Social Policy in the European Union: Differentiation against Disintegration?

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Social Policy in the EU in 2014/15

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2. The many crises of the EU

‘Paris is somber, after the appalling terrorist attacks (…)’ while ‘France’s economic growth remains anaemic’;

‘in Brussels, which was semi-deserted and in lockdown, owing to the risk of terrorist attacks, the EU institutions have yet to devise a unified strategy to manage the influx of migrants and refugees’,

‘in London, there is concern about negative financial and economic spillover effects from the monetary union’, ‘(…)’

In Berlin, meanwhile, German Chancellor Angela Merkel’s leadership is coming under growing pressure’.

N. Roubini
2. The many crises of the EU

**Socio-economic Problem**

Unemployment (more than 16 M unemployed)
Occupational health and safety
Austerity and fundamental rights
Timid recovery (ext. 2% GDP)

**Foreign Policy Problem**

Ukraine EU/Russia/Turkey/Libya

**Migration Problem**

1,255,640 migrants 1° time asylum applications in 2015 (3,770 deaths in the Mediterranean)
2. Three-fold crises

• Problems are difficult to address

But

• Problems do not touch Member States the same way

And

• Member States have different priorities
2. Three-fold crises

• Problems are difficult to address

*But*

• Problems do not touch Member States the same way

  • Economic prospects, South vs North
  • Migration, (Germany; Hungary; Greece; Austria, Sweden vs the rest of EU members)
  • Brexit, pro-integration vs. pro-domestic competencies
2. Three-fold crises

• Problems are difficult to address

And

• Member States have different priorities

  • Everybody vs. Greece on debt;
  • Visegrad vs. Western Members on migration
  • Visegrad for increased domestic competences vs. some Western Members pushing for more integration
3. How to prevent the disintegration of the EU

DIFFERENTIATION, ...Take the Bull by the horns (after Brexit),

Need to separate those who want to be integrated from those who resist integration, allowing for different strategies

Enhanced cooperation, theory of clubs, multi-speed Europe, concentric circles
3. How to prevent the disintegration of the EU, a matter of rules

As stressed by Fabbrini, different types of differentiation

• **Constitutional differentiation**
  - Treaty-revision for a Euro-political Union

• **Policy differentiation**
  - No treaty-revision but further articulation of policy-based processes
3. How to prevent the disintegration of the EU, a matter of rules?
3. How to prevent the disintegration of the EU, a matter of rules

Many proposals for the eurozone

- **Weidmann and Villeroy de Galhau**, ‘financing and investing Union’
- **Padoan**, Eurozone Parliament
- **Baccaro**
  - German Euro (Southern Europe out)
  - All in,
    - through German expansionary fiscal policy,
    - internal devaluation in the South,
    - or muddling through via flexibility
3. How to prevent the disintegration of the EU, a matter of rules

Many proposals for the refugee crisis

• Re-introduce border controls (much smaller Schengen areas)
• Expelling Greece from Schengen
• Mandatory distribution of refugees
• Temporary solidarity clause
3. How to prevent the disintegration of the EU, a matter of (policy) choices

Many proposals for a new phase...

• *De Grauwe*
  - Abandoning austerity and structural reforms and embrace public investments

• *Schmidt*
  - Reinforce the free movement principle while strengthening solidarity via the EU Mobility Adjustment Fund
3. How to prevent the disintegration of the EU, a matter of values

• **Ferrera**
  - Union should be based on reciprocity and trust

**But**

- EU has become just a matter of reciprocity (balance between what you get and what you take)
- No moral hazard
Remarks,
European Social Union for more solidarity

- *EU-level social policy (pan-European solidarity)*
- *More effective coordination of national social policy (national solidarity)*
- *Higher social standards set by the EU for its members*
- *Who will accept it?*