

# The European Union's economic and social model – still viable in a global crisis?

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## **Why the “*Social Dimension of Europe 2020*” is an Oxymoron**

Bart Vanhercke

European Social Observatory (OSE) - K.U.Leuven (CESO)



# This talk is *not* about

- The new federal Belgian government (!) and its EU-driven reform agenda
- Blue oranges & Foucault's views on AC/DC
- Why is 'Social Europe' an Oxymoron?
  - Social acquis (legislation)
  - European social dialogue (parental leave, part time work etc.)
  - Structural Funds (ESF and ERDF)
  - Internal Market legislation (social policy 'under the radar')

# Restrict myself to one dimension of *Social Europe*: the “Europe 2020 Strategy”

- Discarding
  - *Other instruments* (legislation, Social Dialogue, Structural Funds)
  - *Other policy areas* (internal market)
- Which would allow a more complete assessment of the Cinderella status of ‘Social Europe’

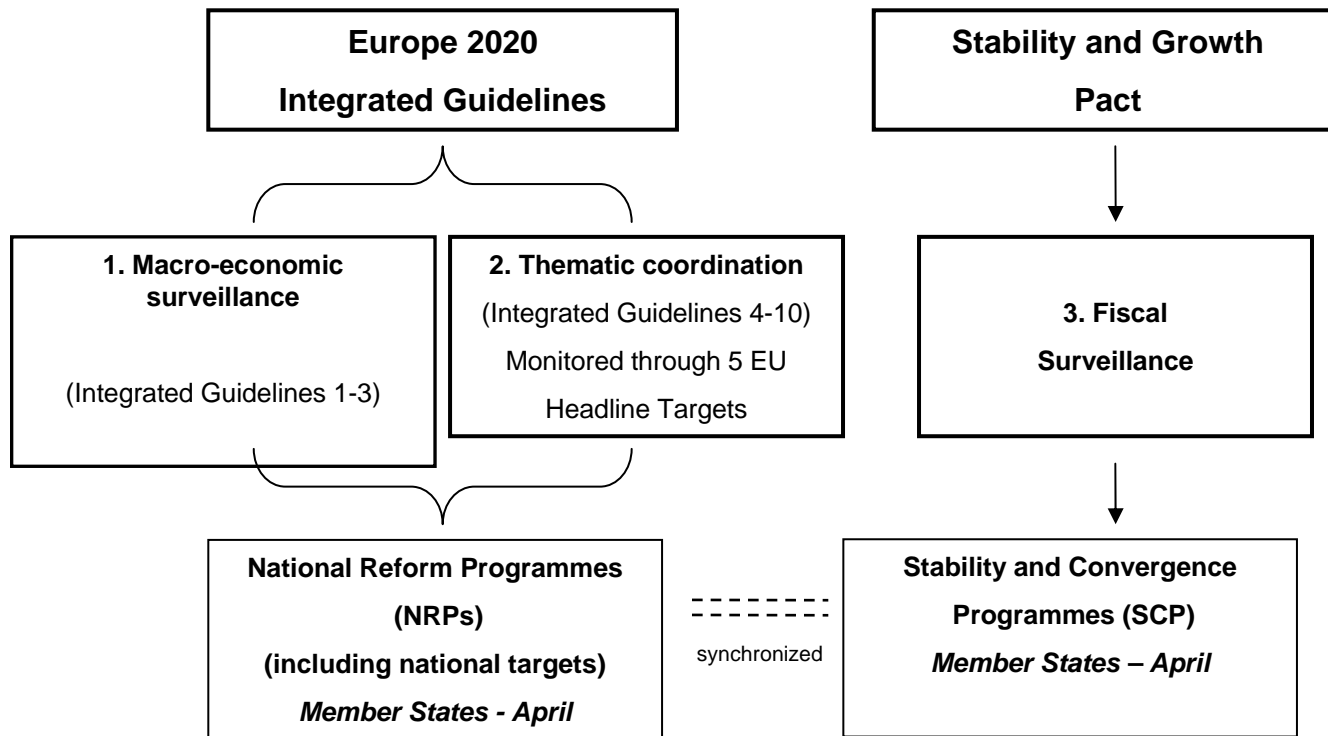
# Remember an Oxymoron?

- A figure of speech, or a phrase, that combines two notions that seem to be the *opposite* of each other
- Examples are ‘**deafening silence**’, ‘**extremely average**’, ‘virtual reality’ and ‘known secret’  
→ *contradiction in terms/paradox*



# Why would the social dimension of Europe 2020 be an oxymoron?

- First reading of the EU's new (and constantly changing) socio-economic governance
- Social issues (employment, social protection and social inclusion) seem far from central



Already at first sight... the social dimension is far from key!

## II. Some progress for Social Europe

- Europe 2020 provides *some* progress, when compared to its predecessor, the Lisbon Strategy (*‘Titanic 2010’*)

1. Europe 2020 presents a more all-encompassing strategy
  - Rather comprehensive political agenda for Europe (incl. environm. targets, continued EES)
  - *Smart, Sustainable and Inclusive Growth*: return to the original Lisbon Strategy
    - more than just growths and jobs, as compared to Revised Lisbon (2005), (*socioeconomic policy triangle*)
    - But: the discourse has changed dramatically... (Euro+ Pact, EFSF and beyond)

## 2. Increased pressure on targets and monitoring of progress

- European indicators, allowing comparison between Member States (peer pressure, ‘benchmarking’)
  - Child poverty/poverty among elderly (targetting)
  - Social adequacy of pensions (replacement rates)
  - Some risks (commensuration)

# One of 'headline targets': EU Poverty target (decrease 'AROP' by 20 million)

- The mere existence is a step forward
  - Even though less ambitious than many hoped
- Social cohesion/inclusion
  - Now the same status as other political priorities (on paper)
- Adoption of national targets:
  - Increased pressure (e.g. B)
  - Taken more seriously in NRP's than in the past decade (??)

### 3. Social protection and Social Inclusion are *back in* ( comp 2005)

- Increased potential visibility and importance of social issues:
  - Several *Integrated Guidelines*
    - Guideline 10 re Social Inclusion and combatting poverty
    - Guideline 9 re Education and training (!)
  - Seven European Platforms (but what are they?)
    - *Platform against Poverty* (EPAP)
    - Digital divide

**Table 1.1: Ten Integrated Guidelines for Europe 2020**

Guideline 1	Ensuring the quality and sustainability of public finances
Guideline 2	Addressing macroeconomic imbalances
Guideline 3	Reducing imbalances in the euro area
Guideline 4	Optimising support for R&D and innovation, strengthening the knowledge triangle and unleashing the potential of the digital economy
Guideline 5	Improving resource efficiency and reducing greenhouse gases emissions
Guideline 6	Improving the business and consumer environment, and modernising and developing the industrial base in order to ensure the full functioning of the internal market
Guideline 7	Increasing labour market participation of women and men, reducing structural unemployment and promoting job quality
Guideline 8	Developing a skilled workforce responding to labour market needs and promoting lifelong learning
Guideline 9	Improving the quality and performance of education and training systems at all levels and increasing participation in tertiary or equivalent education
Guideline 10	Promoting social inclusion and combating poverty

Source: EU Council of Ministers, 2010 and 2010a

# Lisbon and Europe 2020 compared: *some* progress for Social Europe

- Window of opportunity: can still be seized
- But
  - let us beware what we wish for
  - there is not only a “*keep moving*” sign for social Europe



### III. Risks in relation to Europe 2020

- Pursuing the **wrong paradigm**
  - *growth, growth, growth* (instead of *smart, sustainable and inclusive growth*)
  - *EC Annual Growth Survey... where is the social dimension?*
- Criticism (repeat Lisbon's flaws):
  - supply-side measures; market-based understanding of growth
  - absence of an optimal policy-mix (e.g. no stricter wage coordination in Europe)
  - Lack of qualitative considerations (“decent work”), flexi > curity

## 2. Social Dimension subsumed into economic objectives

- Innovation and social progress tied to fulfillment of debt criteria
  - tunnel vision
- Close link NRPs (incl. ‘social’ objectives) and Stability and Convergence Programmes
  - Synchronisation: read together

## Europe 2020 - Integrated Guidelines

## Stability and Growth Pact

Macro-economic surveillance  
(Integrated Guidelines 1-3)

Thematic coordination (IGs 4-10)  
Monitored through 5 EU Headline  
Targets

Fiscal  
Surveillance

National Reform Programmes (NRPs)  
(including national targets)  
*Member States - April*

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synchronized

Stability and Convergence Programmes  
(SCP)  
*Member States - April*

Spring European Council: Debate and  
Orientation  
(Progress towards headline targets) - *March*

Policy Guidance (Opinions and  
Recommendations)  
*European Commission - June*

Debate and Orientation  
*European Parliament and  
Council of the EU - February*

Finalisation and Adoption of Opinions and  
Recommendations  
*Council of the EU (ECOFIN and EPSCO) - June*

Annual Growth Survey: Progress and  
Orientation  
*European Commission - January*

Endorsment of Opinions and  
Recommendations  
*European Council - June*

Supported by:

- EU Flagship Initiatives
- Single Market Relaunch
- Trade and External Policies
- EU Financial Support

- Finalisation of National Budgets
- Policy measures at national level

European Semester

European Semester

Domestic Semester

Domestic Semester

# In such a framework

- Unclear
  - to what extent will country-specific Recommendations focus on Social Inclusion (Guideline 10?)
- And what if
  - (say) Germany or Poland do not set (ambitious) poverty targets?
  - the UK misses its educational targets
- Mentioned/stressed in AGS?  
**Policy warning** (Guideline 10)?

### 3. Social Protection and Social Inclusion reduced to *fighting poverty*

- What about common objectives on pensions and health care?
  - Enter mainly insofar as they contribute to the *social exclusion* goals
- Social Inclusion Guideline framed within EU's 'Employment Guidelines' (Treaty base)
  - Responsibility for monitoring, implementation? Who will decide on indicators?

- Risk that “social protection and social inclusion” may be *reduced to social inclusion* only
- with the latter focusing narrowly on increasing *access to employment*, but not on those who are (permanently) outside the labour market

## 4. What role for the Social OMC?

- ‘Death of OMC announced several times... prematurely
  - Council EU reconfirmed Common Objectives SPSI
  - Indicators continue to be developed (JAF)
  - Peer Reviews upgraded (in depth reviews, national follow-up seminars): policy learning (VoC?)
  - Feeding-in into NRP (?)

## V. Conclusion and Outlook

- Proof of the pudding is in the eating (still early days)
- **New opportunities** when compared to the Lisbon Strategy:
  - rather all-encompassing; increased visibility (IG 10, headline target, EPAP)
- But also **serious risks**:
  - Dominance of economic considerations (growth objectives and synchronisation); reduction to social inclusion; Future Social OMC?

- Still room for building the Social dimension of Europe 2020 (but difficult!)
  - it's a new-born...
- *Strong alliances* needed
  - Up to the social actors to create leverage, and to make the best of this oxymoron (not only neo-liberal recipes)
  - EU as an opportunity structure
- *But HOW?*

# Making the best of the Oxymoron (or reject it?)

- Use European Council Recommendations
  - Eg. toward Cyprus: “[...] taking care to address the high at-risk-of-poverty rate for the elderly” (Council Rec. 12 07 ‘11)
- Use agreed targets, push for ambitious (sub-)targets, increase monitoring of non-social policies (Lisbon Treaty)

# Making the best of the Oxymoron (or reject it?)

- Link OMC objectives to EU funding
  - eligibility criteria of ESF: EES and Social OMC
- Partly explains why - against the odds, OMC is increasingly a tool for domestic policymakers
  - amongst many others!
- But with great variations between *MS, policy areas and across time!*

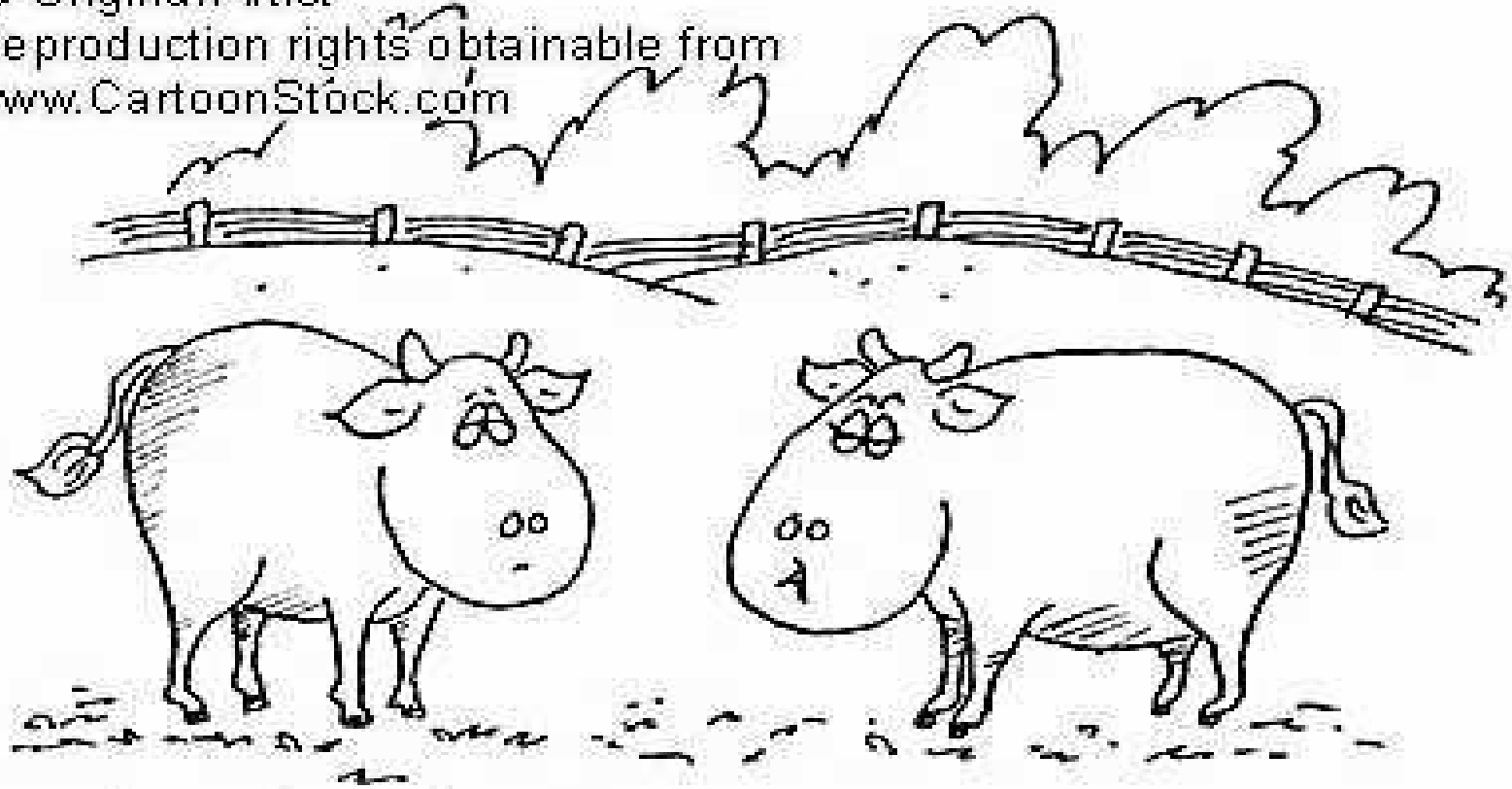
# Making the best of the Oxymoron (or fight it?)

- Use it as a step-up to EU legislation (but political context?)
  - Patient Right Directive: started in HLG Patient Mobility, and ended up in Directive with soft pockets (**‘soft-to-hard-to-soft governance’**)
  - Minimum income would be a first candidate (EAPN, EC tender EC, B Presidency)
  - Procedural rules for stakeholder involvement?

# Contribute to critical discourse

- Picked up: politicians, MEP's, opposition, academics
  - EAPN report on social dimension of NRP
  - Eurochild report on how 'child poverty' is being addressed
  - Etc.

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DOUE Coppenier...

"Well I personally find the word 'oxymoron'  
to be an oxymoron."

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Cécile Barbier

[www.ose.be](http://www.ose.be)

rue Paul Emile Janson 13 / 1050 Bruxelles / tel : 32 (0)2 537 19 71 / fax : 32 (0)2 539 28 08 / email : info@ose.be



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