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The Europe of Social Protection and Social Inclusion: Europeanisation Effects and Mechanisms

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Subject of the talk

The Europe of Social Protection and Social Inclusion: Europeanisation Effects and Mechanisms

Starring
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Structure

1. Social protection, SI and EU Law
   ➔ ‘Unfulfilled Potential & Indirect Effects’

2. Soft governance of SI through OMC
   ➔ ‘Reciprocal Influence & Leverage’

3. Activating social policies through ESF
   ➔ ‘Effects Under the Radar’
1. The unfulfilled potential of EU Law

- Briefness of chapter: no coincidence
  → limited EU competencies SP & SI
- SP: based on Treaty the EU *could*
  - Adopt measures to *encourage cooperation* between Member States (no harmonisation can follow from such cooperation)
  - Adopt *minimum standards* in matters of social security (Directives), *e.g.*, minimum rules in statutory pension schemes
  - Belgian Presidency: debate on ‘minimum pensions’
But of course

- Treaty (modifications) left the adoption of EU rules on **social security** aimed at harmonisation (minimum standards) to **unanimity** requirement
  - higher hurdle than other social policy fields
- Obstacle *never* been overcome since entry into force Article 137 EC (May 1999)
  - So no *specific* social security law
What about Poverty and Social Inclusion?

- Adopting ‘minimum standards’ (Directives) **not** an option for ‘combating of social exclusion’
- Adopt measures to encourage cooperation between Member States
  → (again) no harmonisation of MS’ legislation should follow from such cooperation
BUT

- Adoption of minimum standards by means of Directives is possible with regard to “the integration of persons excluded from the labour market”
- Following the codecision procedure!
- Option was considered (EC), but never formally proposed, let alone adopted
  - Belgian Presidency of the EU: minimum income

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Conclusion

- EU law on social protection and social inclusion remains ‘unfulfilled potential’
- In spite of consistent ‘uploading’ efforts by BEL
  - QMV in social affairs & expanding EU social competencies in general (successfully!)
- Not desirable in the views of the Member States
  - bound to remain this way in the foreseeable future → SL
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   → ‘Up to the policymakers now’
2. Soft governance of Social Inclusion Policies through the OMC
Preamble: OMC elicits strong opposite reactions

- vary between enthusiasm and scorn

- ‘revolutionary potential’ & ‘solution to the EU’s democratic deficit’

- ‘rhetoric and cheap talk’ & ‘fashionable red herring’ (harmful: distract political attention)

Puzzling!
Assess the “Toolbox” of the SPSI OMC

- Common Objectives
- NSR (NAPIInclusion)
- Indicators
- Targets
- Peer Reviews

⇒ study use in B & FR
⇒ interviews & primary sources
Claim

Against all odds OMC does impact upon MS’ Social (Inclusion) Policies

- Substantively
- Procedurally
1. Procedural changes

- Rationalisation of policies
  - Eg strengthening (FR) and boosting (B) statistical capacity

- Horizontal cooperation
  - Wallonia and Brussels (SI) (inter-regional admin)
Procedural changes (II)

- Vertical cooperation (!)
  - “Internal-B OMC” (discovering each others policies)
  - Role national admin B/FR/UK!

- Participation
  - Institutionalisation of NGO involvement (boomerang effect: Belgium became ‘pupil’ instead of ‘teacher’)
2. Substantive changes

- Political shifts
  - raising profile of ‘poverty’ on political agenda

- Bargaining argument
  - Income Guarantee for Older people (IGO): linked to EU poverty norm (generalized, also in other MS)

- Cognitive shifts
  - “Child poverty”: new concept in B/FR SI policies (and several other MS) → reallocation?
Substantive changes (II)

- Initiate culture of evaluation and monitoring of SI policies in B/FR
- Adoption of ‘targets’ in N SI policies
  - B: national targets for regional competencies (education, housing etc.) based on intra-regional benchmarking
But can we solve the academic puzzle?
Skepticism (scorn) and enthusiasm in current literature

- Both are largely based on normative arguments
  - academic world divided between OMC ‘believers’ and ‘non-believers’
- We tried to get beyond that
  - study what it does and not only what it can do
Which pieces were missing?

- Influence not “automatic”: depends on strategic use by key actors
  - Most powerful OMC mechanism is “leverage” (creative appropriation)
- « Impact » largely depends on preliminary involvement in EU-level decision making (reciprocal influence: up & downloading)
  – Indicators in Belgium, activation in France
Conclusion

• The “hard politics of soft law”© in B & FR social (Inclusion) policies

• Significant finding in context of ongoing debates about OMC in context of Europe 2020
  – Flagship initiative, Poverty Platform, target
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3. Activating social policies through the European Social Fund
Again: empirical puzzle

- “Working with the European Social Fund has framed our minds about the activation of people who are really far away of the labour market” (Interview BE4)
- puzzling: really possible that modest (according to some ‘insignificant’) amounts of money spent on social inclusion in Belgium through the ESF would lead to this kind of impact?
2. Important ambiguity in ESF Regulations

- Since Treaty of Rome:
  - Clear that the ESF’s primary focus is economic
- At most a ‘labour market’ instrument
  - Not a social instrument, let alone aimed at fighting poverty/social exclusion
- AND YET many MS allocate important parts of ESF money to ‘improving social inclusion of less-favoured persons’
  - B: 23% (2007-2013), third biggest ESF spending priority
So how do they do it?

- “We have all been cheating, in a way” (INT EU3)
- Commission, Council, EP, sub national actors
- Creative use of room for interpretation of EU law
- ‘Stretching’ of ‘labour market aspects of social inclusion’
- Becoming increasingly difficult (ESF Reg.)!
3. Possible because of the lack of evaluation of ESF impact

• Once ESF money is « captured » during the ‘night of the long knives”: scarce attention to its actual use
  – only information often data about the financial inputs of projects and the number of participants...

• Commission not even very interested in checks on substance
  – ESF Bermuda spending triangle
The ESF Bermuda Triangle

Substant. Requirem.

Sound Fin. Managem.

Timely Spending
4. Belgian uploading with regard to ESF!

- European Employment Guidelines
  - Until 2005 (after that ‘poverty’)
- Creating political context which allowed EC to increase focus on “social exclusion” in spite of limited legal competencies
  - B Pres 1987: Charter Fundamental Social Rights
  - Maastricht Social Protocol (IGC 1991)
  - Social Action Programme (Delors/Degimbe)
  - Treaty of Amsterdam (integration of Social Protocol)
  - B Pres in 2001: basic architecture SI OMC
Effects

“Revolution” in terms of activation of people far away from labour market

- Concentration
- Co-financing
- Innovation
- Agency
- LT-planning
BUT

- These effects happen ‘under the radar’
  - Rarely any assessment, let alone publicity

- Only through ‘agency’ of actors (leverage)!
  - Use ESF to pursue their goals (eg Smet)

- Result: local social policy through the ESF with regard to activation
Conclusions

• The ‘Europe of Social Inclusion’ is not a fiction, in spite of thin ice in terms of legal base

• EU policy instruments are developed which have ‘hard’ effects at domestic level, be it largely hidden
Conclusions

• Both for OMC and ESF: instruments only ‘work’ because actors creatively appropriate them (EU empowers policy entrepreneurs)

• For both instruments entrepreneurs upload their preferences to the EU (shaping) so that it can later be seized domestically (taking)
  – Strong confirmation of two-way street approach of Europeanization (pendulum EU-MS)
  – But: ‘boomerang effect’!
‘Up to the policymakers now’!
Recommendations

EU Law

1. BPEU could 2010 explore changing attitudes due to current economic crisis
   → minimal standards with regard to the ‘integration of persons excluded from the labour market’ (QMV)

2. BPEU 2010 could explore the possibility of introducing legally binding acts at a procedural level into ‘soft’ law
   → ‘hard’ procedural requirements, including ‘rights’ to transparency and participation
Policy Recommendations OMC
(Raising awareness)

1. Public authorities should organise national peer reviews, in which variety of domestic actors discuss EC ‘suggestions’ (Country Fiches) & reports written by independent experts in the ‘PROGRESS’ peer reviews.

2. Federal and regional governments should beef up efforts to inform local levels of government (esp. the CPAS) about value added of using OMC instruments (indicators, targets etc.) at the local level. Publicise ‘good practices’.
Policy Recommendations OMC
(Bringing politics back in the equation)

3. Regional and federal authorities should decide on effective coordination mechanisms to pursue the ‘nationally agreed’ targets that depend on subnational levels of government (what if a region does not meet the targets?)

4. Relationship between the EU SI strategy and pre-existing national processes should be clarified & simplified. Fact that NAP/Inclusion continues to co-exist with biannual reports on poverty in Belgium is confusing for many actors; diminishes political appeal of NAP/Inclusion.
Policy Recommendations ESF

1. To further strengthen requirements with regard to (1) partnership and (2) innovation when allocation ESF funds. Especially at federal level these projects are (1) a ‘closed shop’ for the CPAS (2) aimed at strengthening ongoing policies.

2. Evaluate whether the advantages of maintaining a (very) small federal ESF-envelope (still) outnumber the cost of organizing a separate management authority for this purpose; the risk of double financing looms large.
Policy Recommendations ESF

3. To institutionalise, within the federal administration (SPP Social Integration), an active learning platform – possibly financed through ESF-resources – for the Flemish, Walloon and Brussels CPAS; provide room for the exchange of ‘good’ and ‘bad’ practices.

4. Policymakers should continuously monitor the impact of ESF project and make it know to the wider public. This could contribute to turning an emerging evaluation culture into an evaluation practice; and it provides the necessary legitimacy to the European project.
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