

Think Young Research Team

European Social Policy

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2010

'The “social dimension” of European integration lags behind the market integration aspects.'
Discuss.

A discussion on the pace of social policy integration alongside market integration cannot proceed without the initial recognition of the considerable consensus that seems to reign in the field: the diversity of models, ambitions and ways of imagining social policy in the European Union (EU) makes it difficult to speak of an integrated social dimension. Common economic goals as the catalyst of European integration was the core of the design of the founding fathers' model of the EU, and with the remaining superiority of economic policy today, the emergence of a “European welfare state” appears unlikely. However, less one-sidedness exists on the matter when viewed in the light of recent and coming developments, the intellectual logic of separating one aspect of integration from the other, and the consequences of EU enlargement. In a 'social Europe' founded on the duality of economic growth and social rights, and the principle of becoming “ever closer”, we are perhaps entering a new era.

Since its birth, the European Union has used “economic integration as the motor of the political project of European unity”. The strategy meant to eradicate the possibility of future wars in Europe proved to be highly successful in intertwining the economic interests of its member states, and pursuing integration became a “political goal” achievable “by economic means”. Integration in the social domain must thus be historically regarded as a consequence of market integration. However, scholars claim the future looks different: the subordination of social aims is no longer obvious, and the social consequences of economic integration are of primary concern to policy makers.

In order to assess the relationship between market and social policy integration, we must determine what the social dimension of the European Union consists of. EU social competencies encompass labour market regulation, the rights and conditions of workers, health and safety in

the workplace and gender equality, whereas domains such as education, housing and health care largely lie in the hands of national governments. This is a direct result of the “asymmetry between the strong position in economic policy and the weak one in social policy” on the EU scene, much unlike most national cases. Accordingly, it can be argued that European social policy is used as a tool for “economic efficiency rather than for redistribution”, coherent with it being “clearly subordinated to economic integration”. Policy areas that manage social justice thus to a great extent remain within member states, in line with the principle of subsidiarity; only if member states cannot deal with problems themselves should the EU intervene. The neofunctionalist claim that market integration has 'spillover effects' in for example the social domain explains the selectiveness of social policy issues traditionally dealt with at the EU level. Despite this seemingly limited space, European social policy nevertheless has an array of accomplishments to exhibit. For example, harmonization measures which facilitate citizens' access to medical care, social security coverage and working conditions when abroad have been implemented, alongside the creation of uniform standards concerning healthy working environments, and gender equality and anti-discrimination beyond the workplace. Furthermore, job creation and the framework for supranational social dialogue and social partners can be added to the list of achievements of EU social policy.

The current consensus on the progress of the social dimension of European integration in relation to the economic dimension nevertheless appears to be that the former lags behind the latter as a result of the principal reluctance of member states to render large parts of this aspect of their sovereignty to supranational institutions. Whereas the European project in economic terms leaves states increasingly integrated, notably with the emergence of the Single European Market and the Economic and Monetary Union, social policy aims vary significantly between member

states. Admittedly, there exists a 'European Social Model' (ESM) which identifies the state as responsible for the implementation of social policy and a commonality of values such as “equality, solidarity, and social dialogue”. However, one does not speak of a single social model. Rather, the focus tends to lie on differing traditions, noting that “the diversity of social policy solutions or models has risen sharply throughout the 50 years of European integration”. Perhaps as a result of its ambiguity, the ESM is to a certain extent defined by the existence of an 'other'; in contrasting it with the US model, focus is put on what the ESM is not. Whilst identifying the dichotomy of the American and the European economy, Jepsen and Pascual begin to define the model by pointing to “the concept’s symbolic reliance on the American model”, in which the ESM assumes “its own superiority”.

However heterogenous across member states, social policy on the European level is nevertheless currently experiencing a shift from being a welcome by-product of economic integration to increasingly becoming an “autonomous goal”. Ricard Gomà argues that “the very transnational nature of the emerging social problems (...) provides a range of additional opportunities for alternative routes of integration”, introducing the argument that 'social Europeanisation' is becoming increasingly pressing. Economic integration has social consequences that require coordinated EU policy; for example, the increased movement of labour as a result of a common market has created the need for better coordinated social security systems. The Lisbon Strategy marked the beginning of a new era in which certain social policy areas became central to the EU agenda. Introduced in Lisbon, the Open Method of Coordination (OMC) was innovative in “dealing for the first time at the EU level with a strictly social policy issue without direct subordination to economic policy” . The OMC is a 'soft' type of EU regulation, meaning that no punitive action is taken if and when policy objectives are not

achieved. It is interpreted by some as a new form of governance rooted in “policy benchmarking, identifying best practices and mutual learning”. However, by others its novelty is questioned on the grounds of it being too loose; regarded as “a subtype of multilateral surveillance”, the OMC does not change the fact that it is the political will and national interests of member states that is decisive.

The implementation of the Lisbon Treaty brings with it further extension beyond market integration into areas such as poverty and social exclusion, interventions which can only with difficulty be considered policies of economic efficiency, illustrating the EU's continued change in direction and arguably that the supposed lag is catching up. The 2007 EU *Fourth report on economic and social cohesion* stresses the importance of long-term cohesion policy, and identifies “investment in people” as crucial for the continued growth and competitiveness of the EU. It dives into the realm of education, noting that “educational attainment levels of young people are lagging behind in some member states”. Whilst education policy may be unlikely to fall entirely out of the hands of member states in the near future, noting its vital importance in the context of social cohesion can be regarded as a step in the social integrationist direction. The report adds that intervention to for example combat gender inequality and to assist those in the margins of the labour market is central for the continued economic prosperity of the Union. Whereas the means for realising these – and other – social policy aims will continue to belong to individual member states, the proliferation of EU guidelines and the setting of a common agenda is unquestionably a step towards putting the social policy integration on a par with market integration. The “impact of EU actions on national policies” has been positively noted by member states such as Germany and Italy, confirming that the 'soft' methods of legislation can be awarded a degree of credence. Consequently, it can be claimed that measures taken on the EU

level work to partly reverse the relationship between market integration and integration in the social domain. Whereas historically social policies have been spillovers of economic integration, the trend is seeing a reversal as social policies are increasingly being coordinated on an EU level to facilitate further economic goals.

The recent enlargements of the EU give rise to new issues relevant to European integration of the social domain. Golinowska and Zukowski argue that convergence in the 21st century, especially in light of the accession of new member states like Bulgaria and Romania who are “inundated (...) with a host of enormous challenges”, is inevitably faced with complications. However, despite ambiguities in defining the shape of processes of convergence, they will produce basic social values without which in particular new member states would “lose sight of social policy.” The difficulty of establishing a common social agenda becomes poignantly evident in comparing for example levels of poverty in different member states: whereas the proportion of people with an income of 60% below the national median income in Sweden amounts to 10%, this proportion represents 20% of the population of Lithuania. As the European Social Fund (ESF) bears witness to, member states can converge to meet under the umbrella of EU guidelines, but will ultimately have very divergent priorities. For example, whilst Sweden lists increasing its labour supply through the increased inclusion of immigrants, the long-term ill and the young as one of its main priorities, Greece prioritises the modernisation of its public administration and improvement in the educational system. The result of these disparities imply that as long as the socio-economic characteristics of EU member states are as varied as they today are in the EU27, the latter will continue to be faced with difficulties in integrating its social domain.

Analysing the relationship between economic and social policy integration gives rise to a fundamental epistemological concern regarding the validity of separating the two. In attempting to outline the objectives of the Structural Funds, Kleinman comes to the conclusion that trying to distinguish between the aims of social and economic policy will give rise to limitations because the two constitute a “genuine mixture”, on the EU and member state level alike. He further claims that “a tidy separation between economic and social aspects of European integration cannot be sustained intellectually” as it is deceptive to imagine that social issues relate only to the division of how the fruits of economic growth ought to be divided. As the EU attempts to build a globally competitive economy through investing in knowledge and eliminating barriers to labour mobility, social policy becomes “an instrument of a very ambitious economic policy”. Kleinman, however, identifies several “barriers to a more activist social policy at the European level”, such as the obstructive nature of certain EU institutions and the relatively restricted EU budget, alluding to the idea that quite substantial revision of the EU system is necessary for social integration to deepen.

The central question left unanswered is whether or not increased integration in the social domain is actually desirable to the European demoi. Continued integration in social policy is commensurate to nation-building at the supranational level, a federalist question equally unsettled as the first. Whereas historically social policies have been spillovers of economic integration, the direction is being reversed as social policies are increasingly being coordinated on an EU level to facilitate further economic goals. Notably the increasingly globalised nature of our world speaks in favour of making the EU social policy agenda primary in the intricate project of European integration. Development in social policy will undoubtedly continue to emerge in

those domains in which economic interests are fostered, but member states' vision for future Europe is ultimately decisive in building the road down which social policy will go.

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