Social developments in the European Union 2013

Edited by David Natali

Executive summary

This year’s edition of Social developments in the European Union comes at a vital time in Europe’s development. As a new Parliament prepares to take the floor in September, it faces a growing distrust in European institutions and deep scepticism about their ability to govern adequately and efficiently. The Europe 2020 goals, which include “smart, sustainable, and inclusive” growth, an increased employment rate, fewer early school leavers, and a significant reduction in poverty, will come under review in 2015, and the prognostic is poor: according to a Eurostat news release published in March, the EU unemployment rate is still hovering at 11.8%, and poverty has increased, not decreased, since 2010.

As the EU struggles to recover from the shocks of the recent financial crisis, this book provides a forum for discussion about the crucial importance of EU social policy. The past year has seen high points (like the lively intellectual and political debate on the future of economic and social governance) and low points (like the stalemate of institutional and governance reforms), but overall it has confirmed the urgent need to reform E(M)U economic governance and its interplay with the still-insufficient social discussion. Although the EU was first conceived as a monetary and then an economic union, it has proven unable to progress when the social dimension is excluded from serious consideration. While acknowledging the intense feelings of euroscepticism that have spread throughout the continent, the authors argue that for the EU to cohere as a monetary union, it must address key aspects of a social union as well.

- Anton Hemerijck examines the fault lines and silver linings in European construction and asks the key question: can the welfare state and European cooperation prove resilient in the aftermath of the global financial crisis?
- Christophe Degryse, Maria Jepsen and Philippe Pochet hypothesize that in the wake of the 2008 meltdown, the ensuing eurocrisis reaffirmed the move
toward a model of economic and political union governed not by political integration but rather by the market.

- **Frank Vandenbroucke, Bart Vanhercke** and **John Morley** argue that Europe needs far more resolute EU-level action to promote sustainable growth, employment and social investment, and they present ten key questions that should be considered in the development of a social union.
- **Ferdinand Fichtner** proposes a Euro-area-wide unemployment insurance as a useful complement to monetary integration, arguing that it has significant advantages over other forms of fiscal transfer schemes.
- **Ramón Peña-Casas** and **Denis Bouget** explore the current situation regarding minimum incomes in Europe and venture a proposal for a European minimum income scheme that would be a part of the global broadening of anti-poverty strategies.
- **Dalila Ghailani** asserts that despite the long battle against discrimination, gender equality in the EU is still more of a myth than a reality and that most of the tools for solving the problem lie in the hands of the Member States.
- **Carole Lang, Stefan Clauwaert** and **Isabelle Schömann** argue that crisis reforms have destabilized flexicurity so that it favours flexibility over security and call for a move to reshape the system.
- **David Natali** introduces and concludes the volume with analyses of the current state of the social union and of the EU’s future prospects, offering further reflection on the complex problems facing policymakers.

Thus far, European policymakers have followed a typical ‘muddling through’ strategy, where they implement incremental or even major reforms based on the minimum reachable consensus between Member States. This approach is highly reactive in many respects but also deeply ideological. It has helped the EU to survive but has not established a coherent and effective strategy to jumpstart long-term European growth and stability. Given the unlikelihood of reaching the Europe 2020 goals, a new approach is urgently needed.

*Social developments in the European Union 2013* opens the door for this fundamental debate, proposing starting points for the development of just such an approach. With a truly critical outlook but still with some hope for the future, the authors pave the way for a discussion of Social Europe.