

# A European Social Union after the Crisis

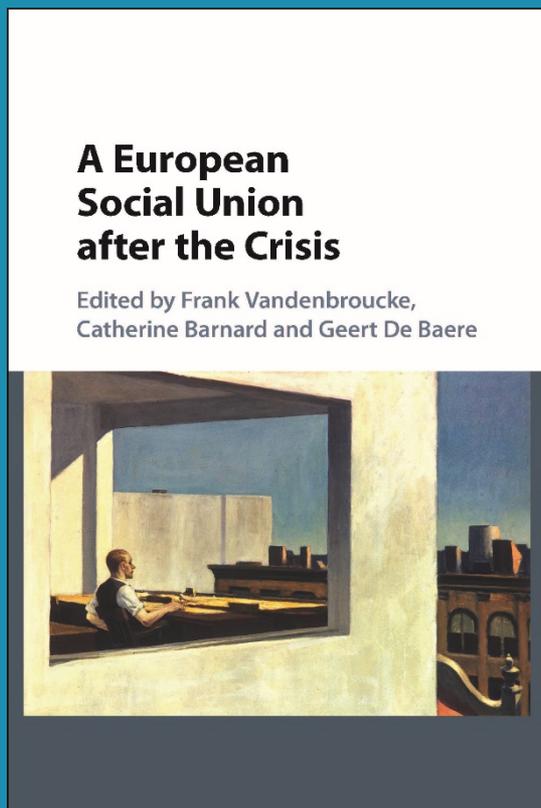
Book launch, 28 September 2017

## **A European Social Union after the Crisis**

Edited by Frank Vandebroucke,  
Catherine Barnard and Geert De Baere



A European Social Union after the Crisis, book launch 28 September 2017



Presentation of  
*A European Social Union after the Crisis*,  
edited by Frank  
Vandembroucke, Catherine  
Barnard and Geert De Baere

# ***A European Social Union after the Crisis***

**Frank Vandebroucke**  
**University of Amsterdam**

**Presentation of the book**  
**KU Leuven, 28.9.2017**

# **A European Social Union after the Crisis**

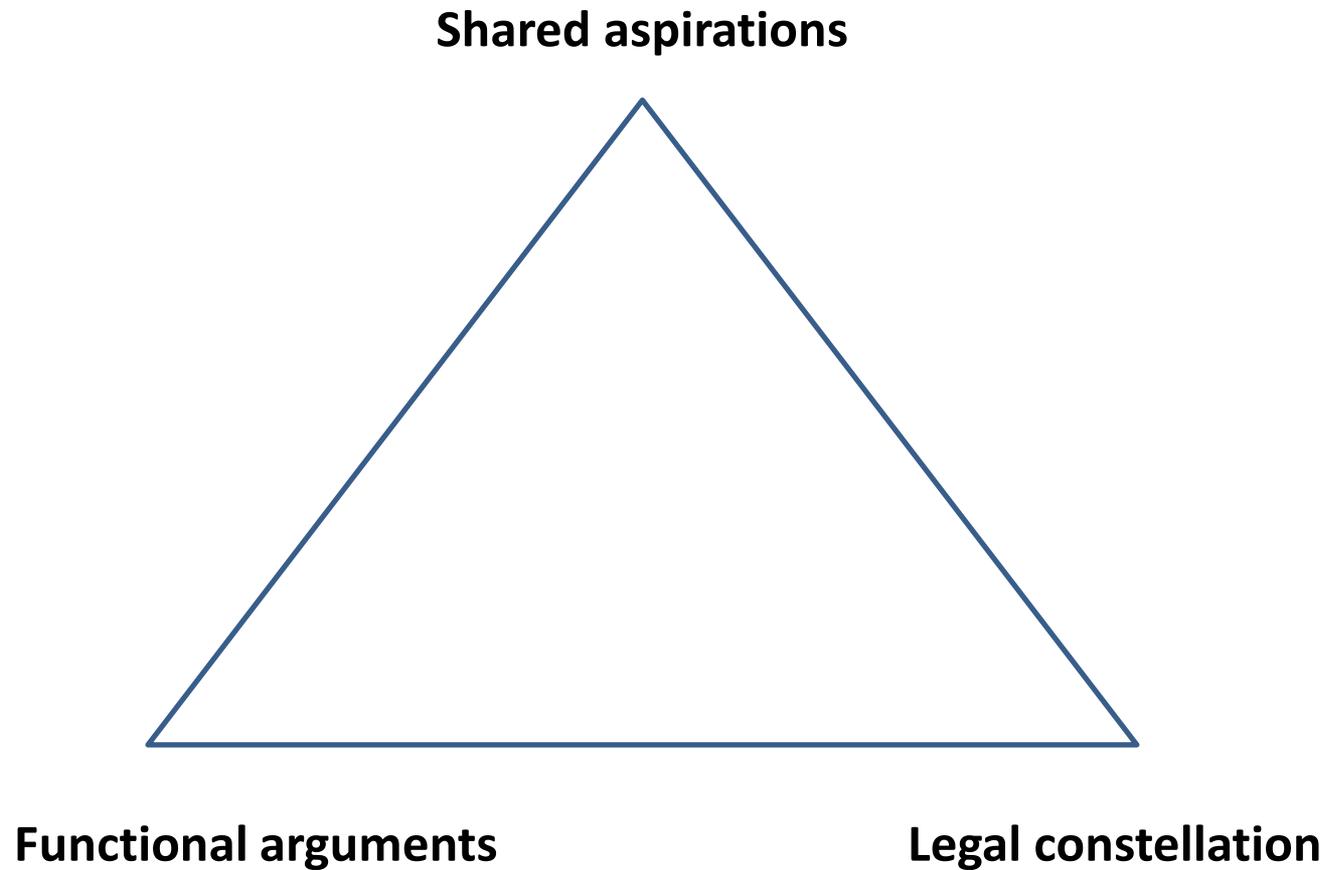
Edited by Frank Vandenbroucke,  
Catherine Barnard and Geert De Baere



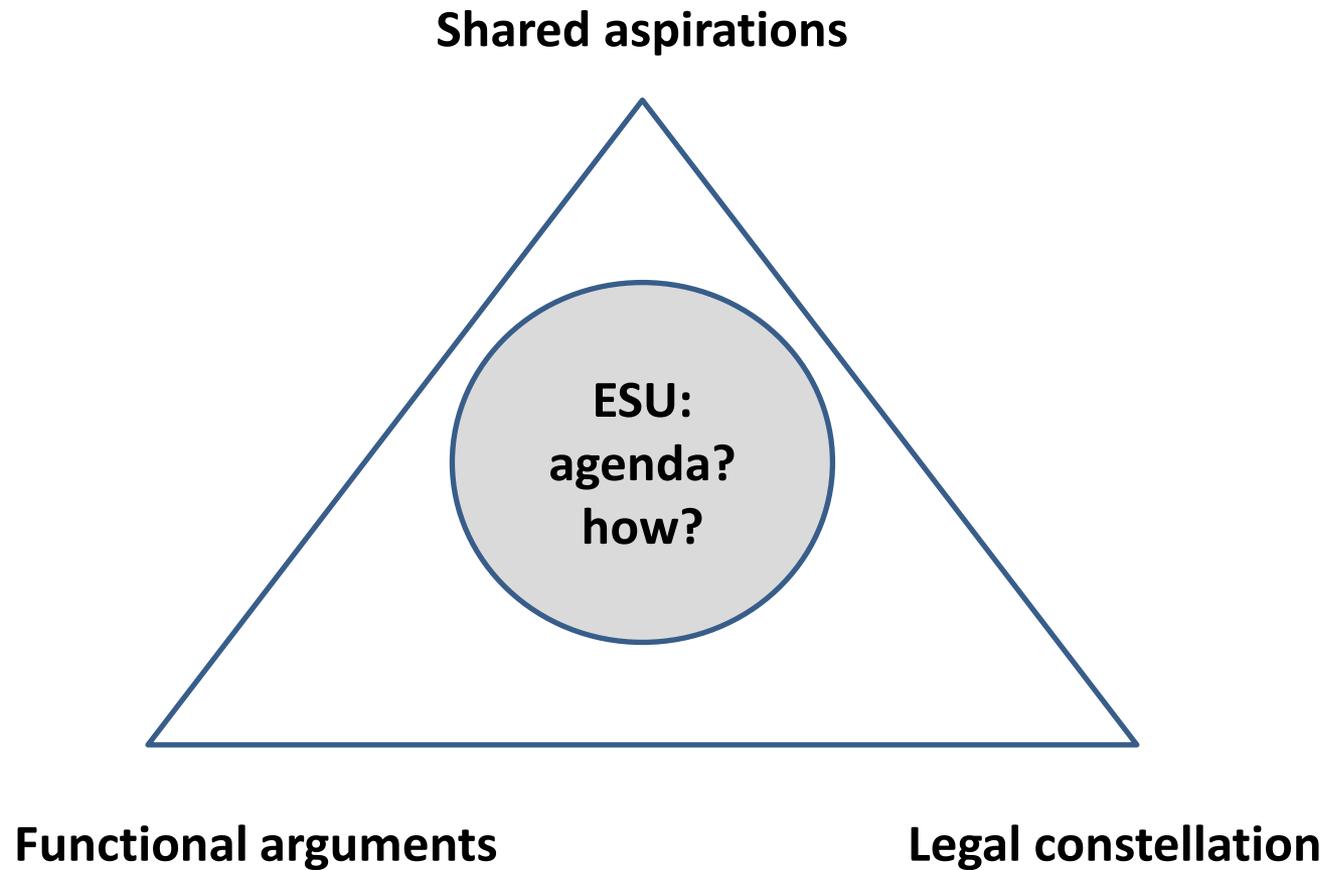
## Defining the EU's social objective: necessity rather than luxury

- There is a social corollary to monetary unification: for it to function well, EMU requires a basic consensus on some key features of the member states' social model.
- There is a social corollary to the Single Market: for it to function well, the Single Market needs a social dimension.
- However, don't overstretch functionalist arguments: what is 'needed' because of monetary unification/the Single Market, depends on the fundamental aspirations that drive the European project at large.
- A call for conceptual clarity: a *European Social Union* ≠ a European Welfare State

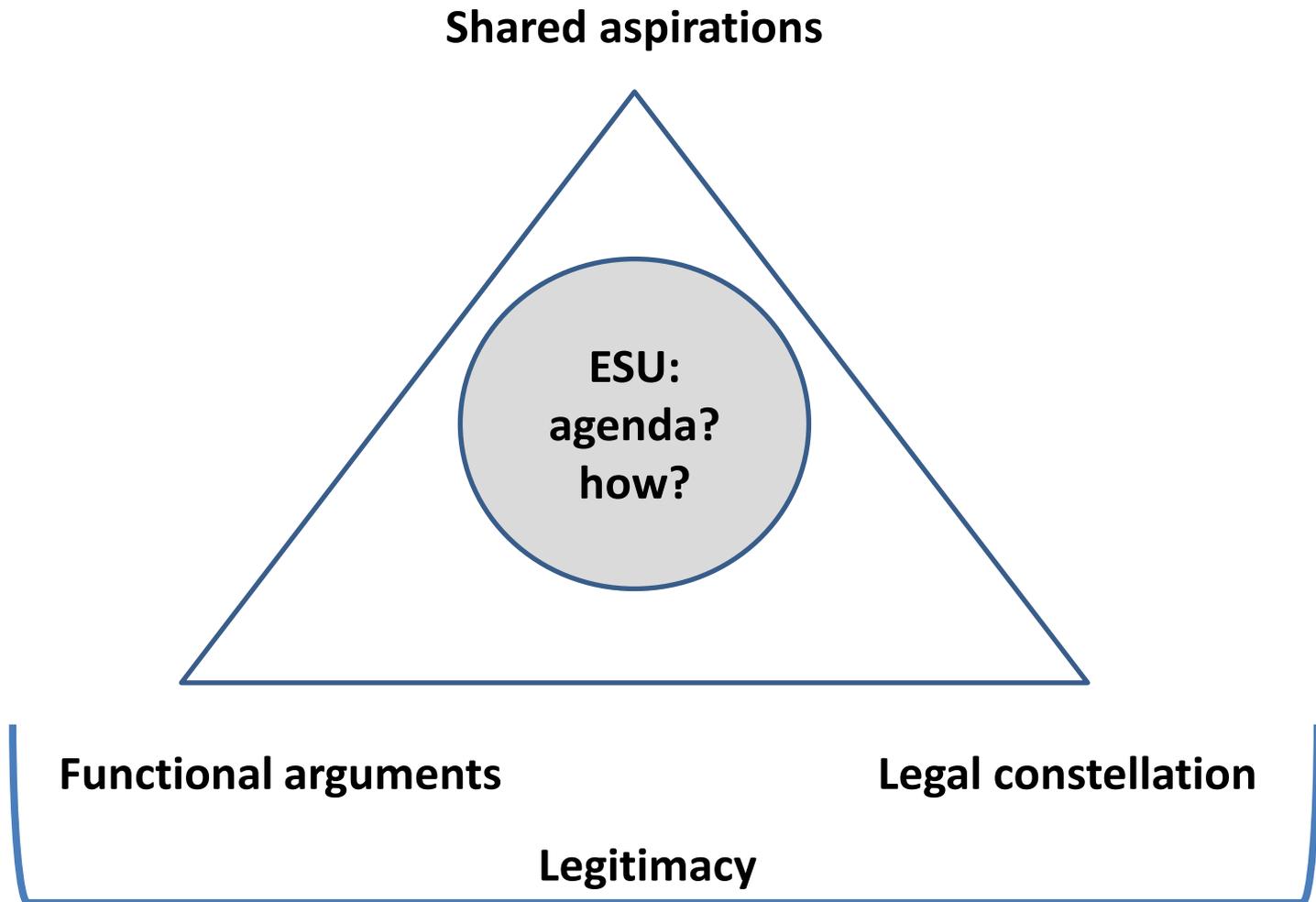
# The project behind the book



# The project behind the book



# The project behind the book



# EMU as an insurance union

- Why are stabilization instruments centralized in monetary unions?
  - Risk sharing (pooling)
  - Externalities (vaccination)
- As with vaccination: compulsory (minimum requirements) and subsidized (re-insurance)
- Minimum requirements for an effective stabilisation capacity:
  - sufficiently generous unemployment benefits, notably in the short-term;
  - sufficient coverage rates of unemployment benefit schemes;
  - no labour market segmentation that leaves part of the labour force poorly insured;
  - no proliferation of employment relations that are not integrated into social insurance;
  - effective activation of unemployed individuals;
  - budgetary buffers in good times, so that automatic stabilisers can do their work in bad times.
- These principles become a fortiori imperative, if the Eurozone would be equipped with reinsurance of national unemployment insurance systems.

## The social dimension of EMU: an evolving paradigm

- In the 1990s, labour market reform was justified by the advent of EMU, with a focus on supply-side flexibility and ‘enabling’ activation policies.
- The flexibility-symmetry argument revisited: types of shocks
- EMU requires a consensus on labour market institutions that support stability (and economic symmetry). Therefore, ‘protective’ policies and collective action are in order. Enabling and protective policies can be mutually reinforcing, in creating *resilient social systems*.
- Symmetry: member states need labour market institutions that can deliver on wage coordination; totally decentralised and uncoordinated bargaining is not fit for this purpose.

## The social dimension of the Single Market revisited

- The Single Market needs both ‘posting’ and free movement of workers (and non-discrimination), as a matter of fairness.
- A ‘balancing act’ between domestic social cohesion and free movement is possible (*Viking* and *Laval* judgments).
- Reform of the Posted Workers Directive: compromise is needed
- National minimum wage regimes should be transparent, predictable and universal in coverage.
- Migration creates less pressure in adequately regulated labour markets: hence, the importance of collective bargaining and social dialogue, and access to social security for all workers.

# The social dimension of the Single Market

- The Single Market needs both 'posting' and free movement of workers (and non-discrimination), as a matter of fairness.
- A 'balanced' mobility of workers
- Reform of the Posting Directive
- National social security systems should be predictable and universal in coverage.
- Migration creates less pressure in adequately regulated labour markets: hence, the importance of collective bargaining and social dialogue, and access to social security for all workers.

***Fair mobility***

# A European Social Union

A Social Union would

- support national welfare states on a *systemic* level in some of their key functions (e.g. stabilization, fair corporate taxation)
  - guide the substantive development of national welfare states – via general social standards and objectives, leaving ways and means of social policy to Member States – on the basis of an operational definition of ‘the European social model’.
- ⇒ European countries would cooperate in a union with an explicit social purpose, pursuing both national and pan-European social cohesion (reconnecting with the *founding fathers’* inspiration)

## Reconnecting with the *founding fathers'* aspiration: upward convergence in social standards & performance

- The *European Pillar of Social Rights*: important initiative, but the relation between ends and means should be clarified
- Priority areas...
  - Access to social protection for all workers
  - Quality of unemployment insurance & activation
  - Universality of minimum wage regimes
  - Collective bargaining
- Social investment policies

## How?

- European social dialogue: views of the actors
- The European Semester: flexibility
- The EU's investment agreements
- The EU's legal constellation
- The politics of legislative action
- Brexit

# ‘Not just about a better market for widgets’

Advocate General Eleanor Sharpston  
Court of Justice of the European Union

## Round table with

- Eleanor Sharpston
- Catherine Barnard
- Steven Van Hecke
- Valerio De Stefano

moderator: Martin Sandbu, *Financial Times*

A European Social Union after the Crisis, book launch 28 September 2017

# Keynote by Marianne Thyssen

followed by an interview