Social Developments in the EU: Last Chance to Rescue Europe?

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Key issues for the EU in 2013

1. The shadows and lights for the E(M)U and its social dimension
   • Many risks, little progress

2. A renewed growth and social strategy
   • How to exit austerity

3. We know what to do, but how to do it?
   • Interplay between policy and politics dimensions

4. Three questions to address
Social Developments in the EU, 2013

Anton Hemerijck
Fault lines and (still too few) silver linings in Europe’s social market economy

Christophe Degryse, Maria Jepsen and Philippe Pochet
A worrying prospect: towards a more imbalanced European social governance?

Frank Vandenbroucke, Bart Vanhercke and John Morley
A European Social Union: key questions to answer.

Ferdinand Fichtner
Euro area-wide unemployment insurance: useless, desirable, or indispensable?

Ramón Peña-Casas and Denis Bouget
Towards a European minimum income? Discussions, issues and prospects

Dalila Ghailani
Gender equality, from the Treaty of Rome to the quota debate: between myth and reality

Carole Lang, Stefan Clauwaert and Isabelle Schömann
Working time and atypical forms of employment contracts in times of crisis: recent reforms in the Member States

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1. Shadows and lights

**Socio-economic shadows**

- 27 million unemployed (11.5% in EU; 8.5% globally)
- Unemployment rate in South, 17%; in the North, 7%
- NEET (15 - 19 years) in the South, 22%; in the North 11%

**Political shadows**

- *Rise of anti-EU sentiments, FN – 5SM - UKIP*
1. Shadows and Lights

There are few lights:

- Social Investment Package, February 2013
- Social dimension of the EMU, October 2013
- Single Supervisory Mechanisms (SMS), first step towards the Banking Union, December 2013
- Partnerships for growth, jobs and competitiveness, December 2013

But

- Compact for Growth and Jobs
- Youth Guarantee saw few advancements
2. A renewed Growth and Social Strategy

- The Euro zone is badly designed (no solution for asymmetric shocks, increased divergence, and few investments)
- The EU needs clear definition of social objectives (trust and reciprocity)

- Need for more fiscal capacity and automatic stabilizers
- Coordination of minimum wages
- Advanced coordination of social and employment policies
- Reinvigoration of EU social dialogue
2. E(M)U Unemployment Insurance, F. Fichtner
2. E(M)U Minimum Income,  
*R. Pena-casas and D. Bouget*

- EGMI, European Guaranteed Minimum Income
- European Minimum Income Fund
  - Means-tested cash benefit
  - Reducing the gap between national minimum income and the poverty threshold
  - Reorganising the multi-level governance of minimum income
  - Reducing the non take-up ratio
3. We know what to do, but how to do it?

EU integration

Policy Framework
- Economic and social policy goals and means

Political Framework
- Politico-institutional design (legitimacy/actors)
3. How to do it?

Look backward at the 1950s

Post-war consensus

Policy Framework
- EU-level, completion of the single market
- MS-level, monetary, budgetary and welfare policy

Political Framework
- EU-Level, output legitimacy for regulation
- MS-Level, input and output legitimacy for redistribution
3. How to do it?
Look backward at the Maastricht Treaty

Maastricht consensus

Policy Framework
EU-Level, Completion of the Single Market, Monetary Policy; Shared budgetary Policy
MS Level, Shared Budgetary and Welfare Policy

Political Framework
EU Level, Output legitimacy for regulation/Input legitimacy through intergovernmentalism for redistribution
MS Level, Input and Output legitimacy for redistribution
3. How to do it?

Look forward

Minimalist path

**Policy Framework**
- EU-level, more stringent coordination of budgetary and welfare policy; conditionality
- MS-level, shared budgetary and welfare policy

**Political Framework**
- EU-level, input legitimacy through intergovernmentalism; differentiated integration
- MS-level, input and output legitimacy for redistribution
3. How to do it? Look forward

More ambitious path

**Policy Framework**
- EU-level, fiscal capacity and/or welfare policy
- MS-level, shared budgetary and welfare policy

**Political Framework**
- EU-level, input legitimacy through federalism, Second EU Chamber, President of the EU
- MS-level, members of a federal system

Giddens
Three Key Questions

1. What is the right path towards European Social Union and growth—the minimalist or the more ambitious?

2. Is the political and institutional context (post-elections) favourable for an ambitious strategy for the ESU?

3. What are the alliances that may lead to a stronger social dimension?