

n a recent state of play of social policy in the European Union (EU), we argued that the multiple crises confronting the EU - starting from the financial markets, spreading to the economy and social and political institutions - have put the European construction under unprecedented pressure. They also put a question-mark over the EU's policies and indeed the legitimacy of its institutions to provide answers addressing workers' and citizens' concrete concerns.

The reconciliation of the social, economic and environmental dimensions of the EU is the key challenge for the future

Two major critical events hit the EU. First, Brexit. Second, the worsening of the refugee crisis. The former event, the unprecedented case of the EU losing one of its Member States, has put the integration process at risk, potentially leading to a 'disintegration' dynamic. The causes of Brexit are varied and, among them, there are social and employment determinants. These include the fact that a growing part of the British population felt 'left behind' and has not shared the fruits of a relatively good economic and employment situation. This circumstance entails a lesson for the EU, i.e. the need to depart from a neo-liberal social agenda based on activation and making work pay towards policies aimed at building a truly inclusive Europe. Otherwise, the risk would be a Brexit contagion.

As for the refugee crisis, recent developments have shown the worsening of tensions between Member States and a worrying lack of solidarity. The EU has taken some initiatives but not only their efficiency is doubtful but also their coherence with the respect of human rights. This is, for instance, the case of the 'hot-spot' solution and of the 'outsourcing approach' to asylum policies.

## Relaunching Europe's social dimension

This said important policy decisions have recently been taken by the EU in policy areas such as sectoral social dialogue, healthcare regulation, work-life balance and active ageing. Furthermore, the increased awareness of the unsustainability *status quo* has led to high-level debates on the future of the EU. In the social domain, the most important

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## Social policy in the European Union: from high hopes to high yields By Bart Vanhercke and Sebastiano Sabato

initiative was the adoption of a 'European Pillar of Social Rights' aiming at updating the social *acquis* and promoting up-ward social convergence in the euro-area. Importantly, the Pillar has been the object of Inter-Institutional Proclamation by the Council of the EU, the Commission and the European Parliament (in November 2017), a circumstance that increases its relevance and political legitimacy.

As shown by a 2017 Eurobarometer survey, despite longstanding problems, a majority of Europeans (56%) are optimistic about the future of the EU and trust in the EU continues to rise, standing at 42% (36% in autumn 2016)

The broad public consultation on the European Commission's Pillar proposal involved EU institutions, the Member States, civil society and the social partners. The consultation and the concrete initiatives that followed the proclamation – including (a) the proposed **Directive on work-life balance** for parents and carers, (b) a **proposal for a Council Recommendation** on access to social protection for all employment types and (c) a **Social Scoreboard to monitor societal progress** – suggest that the EPSR has already contributed to 'revitalise' the EU narrative and arena for social policies. In other words: the EPSR has helped to relaunch a new EU 'Social Agenda'. The fact that the first steps of the 2018 **'European Semester Package' (the so-called 'Autumn Package')** are clearly influenced by the principles of the Pillar points in that same direction.

The increased awareness of the unsustainability of the status quo emerged after Brexit and led to a number of high-level debates on how to advance on the integration process. These debates lead to the elaboration of key policy documents and proposals for the future of the EU. First of all, the so-called Rome Declaration (25 March 2017). Elaborated in the wake of the Rome summit (celebrating the 60th anniversary of the Treaty of Rome), the Declaration foresees actions aiming at re-launching the integration process. These include the identification of a number of policy areas where the EU should act more decisively, including social policy. Second, the Commission published a 'White paper on the future of Europe', envisaging five scenarios for future developments of the EU up to 2025. These scenarios range from a minimalistic one ('Nothing but the Single Market') to a more

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ambitious scenario, where the EU would do much together with its 27 MS in more policy areas. The White paper was accompanied by a number of 'Reflection papers' concerning specific policy areas, including one on deepening the EMU and another one on the social dimension of Europe. The latter was published in April 2017, together with the Commission Recommendation on the European Pillar of Social Rights.

## The way forward: from high hopes to high yields

Summing up, initiatives undertaken in the past months have revitalised the debate on the future of the EU, including its social dimension, thus giving rise to high hopes. It is now time to move to high yields. This said, before listing some concrete proposals for the future, a question should be answered: once avoided the risk of 'disintegration' following a possible Brexit contagion, the need to advance towards the integration process is evident. But 'integration between whom'? Here two options are available: further integration involving all the EU Member States, or a path of differentiated integration, with a limited number of countries advancing together in some policy areas and the other countries joining them at a later stage. While the former option would be desirable, the latter is being supported by the French and German leadership. At the same time, it is highly significant that the European Pillar of Social Rights was endorsed unanimously by all Member States - including by the UK - thereby exceeding Commission President Juncker's initial political ambitions and raising questions regarding the political appetite for "differentiated integration".

The coming years should concretise the ambitions and proposals emerged in the past months. A roadmap for the implementation of the Pillar should be tabled by the European Commission in the near future. Debates such as a Framework Directive on minimum income schemes or the setting-up of a common unemployment scheme could be relaunched. Furthermore, the commitment to fight poverty and social exclusion should be restated and concretised through more effective actions. In the *short run*, the focus should be on completing the initiatives already tabled, including: (a) the Proposal for a Directive on work-life balance; (b) the endorsement and implementation of the Council Recommendation on social protection for the self-employed and non-standard workers; (c) the adoption of the Directive on transparent and predictable working conditions (d) the use by EU and national stakeholders of the increasingly 'socialised' tools of the European Semester and (e) the operationalisation of the European Labour Authority. Finally, and importantly, the Pillar should be closely linked to EU environmental policies and to the Sustainable Development



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Agenda. Indeed, the reconciliation of the social, economic and environmental dimensions is the key challenge for the future.

All this said some key questions arise: are we still on time in a context characterised by the growth of Eurosceptic and populist parties? Are EU citizens willing to support an ambitious European project for the future? Do they trust the EU institutions? We tend to be hopeful. As shown by a 2017 Eurobarometer survey, despite longstanding problems, a majority of Europeans (56%) are optimistic about the future of the EU and trust in the EU continues to rise, standing at 42% (36% in autumn 2016). Furthermore, 40% of Europeans still have a positive image of the EU, while 68% of them feels they are citizens of the EU, the highest level ever shown by this indicator. Whether these improving figures are harbingers of a 'European Spring', as the European Commission optimistically claims from cloud nine, remains to be seen. But in our view there is a European demos waiting for answers: it is time to move from high hopes to high yields.

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