

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 Vandembroucke, 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**

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 (SSM), first step towards the Banking Union, December 2013
- Partnerships for growth, jobs and competitiveness, December 2013

But

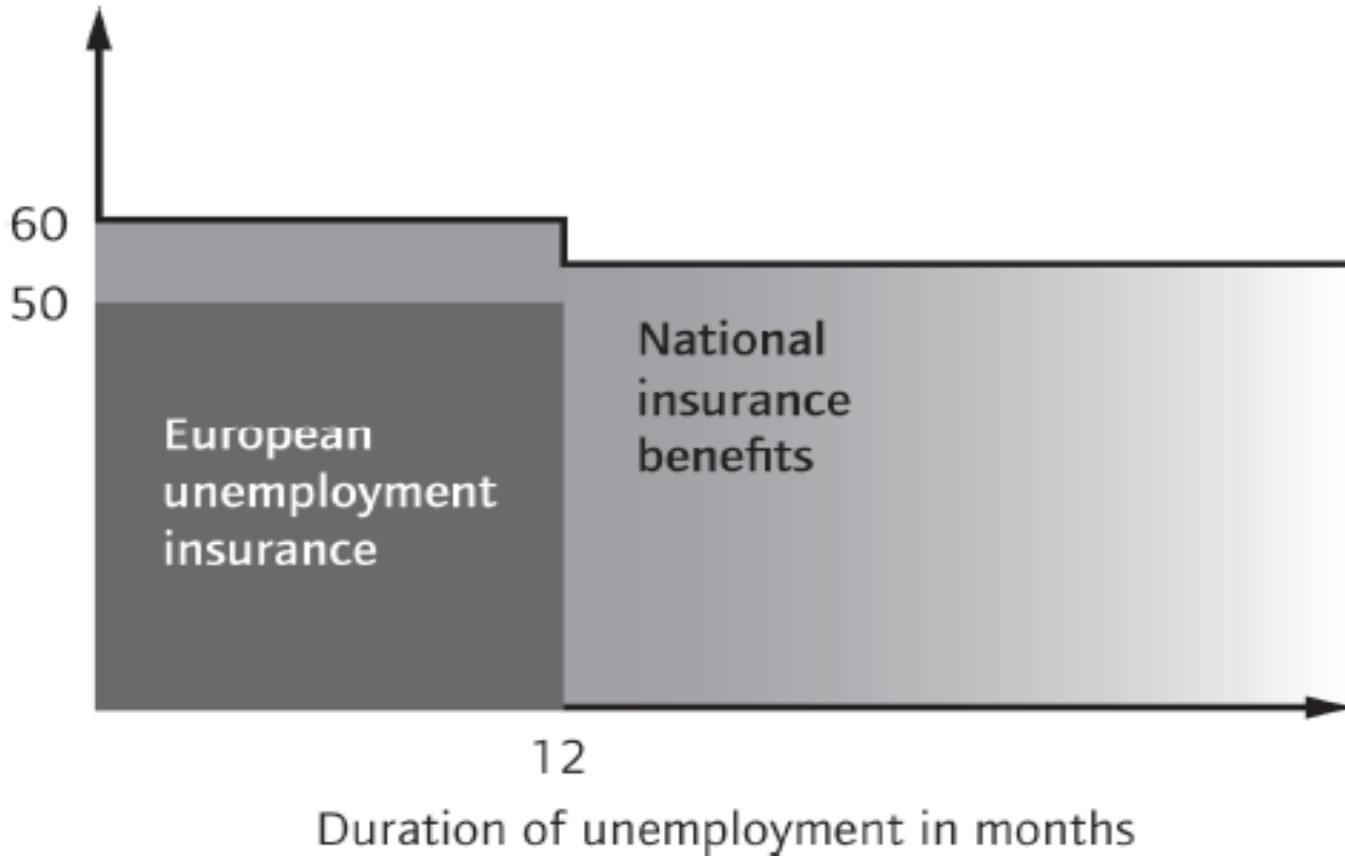
- Compact for Growth and Jobs
- Youth Guarantee saw few advancements

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

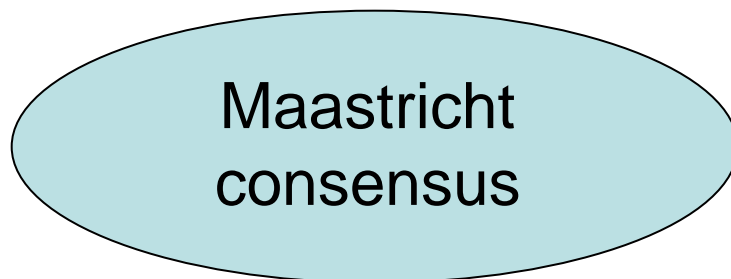
Political Framework

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



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

Zielonka

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

Giddens

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

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?*

Social developments in the EU, 2013

