

Has Europe 2020 entered the Lion's Den? The EU's social project at a glance

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Quo vadis, Social Europe?

The Internal market and socio-economic issues in times of crisis

International Workshop

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Outline of the talk

1. Introduction: the lion's den
 - biblical story-telling at the ULB (!)
2. 'Social Europe' a decade on
 - optimistic versus failure accounts (fashion of science?)
3. The EU's Social Agenda today
 - revisiting EU policy tools: legislation, funding, soft governance (Europe 2020)
4. Conclusion
 - the moment of truth for Social Europe

1. Introduction: the lion's den

- Daniel, cast into a lion's den to be devoured, remained unharmed
 - in this case, through divine intervention 😊
- Question: is the social dimension of Europe 2020 just fine (*unharmed*), being challenged (*trapped with the lions*)... or did it fail already (*eaten*)?



2. 'Social Europe' a decade on:

- Over-optimistic accounts of 'Social Europe' 2000-2005?
- Favourable context
 - Austria, Finland and Sweden joined EU in 1995
 - Majority of social democrats in Council
 - Economic growth
 - 'Provocations' from economic actors (ECFIN/EPC/EFC) called for reaction by social affairs actors
 - Doing nothing no longer an option



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2. ‘Social Europe’ a decade on

- Lisbon agenda seen as successful “rebalancing”
 - Equilateral triangle : ECON, EMPL, SOC (A. Diamantopoulou)
 - Agenda for social policy (2000-2005)
 - Great deal of scholarly attention for (relatively) new instrument: OMC (*incl.* on P, SI, H<C)
 - High expectations & praise from politicians as well as scientists (even if some where skeptical to begin with)

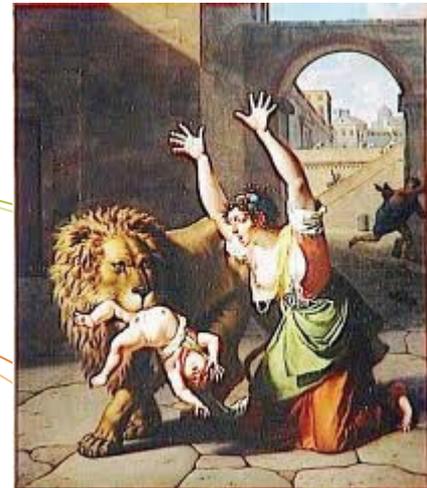


2. ‘Social Europe’ a decade on

- *Remarkable contrast* with the narrative of the ‘failure’ of Social Europe
 - 2006/2012
- Less favourable context
 - “big bang” enlargement (2004) becomes tangible
 - increased diversity in social systems; institutional constraints of unanimity requirement
 - economic recession kicks in
 - crisis in Social Democracy (*a sick rose*), the liberal-right is on the rise

2. 'Social Europe' a decade on

- Slow-down in legislative agenda
- Revision of Lisbon Strategy ('Lisbon II') in 2005 weakens its social dimension
- Streamlining of Social OMCs implemented in 2006
 - Less stakeholder involvement
 - OMC now seen as 'rhetoric and cheap talk' & worse: 'fashionable red herring' (distract political attention)
- Social Europe often seen as a "failure"



2. ‘Social Europe’ a decade on: fashion of science

- The shift from praise to scorn is indeed quite striking (and puzzling) & both need nuancing
 - The “Lisbon” agenda was also a hard-fought compromise, pushing a (neoliberal?) competitiveness and reform agenda
 - Ex. the so-called Bolkestein Directive was part and parcel of that agenda
 - At the same time: impact/uses of soft governance largely underestimated (evidence)
 - Witnessing a scientific “bandwagon effect”? (researchers rallying to the majority opinion)

→ What about *today*?

3. The EU's Social Agenda today: first indications

- Where has the formal Social Policy Agenda gone?
 - Agenda for social policy (2000-2005)
 - The Social Policy Agenda (2006-2010)
 - Renewed social agenda (2008-2010)
- EPSCO council meets... occasionally
 - 4 times/year (sometimes ending at lunchtime)
 - ECOFIN et al.: + 10 times/year
- So what IS left on the agenda?
 - Quite a bit it seems...

3.1 Legislation

- EU's current production of social legislation far from impressive
 - as opposed to the *acquis communautaire* in this field: range of social policy directives (G. Menz)
 - transpositions problems remain (Falkner et al.), even in the shadow of ECJ decisions (Baeten et al 2010)
 - Problems with enforcement (e.g. machinery safety): national 'market surveillance' institutions suffer from public spending cuts

3.1 Legislation

- Many examples where consensus cannot not be reached on ‘positive regulation’
 - minimum in income/wage/pensions
 - services of general interest (A. Crespy)
 - revision of maternity legislation (EC will have to withdraw its 2008 proposal)
 - extending minimum duration of maternity leave, paying women 100% of salary
 - Directive on discrimination based on age, religion and belief, sexual orientation...
 - On the table since 2008: unanimity required

3.1 Legislation

- At the same time, negotiations are on-going (EPSCO 6-7 December 2012):
 - Review of Directive portability of supplementary pension rights (IORP II) - light
 - Directive on posting of worker (better protection, enforcement, fight against fraud): revision
 - Directive on exposure to electromagnetic fields and waves (health and safety): revision

3.1 Legislation

- EPSCO 6-7 December 2012 (continued):
 - Directive on women on boards (11/2012)
 - European Globalisation Adjustment Fund (EGF): NL, DE etc. are opposed
 - youth employment package (EC, 5 December)
- Other on-going initiatives:
 - review of adequacy of worker's protection legislation (e.g. safety in oil and gas industry)
 - updating of social security coordination (Regulation 833/2004): exerts pressure on MS to *fill certain gaps* in SS protection

3.2 The EU's Social Agenda

today: funding

- Expected failure of budget talks about multiannual financial framework 2014-2020
 - In this case, Andrew Moravcsik was right after all: interests of (big) MS matter, EC and EP sidelined
- Whatever the end result (beginning of 2013) will be, there will be cuts in:
 - Structural Funds (incl. ERDF, ESF, Erasmus, reserach)
 - Globalisation Adjustment Fund
 - Development aid

3.2 The EU's Social Agenda today: funding

- But:
 - *Earmarking* still on table: allocate 25% of the Cohesion policy budget to ESF; and at least 20% of the ESF for social inclusion and fighting poverty.
 - European Fund for aid to the most deprived (new: not only food, also durable goods - housing)
 - Still 971,8 billion € on the table (EC had proposed just over 1 trillion €)

3.2 The EU's Social Agenda today: funding

- President Barroso made a strong statement (EP):
 - *quite frankly, how do you explain to the people of Europe that when there are summits in Brussels to find hundreds of billions of euro to save the banks we reach an agreement, but when it comes to a few million to help the poor the negative voices outnumber the positive ones? What are they (people in Europe) to make of that? ”.*
- The EU needs a significant and social budget (see OSE Opinion Paper No. 12, November 2012)

3.3 The EU's Social Agenda today: Europe 2020

Europe 2020 - Integrated Guidelines

Macro-economic surveillance
(Integrated Guidelines 1-3)

Thematic coordination (IGs 4-10)
Monitored through 5 EU Headline
Targets

National Reform Programmes (NRPs)
(including national targets)
Member States - April

Spring European Council: Debate and
Orientation
(Progress towards headline targets) - *March*

Debate and Orientation
*European Parliament and
Council of the EU - February*

Annual Growth Survey: Progress and
Orientation
European Commission - January

European Semester

Domestic Semester

Stability and Growth Pact

Fiscal
Surveillance

Stability and Convergence Programmes
(SCP)
Member States - April

Policy Guidance (Opinions and
Recommendations)
European Commission - June

Finalisation and Adoption of Opinions and
Recommendations
Council of the EU (ECOFIN and EPSCO) - June

Endorsment of Opinions and
Recommendations
European Council - June

European Semester

Domestic Semester

synchronized

Supported by:

- EU Flagship Initiatives
- Single Market Relaunch
- Trade and External Policies
- EU Financial Support

- Finalisation of National Budgets
- Policy measures at national level

→ The EU 2020's 'social' toolbox

- **Flagships (EPAP)**

- **Integrated Guideline 10**

- Promoting social inclusion and combating poverty

- **Headline targets**

- The share of early school leavers should be under 10%

- At least 40% of the younger generation should have a tertiary 1 education attainment or equivalent

- At least 20 million people should be lifted out of poverty

The EU's Social Agenda today: Europe 2020

- **Annual Growth Survey (2013)**
 - Economic and financial crisis remain at the centre, while addressing unemployment & poverty
 - Tackling unemployment & social consequences of crisis remains 4th priority: action deemed 'urgent'
 - Investment in education prioritised
 - "Protecting the vulnerable" (AGS 2012) now became "Promoting social inclusion & tackling poverty"
- **Compare to AGS 2011: social dimension swept under the carpet**

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- Country Specific Recommendations:
“economic”

United Kingdom	Further improve the availability of bank and non-bank financing to the private sector, in particular to SMEs.
Lithuania	Implement all aspects of the reform package of state-owned enterprises and in particular ensure a separation of ownership and regulatory functions and a separation of commercial and non-commercial activities.

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Country Specific Recommendations: “social: recalibration”

Spain

[...] reinforce efforts to reduce early school-leaving and increase participation in vocational education and training through prevention, intervention and compensation measure.

United Kingdom

Step up measures to facilitate the labour market integration of people from jobless households. Ensure that planned welfare reforms do not translate into increased child poverty. Fully implement measures aiming to facilitate access to childcare services.

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Country Specific Recommendations: “social/retrenchment”

Belgium

Continue to improve the long-term sustainability of public finances by curbing age-related expenditure, including health expenditure. In particular, implement the reform of pre-retirement and pension schemes and take further steps to ensure an increase in the effective retirement age, including through linking the statutory retirement age to life expectancy.

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Country Specific Recommendations: (rough first analysis)

132 CSRs

55 of them (applying to 23 Member States) can be considered falling under the “social and employment dimensions” (IG 6-10)

55 “social and employment” CSR's

- 10 CSR's can be labelled as aimed at “retrenchment”
- 45 CSR's can be considered as aimed at “recalibration”

The EU's Social Agenda today: Europe 2020

- The CSRs seem to be more balanced than assumed at first sight...
- The AGS has become a bit more balanced
- The poverty target gave the 'social affairs' players a say in the mainstream process (during Lisbon they were playing in their own backyard)
- Social monitoring (SIA) have been improved considerably (pressure from EU semester)

4. Conclusions

- By inserting the Social dimension in the heart of the EU's economic governance, “Social Europe” has in some way entered the lion's den
- Provides real *opportunities*, and serious *risks*: the proof of the pudding will be in the eating!
 - How ‘tough’ will the EC be in case of non-follow-up of the different sets of CSRs?
 - Will the new monitoring tools that are being developed in the Social OMC (e.g. Joint Assessment Framework) feed into the mainstream process?

4. Conclusions

- Will reporting on social protection and social protection and inclusion be sustained (quality)?
- In part, answers will be provided through the Social Investment Pact (and assigned budget!)
 - Commissioner Andor warned not to get our hopes too high (2nd Convention of the EPAP)
 - But of course we do!
 - For if the SIP, meant as a counterbalance to the Euro Plus pact, does not put beef on the table, the social dimension ... may be eaten after all.

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