

Session D:

Taking Forward the EU Social Inclusion Process

Towards Constructive Subsidiarity in the Transition from a *Diplomatic* to a *Political* Union

1. Growing-pains of the shift from a *diplomatic* to a *political* union
2. The “double bind” of social Europe
3. The limits of the “integrated” Lisbon agenda
4. The imperative of “double engagement”
5. Open coordination between *defensive* and *constructive* subsidiarity
6. The resilience of European social pragmatism?

The transition from a *diplomatic* to a *political* union

- Distrust over European macro-management ever since SGP
- Convention/Draft Treaty
- Loss of Lisbon momentum: gaps in growth, employment and inclusion (Kok-reports)
- Accession of Turkey
- Tussle between European parliament and the new Commission
- Severe legitimacy crisis in wake of French and Dutch referenda
- EU gaining *political momentum* inevitable (maturation)

The “double bind” of social Europe

- European integration has already fundamentally redrawn the boundaries of national, now *semi-souvereign* welfare states, curtailing the redistributive scope of national social protection systems
- Growing tension between domestic commitment to comprehensive welfare and EU economic integration, generating feelings of discontent, undermining both the legitimacy of the national welfare state and the European project
- *Constructive subsidiarity*: a new political space for multi-level social and economic policy making through cumulatively transformative incrementalism and “soft” convergence (*feasible?*)
- *Defensive subsidiarity*: domestic closure of welfare system through re-nationalization en exclusion (*sustainable?*)

The limits of the Lisbon “integrated” strategy

- Lack of visibility/identity of independent tiers of the Lisbon strategy in relation national welfare systems and European economic integration
- Ambiguity about causal relations between growth (BEPG), employment (EES), poverty and social inclusion (SIP)
- The relationship between social policy and economic competitiveness is *contingent (it depends!)*
- Fighting poverty as a *normative ambition* in its own right
- Priority setting is a *political* prerogative (informed by commonly understood indicators)

The imperative of “double engagement”

- To maintain popular political support, the EU needs social policy credibility (not seen as threat)
- Support for European integration (peace, democracy, economic progress) **AND** attachment to values of social solidarity, public interest and negotiated reforms
- Requires *constructive* (not divisive and defensive) *subsidiarity*
- *Substance*: doubly engaging economic competitiveness and social cohesion (Lisbon)
- *Governance*: doubly engaging EU action and national autonomy (multi-level governance)
- Flexible integration by agenda setting and policy learning alongside (not an alternative for) harmonization and market integration
- Supranational norm setting, domestic bridging, EU political bonding

OMC between *defensive* and *constructive* subsidiarity

- (Too) high a level political participation
- EU parliament left out
- National parliaments not interested, despite civil society engagement
- No domestic exposure of performance
- Increased awareness of foreign experience
- Agenda setting successes (*common concerns*) and expansion (*new social risks*), but loss of transnational policy learning ambitions
- Too much respect for *legitimate diversity* (not only targets, but also *best practices* in minimum income protection)
- Social learning in terms of *model* welfare state differences rather than *functions* fostering self-reliance (minimum income protection, social insurance, participation and emancipation)
- OMC (and Social Europe) everybody's (Lisbon) and nobody's baby (today?)

Political mobilisation of OMC too late?

- Make explicit the Lisbon vision of the good life by separating competitiveness, employment and social inclusion
- Have an open political and academic debate on causal relations between the three Lisbon ambitions on the basis of commonly understood indicators (What is the relationship among the European growth, employment and inclusion gaps and what can be done?)
- Introduce more democratic parameters in the process (commit national and the European parliaments)
- Anchor strategies firmly in domestic policy cycles (to trigger media exposure)
- Harden OMC processes in the shadow of the Charter of Fundamental rights
- Communicate multi-level EU-governance as an major positive-sum improvement on two-level bargaining over *defensive* zero-sum subsidiarity

Resilience of European social pragmatism?

- Welfare reform ongoing concern everywhere
- Social reform, because of its political saliency has to be endorsed by elected bodies that can rely on democratic legitimacy and societal support
- Banking on support: changes in welfare status quo must be seen as *fair* (across EU)
- Lengthy and complex processes (with an uploaded European dimension)
- Political limits of integration by coordination
- Build on 'double engagement' logic (Fundamental rights and open coordination)
- Readiness to learn with 25 members
- Gloomy scenarios of defensive closure cannot be ruled out