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Is the ‘Social Dimension of Europe 2020’ an Oxymoron?

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I. Introduction

Remember an Oxymoron?

• A figure of speech, or a phrase, that combines two notions that seem to be the opposite of each other

• Examples are ‘deafening silence’, ‘extremely average’, ‘virtual reality’ and ‘known secret’

→ contradiction in terms
Why would the social dimensions of Europe 2020 be an oxymoron?

– **First reading** of the EU‘s new socio-economic governance:
  
  • **social issues** (employment, social protection and social inclusion) seem **far from central**
Europe 2020
Integrated Guidelines

1. Macro-economic surveillance
   (Integrated Guidelines 1-3)

2. Thematic coordination
   (Integrated Guidelines 4-10)
   Monitored through 5 EU Headline Targets

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

Stability and Growth Pact

3. Fiscal Surveillance

Stability and Convergence Programmes (SCP)
   Member States – April

synchronized
II. Lisbon and Europe 2020 compared: some progress for Social Europe

- Europe 2020 provides *some* progress, when compared to its predecessor (*Titanic 2010*)
1. Europe 2020 presents a more all-encompassing strategy

- Rather comprehensive political agenda for Europe (incl. environmental targets, continued EES)
- **Smart, Sustainable and Inclusive Growth**: return to the original Lisbon Strategy
  - more than just growths and jobs (*socioeconomic policy triangle*), as compared to Revised Lisbon (2005)
    - **Discourse?**
2. Increased pressure on **targets and monitoring** of progress

- **Poverty target:**
  - the **mere existence** is a step forward (even though it is less ambitious than many hoped)
  - Social cohesion/inclusion: now the **same status** as the other political priorities
  - Adoption of **national targets:**
    - No more escape
    - High pressure on Member States -> taken more seriously than in the past decade (?)

▸ towards “hard soft law”?
3. **Social protection and Social Inclusion are back in** *(compared to 2005)*

- Increased potential visibility and importance of social issues:
  - Several *Integrated Guidelines* (in particular Guideline 10)
  - *European Platform against Poverty* (EPAP): one of seven flagship initiatives (but lacks ambition)
Lisbon and Europe 2020 compared: some progress for Social Europe

• Window of opportunity: can still be seized

• But
  – let us beware what we wish for
  – there is not only a “keep moving” sign for social Europe
III. Risks in relation to Europe 2020

1. No room for complacency

• Pursuing the **wrong paradigm**
  – *growth, growth, growth* (instead of *smart, sustainable and inclusive growth*)

• Criticism (repeat some of Lisbon‘s flaws):
  – supply-side measures; market-based understanding of growth
  – absence of an optimal policy-mix (e.g. no stricter wage coordination in Europe; no mechanisms to balance external economic asymmetries)
  – Lack of qualitative considerations (“decent work”)
2. Social Dimension subsumed into economic objectives

- Innovation and social progress tied to fulfilment of debt criteria
- Close link NRPs and Stability and Convergence Programmes
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

Stability and Convergence Programmes (SCP)
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

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

Policy Guidance (Opinions and Recommendations)
European Commission – June

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

Endorsement of Opinions and Recommendations
European Council – June

Fiscal Surveillance

• Finalisation of National Budgets
• Policy measures at national level

European Semester
Domestic Semester
In such a framework

– Unclear: to what extent will country-specific Recommendations focus on Social Inclusion (Guideline 10?)

– And what if (say) Germany of Poland do not set poverty targets, or miss them (by far?): AGS? Policy warning?

– See first round of NRPs (ECOFIN/EPC)
3. **Social Protection and Social Inclusion reduced to **_fighting poverty_

• What about common objectives on pensions and health care?
  ► enter mainly insofar as they contribute to the *social exclusion* goals

• Social Inclusion Guideline framed as Employment Guideline
  – Responsibility for monitoring, implementation?
Risk that social protection and social inclusion may be reduced to social inclusion only

with the latter focusing narrowly on increasing access to employment, but not on the outsiders
4. What role for the Social OMC?

• Governance structure still unfinished

→ Many questions remaining about the future of the Social OMC:

→ Being discussed in the SPC Ad Hoc Group
• In sum:
  – Synchronisation (budgetary, macroeconomic and thematic strands) involves serious risks for the Social dimension of Europe…
IV. Where do we go from here?

Safeguarding Europe 2020`s Social Dimension

• 2 possible future scenarios:
  
  minimum scenario ↔ paradigm shift
Minimum Scenario:

- Ensuring a role for the social stakeholders (EPSCO, EMCO, SPC)
- Continue a broad OMC (all 3 strands)
- Beefing up its instruments (monitoring, horizontal clause)
- Greater involvement of stakeholders (NGOs, etc.)
- Financial support (e.g. ESF): conditionality

Paradigm Shift:

Social Investment Pact (Hemerijck, Palier, Vandenbrouck)

- Combine short-term fiscal consolidation and long-term social investment in the context of Europe 2020.
- Objectives: modernise welfare system, invest in people to prepare (capacitate) them for social change and global competition.
Social Investment Pact

Embedded in financial regulation.

Oriented to the achievement of greater equality.

Priorities of social investment:

• Improvement of human capital as a means for a more competitive Europe

• Child care and education as a priority

• Later and more flexible retirement

• Capacitating orientation of services
V. Conclusion and Outlook

• Proof of the pudding is in the eating (still early days)
• **New opportunities** when compared to the Lisbon Strategy:
  – rather all-encompassing; increased visibility (IG 10, headline target, EPAP)

• But also **serious risks**:
  – Dominance of economic considerations (growth objectives and synchronisation); reduction to social inclusion; Social OMC?
• Still room for building the Social Dimension of Europe 2020 (it’s a new-born)

• **Strong alliances** needed (up to the social actors)
  – It will also be up to the social players to determine whether the ‘Social dimension of Europe 2020’ is really an oxymoron
In which case the “Social dimension of Europe 2020” may simply be an *apparent* contradiction…

which can be overcome
"Well I personally find the word 'oxymoron' to be an oxymoron."
Thank you for your attention

And see you at our next

OSE/VLEVA/NEUJOBS
Lunchtime Session (27 June 2011)
• Closing the gap in educational outcomes between Roma and non-Roma: Why the European Union matters
• With Costel Bercus, Chairman of the Roma Education Fund, Hungary
• www.ose.be/EN/agenda.htm
Download our publications, Newsletters and events agenda from www.ose.be (Eng-Fr)

Opinion papers

Research papers

Briefing papers