU countries”

EU Strategic Framework for the Prevention of NCDs

Enable and facilitate action to tackle NCDs



Establish synergies with other policy areas



Priorities



Basis



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Everything you always wanted to know about European Union health policies but were afraid to ask (2019)

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by Scott L. Greer, Nick Fahy, Sarah Rosenblum, Holly Jarman, Willy Palm, Heather A. Elliott and Matthias Wismar

2019, xii + 202 pages

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What does the European Union mean for health? What can it mean for health?



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Ferrera, *The Boundaries of Welfare. European Integration and the New Spatial Politics of Social Protection* (2005)

Greer et al., *Everything You Always Wanted to Know about European Union Health Policies but Were Afraid to Ask* (2019)

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