THE EUROPEAN SOCIAL QUESTION

Building Progressive Alternatives

Series Editors: David Coates[†], Ben Rosamond and Matthew Watson

Bringing together economists, political economists and other social scientists, this series offers pathways to a coherent, credible and progressive economic growth strategy that, when accompanied by an associated set of wider public policies, can inspire and underpin the revival of a successful centre-left politics in advanced capitalist societies.

Published

Corbynism in Perspective: The Labour Party under Jeremy Corbyn
Edited by Andrew S. Roe-Crines

The European Social Question
Amandine Crespy

Flawed Capitalism: The Anglo-American Condition and its Resolution
David Coates

*The Political Economy of Industrial Strategy in the UK:
From Productivity Problems to Development Dilemmas*
Edited by Craig Berry, Julie Froud and Tom Barker

Race and the Undeserving Poor: From Abolition to Brexit
Robbie Shilliam

Reflections on the Future of the Left
Edited by David Coates

THE EUROPEAN SOCIAL QUESTION

AMANDINE CRESPY

agenda
publishing

CONTENTS

ACKNOWLEDGEMENTS

This book is in many ways the product of ten years spent researching political contention surrounding socio-economic issues in the European Union (EU). Over the past few years, I have benefited from the support and intellectual input from various institutions, research groups and individual colleagues, whom I would very much like to thank here.

The Université libre de Bruxelles (ULB), especially the Centre d'études de la vie politique (Cevipol) and the Institut d'Etudes Européennes, have provided over the years a very stimulating atmosphere in which to research, teach, work and live. Collaborative research – for instance in the framework of the H2020 project ENLIGHTEN (2014–17) involving Laszlo Andor (Corvinus/ULB), Cornel Ban (CBS), Ramona Coman (ULB), Len Seabrooke (CBS), Vivien Schmidt (BU/ULB) and many others – has fed my thoughts over the transformation of EU socio-economic governance and the acute social issues in the aftermath of the 2008–10 crisis. Vivien Schmidt's work has inspired me for a long time to reflect on what is occurring at the intersection of changing capitalism, democracy and European integration. The Jean Monnet module on solidarity coordinated at ULB by Ramona Coman and Anne Weyembergh (2016–19) provided further opportunities for interdisciplinary exchanges on social issues in Europe.

I am also very thankful to the successive generations of students in the module "The Internal Market and Social Europe" (POLI O416) at ULB. The course has provided both the motivation and the backbone for this book. Through their questions and presentations the students have helped me to conceive of analytical tools in an attempt to bring controversy and nuance, politics and policy together.

ACKNOWLEDGEMENTS

ABBREVIATIONS AND ACRONYMS

CAP	Common Agricultural Policy
CEEP	European Centre of Employers and Enterprises Providing Public Services
CJEU	Court of Justice of the European Union
DG	Directorate General (of the European Commission)
ECB	European Central Bank
ECFIN	Directorate General for Economic and Financial Affairs
ECOFIN	Council for Economic and Financial Affairs
ECSC	European Coal and Steel Community
EEC	European Economic Community
EES	European Employment Strategy
EESC	European Economic and Social Committee
EMA	European Medicine Agency
EMCO	Employment Committee of the Council of the European Union
EMPL	Directorate General for Employment, Social Affairs and Inclusion
EMU	Economic and Monetary Union
ENVI	Committee on the Environment, Public Health and Food Safety
EP	European Parliament
EPP	European People's Party
EPSCO	Employment, Social Policy, Health and Consumer Affairs Council
EPSR	European Pillar of Social Rights
EPSU	European Public Services Union
ESF	European Social Fund
ETUC	European Trade Union Confederation
EU	European Union
GDP	gross domestic product
GROW	Directorate General for Internal Market, Industry, Entrepreneurship and SMEs
ILO	International Labour Organization
IMF	International Monetary Fund

MEP	Member of the European Parliament
MoU	memorandum of understanding
NGO	non-governmental organization
OECD	Organization for Economic Cooperation and Development
OMC	open method of coordination
SANCO	Directorate General for Health and Food Safety
SGEI	services of general economic interest
SGI	services of general interest
SPC	Social Policy Committee of the Council of the European Union
TEC	Treaty Establishing the European Community
TEU	Treaty on the European Union
TFEU	Treaty on the Functioning of the European Union
UNICE	Union of Industrial and Employers' Confederations of Europe
WHO	World Health Organization

If poverty could be eliminated with good intentions, the EU would have long eradicated it.

– Olivier De Schutter, UN special rapporteur on extreme poverty and human rights, January 2021

INTRODUCTION: "SOCIAL EUROPE" – IRRELEVANT, CATCHING UP OR DANGEROUS?

The European social question arises from a shared diagnosis among most scholars and (arguably) political and social actors that there is something wrong with the social dimension of European integration. In other words, the European Union (EU) exhibits a social deficit in the sense that its law and policies, the action of its institutions and its politics fall short in addressing the pressing social issues faced by individual citizens and national societies. Although Europe remains one of the most developed and wealthiest regions in the world, and the birthplace of institutionalized welfare states, one in five people – over 92.4 million or 21.1 per cent of the population – are still at risk of poverty in the 27 member states of the EU. And inequality levels have remained virtually static since the 2008 crisis. A total of 19.4 million children – representing 23.1 per cent of the population – are at risk of poverty across the EU, an exceedingly high number for developed country standards (De Schutter 2021).

Against this background, this book addresses the following overarching question: does the EU serve to enhance social cohesion at the scale of the continent?[1] Any attempt to answer this question almost inevitably begs for a second, related interrogation about whether addressing the social question *should be* the role of the EU. In order to guarantee a satisfactory level of social cohesion moving forward, should the competences of the EU in the field be enhanced or,

---

1. Defining the contours of the EU's role in the social realm is not an easy task. Scholars will often distinguish between social policy (i.e. EU instruments relating to welfare states as such), employment policy and solidarity among member states (cohesion policy). Taking a broad view of the European social question, this book is grounded in the premise that all these dimensions are relevant in the controversies at stake. The book will therefore refer to "social policy" understood broadly as the general action of the EU to address social issues in their multiple dimensions. As far as the objective of said action is concerned, it will refer to "social cohesion" as an endeavour to reduce social inequality both within and across EU member countries. As far as specific policy fields are concerned, health policy is included but education and culture are not. Finally, the social question will be considered to be strongly embedded in broader economic structures and policies. The various conceptual approaches to the European social question are presented in Chapter 1.

on the contrary, curtailed? To be clear, the European social question is therefore not about whether European societies are suffering from serious social issues (the assumption being that they do), but whether the EU does, can or should do something about it. Surely social cohesion has been at the heart of the very project of regional integration ever since its origins after the Second World War? In fact, claims of a need for a stronger "Social Europe" have been a key component serving to legitimize the unification of the continent. Economic integration, and the intertwined European social policy, have been presented by European elites as a strategy to guarantee ever-higher levels of welfare for all Europeans. Therefore, "'Social Europe' is an analytical category, an ideological construct, as well as a controversy" (Seeliger & Kiess 2019: 5).

Contentious debates around the European social question have intensified with the turn of the twenty-first century, which has seen the unprecedented territorial enlargement, making the EU more heterogeneous than ever, concomitant with a historic deepening of its policies and institutions, as the effects of the monetary union were coming of age. The internal contradictions dividing Europeans were exacerbated under the influence of external events and self-inflicted problems, precipitating the EU in an era of crises. The weak legitimacy of the EU polity, the financial and debt crisis from 2008–10, the unmanaged intensification of migrants' inflows from 2015 onwards, the exit of the UK from the EU, and the COVID-19 pandemic all have their roots in the European social question. And, in turn, these developments also had a major (mainly negative) impact on social cohesion across the EU. The way the EU has responded to these challenges has further fed into debates of both scholars and political actors on what exactly is wrong about the EU social dimension and how it can be fixed. The purpose of this book is to examine a range of key controversies surrounding the European social question and the assessment of "Social Europe". To give account of the fault lines underpinning these controversies, this introduction will present three main assessments provided by distinct scholarly debates, namely that EU social policy is (a) irrelevant or too weak, (b) slowly catching up and (c) dangerous for welfare states and social cohesion. This reflects the fact that any knowledge about the European social question is inevitably intertwined with explicit or implied normative considerations, which is what European social policy *should* be.

A first group[2] of scholars tends to describe the social policy of the EU as irrelevant, meaning that it is too weak to help European states tackle problems

---

2. The "groups" described in this introduction refer in no way to coherent schools of thought and the scholars included in them may have never worked together. As research findings are always more complex than such categories, scholars will find themselves simultaneously in several groups, which can overlap in several respects. Thus these "groups" or "schools" are only used here with the heuristic aim of shedding light on key lines of interpretation within scholarship, in the hope of remaining faithful to the work cited.

of social cohesion. Descriptions of European social governance inevitably point out that the EU has come nowhere near a European welfare state. Not only is the redistributive dimension trumped and restricted to the EU's structural and investment funds (cohesion policy), but even its regulatory instruments are often weak and only apply in a narrow range of policy issues: essentially free movement, health and safety at work and anti-discrimination. Thus, social cohesion and welfare are still governed primarily at the national level, and no deterministic logic of globalization or Europeanization has forced European welfare states to converge (Kleinman 2002). The EU could be therefore be described, at worst, as an "empty shell" (Falkner 2000). Despite – or perhaps because – they operated a pro-European Economic Community (EEC)/EU social-liberal conversion, social democratic parties in Europe failed at building a supranational social market economy when they were in power (Delwit 1995; Vesan *et al.* 2021), mainly because they never shared a "substantive social demo-cratic agenda" (Bailey 2005). The inability of the social democrats in the face of the 2008–10 euro crisis to stop a major degrading of welfare institutions was a blatant illustration of this state of affairs (Bailey *et al.* 2017).

A variation of this argument stresses the idea that EU social policy is fun-damentally different from national social policy in its nature and function. It was never conceived as to effectively counterbalance market-making through market-correcting. From the outset in the Treaty of Rome, it was rather an "add-on" (Copeland & Daly 2015; Daly 2017) to economic policy, supposed to allow and ease labour mobility within the single market. Legal scholars have argued that the EU's social objectives had been "displaced" from the realm of social policy to that of economic and fiscal policy, from the legislative to judi-cial terrain and from the realm of hard law to the realm of soft law (Dawson 2018; Garben 2018). This converges with the idea that Social Europe had been to a large extent left to the judges and the markets (Leibfried 2005). Looking at seven decades of European integration, it clearly shows that social policy has remained a "secondary" policy area (Copeland 2020). Thus, for many scholars, it is fair to say that "Social Europe", understood as a supranational social market economy, including its redistributive and corporatist components, "is dead" (Crespy & Menz 2015b; Ewing 2015). Looking to the past, historians have argued that hoping for a more social Europe has been like "waiting for Godot" (Ramírez Pérez 2020). Looking at the present and to the future, it may also present a "dead end", especially after the euro crisis that has accelerated a "downward spiral" (Lechevallier & Wielgohs 2015).

Shifting the focus from the European to the national level, an important strand of the literature has shown that the effects of EU social policy depend primarily on domestic actors (Graziano *et al.* 2011; Jacquot 2013; Palier 2000). Whether EU social policy translates – if at all – into progressive or regressive reforms of

national welfare states depends on the strategic "usages" from national actors seeking to use European cognitive, financial or discursive resources to pursue and legitimize their own agenda (Jacquot & Woll 2004, 2010). This has been especially true in an era that has seen the rise of the open method of coordination (OMC) relying on soft law (Heidenreich & Zeitlin 2009; Zeitlin & Pochet 2005), which opens the door to integrating the EU with the national politics of welfare state reforms (Graziano 2007) and comparing the differentiated impact of Europe on, for instance, the southern and eastern peripheries (Guillen & Palier 2004).

Putting into perspective the irrelevance or weakness, a second group of scholars tends to show how social policy at the EU level is catching up. Studying the developments in the field, they show how EU competences develop incrementally as the interdependency between economies and societies increases. Thus, market-correcting instruments are adopted in a second step of policy-making to match new stages of economic integration. To a certain extent, this echoes the neo-functionalist idea that a spillover from economic (and monetary) integration to social integration exists. This ebb and flow of social policy is particularly visible in the early twenty-first century. The EU experienced a pro-market offensive led by the Court of Justice of the European Union (CJEU) in particular and the European Commission under the leadership of Jose Manuel Barroso (Crespy & Menz 2015a). In this period, liberalization and economic liberties predominantly shaped the European agenda. Legislative initiatives to bring social regulation forward were scant and, when submitted, were impeded by major political disagreements and/or ended in a political deadlock (Graziano & Hartlapp 2019). The era was clearly more favourable to harmless voluntary coordination. When the 2008 financial crisis erupted and turned into a crisis of sovereign debt in Europe, the EU initially promoted an "austeritarian" response that met little resistance (Hyman 2015). Since 2014, however, the EU institutions have taken a clear pro-investment turn, implying a heightened awareness of pressing social matters. Many analyses have shown how the European Semester, the main governance framework for coordinating social and economic policy in the EU, has undergone a process of socialization (Verdun & Zeitlin 2017; Zeitlin & Vanhercke 2014). After their initial marginalization, social policy actors within the European Commission, the Council of the European Union (also known as "the Council") and civil society have fought their way back into economic governance and successfully obtained the inclusion of new benchmarks, instruments and an overall heightened visibility of social issues on the EU's agenda. Since 2014, the European Commission – under the chairmanship of Jean-Claude Juncker (2014–19), followed by Ursula von der Leyen (2019–24) – has clearly shown a renewed entrepreneurship for driving social policy forward (Vesan *et al.* 2021).

The described process of catching up has been mostly depicted as a slow one, shaped by constraints stemming from institutional settings and past decisions, on the one hand, and by the contingency of political actors' mobilization, on the other. From a historical institutionalist perspective, Pierson (1996) famously argued that European social policy was path dependent, meaning that it was building up over time because of the unintended consequences of past decisions. In his seminal article, he referred to the inclusion of Article 119A in the Treaty of Rome requiring "equal pay" between men and women. His account (and that of many others) stresses the importance of political struggles in particular. Only a vivid feminist movement and prominent individual entrepreneurs could make Article 119A the cornerstone of what would become an innovative European policy promoting gender equality. At the same time, social policy enjoys only limited room for change as the field is "best characterized by continuity in form of dominance and of economic over social integration, incremental developments and a focus on soft, non-binding instruments" (Hartlapp 2019: 2112). After ten years of "muddling through" in the face of contestation and the rise of populist anti-European movements (Crespy 2020b), the EU social policy agenda exhibits a renewal, perhaps best illustrated by the European Pillar of Social Rights (EPSR) (Vesan *et al.* 2021) (see Box 7.4). Thus, a longitudinal perspective, is useful to understand how the political struggles between "economically oriented actors" and "socially oriented actors" (De la Porte & Pochet 2002) shape phases of progressive policy-making with phases of regressive policy-making. This is visible when considering, for instance, the avatars of social investment in EU policy-making in a historical perspective (De la Porte & Palier forthcoming).

A third group of scholars has analysed the EU's action in the social realm from a very critical angle, implying that European social policy is dangerous for social cohesion. They have done so from various theoretical and disciplinary angles. Anchored in political economy, a "German school"[3] has argued that the EU suffers from an intrinsic pro-market bias built into its institutional and legal architecture. Fritz Scharpf (2010) has famously claimed that the EU *cannot* be a social market economy as market-making through liberalization (negative integration) is bound to prevail over market correction and social regulation (positive integration) in EU politics. According to Scharpf, this is due to the over constitutionalization of the four fundamental freedoms and the prominent institutional position of the European Commission and the CJEU – two competition- and market-oriented actors – coupled with the ever-greater divergence of preferences among the member states trapped into collective action problems in the Council. In the same line of analysis, many others have shown how the CJEU had contributed to debase the national institutions of regulated

---

3. Notably at the Max-Planck Institut für Gesellschaftsforschung established in Cologne.

capitalism, notably by promoting the freedom to provide services over national collective agreements (e.g. Höpner & Schäfer 2010: 401). Having long been sceptical about the capacity of the European social dialogue to spur effective neo-corporatism at the supranational level, owing to the prevalence of business interests at EU level (Streeck 1994), Streeck became one of the harshest critics of the EU, claiming that the history of European social policy was the story of a "progressive regression" (Streeck 2019). Furthermore, the "pessimistic" students of industrial relations have stressed that the structural weakness of trade unions from the former Communist bloc in central and eastern Europe, short of financial and political resources, has fed into the structural heterogeneity of interests and cultures and has so far prevented the emergence of powerful transnational class mobilization of labour against the offensive of the capital (Seeliger & Kiess 2019).

Applying a different angle, an "English school" of social policy scholars has also emphasized the pro-market bias of EU social policy. This was exemplified through critical accounts of soft coordination, from the OMC to the European Semester (Copeland & Daly 2014; Daly 2006). More broadly, these authors have argued that the more recent developments in EU social policy had only exacerbated the asymmetry between economic and social policy, and questioned the fact that it was ever to be tackled in the face of major "institutional, political and social obstacles" (Bailey 2017; Copeland & Daly 2014; Daly 2006). Analysing the neoliberalization of EU policy-making under its many facets, Whyman *et al.* (2012: 321) conclude that "a Social Europe is an impossible dream".

A similar critique was formulated in the most radical way by the neo-Gramscian scholars of the "Amsterdam school". Following the seminal work of Ryner, Overbeek and Holman (Ryner *et al.* 1998), these authors have analysed how the EU has driven the restructuring of political economies and fed the hegemony of neoliberalism. From a Gramscian perspective, the power of dominant elites is underpinned by the crystallization of a consensus within society on an ideology that fosters their own material interests. This has implied the absorption and neutralization of alternative paradigms such as regulated capitalism and the social market economy (Van Apeldoorn *et al.* 2009). This was notably operated through the collective action of a transnational class of capital holders, including business associations (Van Apeldoorn 2003) – starting with the round table of industrialists, today BusinessEurope – international groups of experts (Horn 2009: 170) and multinational corporations (Horn & Wigger 2016). Focusing less on ideas and more on the material accumulation of capital, neo-Marxist scholars were perhaps the first to pioneer the radical critique of EU integration in the 1980s (Cocks 1980). From this perspective, European social policy is essentially shaped by the transformation of class politics in the long run (Bieler 2005, 2015). Since 1970, the transnationalization of capital accelerated by global financial capitalism allowed economic elites to escape the constraints of

national neo-corporatism and labour demands. As a consequence, trade unions have seen their structural political power decline, which was only aggravated by the reforms implemented in response to the 2008–10 euro crisis. So far, the labour movement has proved unable to elaborate strategies of transnational cooperation sufficiently effective to rebalance the power relations between capital and labour (Bieler *et al.* 2015).

Finally, in a more eclectic fashion, a "French school" building on history and sociology argues that EU integration is fundamentally a neoliberal project. Promoted vividly by the United States in the aftermath of the Second World War, European unification took an early path to liberalization with the four freedoms enshrined in the Treaty of Rome. Since economic liberalism constitutes the DNA of the EU, as for instance Denord and Schwartz (2009) contend, a "Social Europe" never existed and will never exist. Rather than thwarting market integration, European social policy has only empowered it, serving to legitimize a strategy that relies primarily on financial liberalization (Salais 2013). Far from being the patron of Social Europe's golden age, Jacques Delors thus needs to be reassessed as a figure of the French "second left", namely a group of social liberal technocrats who have shaped financial globalization (Abdelal 2006).[4] In the same vein, the European Trade Union Confederation (ETUC) should be seen as a technocratic structure converted to neoliberalism and detrimental to the way in which industrial relations have traditionally served to regulate class conflict (Gobin 1997: 293; Dufresne & Gobin 2016).[5] Finally, because social policy can only be legitimized by culture, communities and language, it can only be rooted in nation states and local communities, while concepts of social policy can never be translated at EU level (Barbier 2015).

Finally, the "neo-Rokkanian" Italian school looks at the European social question from a socio-historical angle – inspired by the work of Stein Rokkan – on state formation in Europe, cleavages and mass politics (Flora 1999). According to this perspective, EU integration is conceived as the sixth phase of Europe's political structuring, albeit a disruptive one. Ever since the sixteenth century, successive stages of state building, capitalist development, nation formation, democratization and welfare state institutionalization have all implied the consolidation of overlapping territorial, political and social boundaries at the national scale. Within those boundaries, political institutions and solidarity mechanisms have served to mediate conflicts and channel voice (Bartolini 2005). In contrast, EU integration had implied the opening of national boundaries, creating "a tension

---

4. Rawi Abdelal is an American scholar at the Harvard Business School. His research deals with global finance and he has a special expertise on France and the post-Soviet world.

5. Corinne Gobin and Anne Dufresne are specialists of socio-economic governance and the EU from Belgium.

between the project of [a] stateless market at the wider European level and the nationally bounded cultural, redistributive and political capacities" (Bartolini 2005: 375). In other words, the EU has a de-structuring effect on national states and societies because it undermines both state capacity (at the macro level) and political participation (at the micro level). In turn, the re-establishment of politico-administrative and social boundaries at the European level (i.e. the formation of a new "centre" in Brussels) is bound to trigger resistance from peripheral territories and social groups. In this vein, EU integration has implied the opening of "welfare boundaries" threatening the nation-based social systems of redistribution and rights, which are the foundations of social citizenship (Ferrera 2003). The weakness of "Social Europe" epitomizes this unbalanced process of restructuring, which both undermines the EU's capacity to tackle social problems and further fuels the legitimacy crisis (Ferrera 2005). This results in the rise of Euroscepticism, welfare chauvinism within societies and the exacerbation of the centre–periphery cleavage among European states.

Thus, if most scholars probably agree that something is wrong with the role of the EU in social policy, they have presented different arguments as to what exactly this is and why, through a variety of disciplinary and theoretical lenses. These controversies become even more acute when one asks how these problems should be fixed going forward. Is it possible to close the gap between expectations for a more efficient and just European social policy, on the one hand, and actual EU policy-making, on the other? Is Social Europe "an impossible dream" (Whyman *et al.* 2012)?

In an endeavour to present the main lines of the debate in a simple and analytical way (at the risk of oversimplification), three stances will be distinguished here: a *minimal Social Europe* advocated by the "defenders of nation states", the *further build-up of EU social policy* proposed by the "European advisors", and a *major overhaul* of European social policy called for by "Keynesians" and "Habermasians".

Arguing that "Social Europe is a myth" (Höpner 2018), the political economists of the "German school" presented earlier have been the most vocal defenders of nation states as they call for better protection of national social systems against the "destructive dynamics of liberalization", deploring "the fact that a more social EU sometimes needs 'more Europe' but sometimes also needs 'protection against too much Europe' [which] remains a taboo among social democrats and trade unionists even today" (Höpner 2018: n.p.). A key argument has focused on how the Economic and Monetary Union (EMU) has forced contrasted national growth models and social systems to converge; to only see the consequences when the euro crisis required competitive adjustment in the periphery at the expense of internal devaluation driving wages and social standards, thus engineering a social disaster. Scharpf (2016) therefore called to break the EMU into two

8

different currency areas, leaving room for a more flexible mechanism of monetary adjustment. In a confrontational piece criticizing the views of Habermas and the German political establishment alike, Streeck (2014: 213) claimed that:

> the European currency union is not "Europe"; it is a multilateral agreement about a common currency and its administration. Insofar as it does "unify" Europe, it does so by depriving participating states of the possibility of pursuing their own monetary policy fitted to their specific needs.
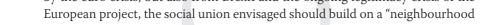
From a legal perspective, Joerges put forward a critical analysis of the role of the CJEU in the socio-economic realm (Joerges & Rödl 2009) in 2000, to then regard the euro crisis as a perversion of EU law by emergency politics. In other words, legal institutions and professionals had widely served to legitimize discretionary decisions, thus leading to "de-legalization", "de-socialization" and "disenfranchisement" of the EU (Everson & Joerges 2012; see also Joerges 2017). Unfreezing the EU constitutional framework to allow possible conflicts with legitimate national law (e.g. labour law) is accordingly presented as a solution to address the EU's drift towards "executive managerialism". A larger group of scholars further considered the euro crisis as marking "the end of the Eurocrat's dream" of an "ever closer union" (Chalmers *et al.* 2016). In Polanyian terms, many held the view that a countermovement from society to protect itself from the offensive of markets was to be equated with an effective curtailing of the EU's power to intrude into the national realm of socio-economic arrangements. Along this line of reasoning, Crum (2015) defended a vision of European social policy that can be seen as minimal, in the sense that it would essentially *not* overly intrude into national social systems. More specifically, he suggested that the EU has three duties: (a) to guarantee equal access to the economic opportunities arising from integration, (b) to support national social institutions as they aim to fulfil European values and (c) to preserve one's autonomy to decide on social policy arrangements.

Adopting a different stance in this debate, a number of social policy specialists have suggested ways to tackle the weaknesses of European social policy through a further build-up of the EU's capacity. These scholars have often acted as *advisers* of the EU institutions or think tanks close to policy-making circles. Beyond the variety of policy proposals, there is arguably a shared vision relying on moderate reforms that can be undertaken in the current constitutional framework of the EU, and that avoid opening the political Pandora's box of treaty reform. Departing from a call for a federal leap, Ferrera and Vandenbroucke (among others) have promoted a European social union best conceived as a "holding environment" for national welfare states (Ferrera 2018; Vandenbroucke *et al.*

2016). A main point of departure is the idea that the European level is the right scale of governance for protecting welfare states from the retrenchment trends implied by global economic competition. The purpose of the European Social Union is to allow the coexistence of diverse social systems while tackling the risks of detrimental competition because of free movement and ensuring their resilience during crises. This goes hand in hand with the consolidation of social rights in a common space of European citizenship. This vision accommodates two long-standing proposals, namely the adoption at EU level of social invest-ment as a unifying paradigm driving the reforms of welfare states (Hemerijck 2016; Vandenbroucke *et al.* 2011), on the one hand, and the set-up of a European unemployment insurance scheme for stabilizing economies in the face of reces-sion (Andor *et al.* 2014), on the other. More recent debates have spurred critical analyses of socio-economic coordination through the European Semester and suggested how to make it more conducive of social cohesion, for instance by focusing more on progressive taxation (Antonucci & Corti 2020) or by creating a social imbalance procedure mirroring the economic imbalance procedure (Corti *et al.* 2019). Moreover, the potential of the EPSR to catalyse the EU's renewed social policy agenda has also been widely discussed (Cantillon 2019, De la Porte 2019b). Drawing on the lessons from the regressive moment triggered by the euro crisis, but also from Brexit and the ongoing legitimacy crisis of the European project, the social union envisaged should build on a "neighbourhood community" anchored in pragmatic fraternity, reciprocity and the benevolent ethic of responsibility towards the weaker (Ferrera 2017).

Sceptical of small steps for reforming Social Europe at the margins, many voices have called for a major overhaul of EU social policy and its institutions. A widely shared claim among authors with Keynesian views is to shift away from the triangle of fiscal discipline, competitiveness and activation to a return to demand-side policy and the de-commodification of workers and public ser-vices (Copeland 2020). Achieving this at European scale implies a fight against two "natural enemies", namely neoliberalism and nationalism (Crouch 2020: 2). However, this does not mean a return to the national Keynesian welfare state of the twentieth century. Rather, there is a need for creative and future-oriented policy solutions; for instance a turn to a new socio-ecological paradigm that can "redefine prosperity without growth" (Pochet 2019: 324) or to address the structural transformations of work driven by technological and societal change (Crouch 2020: 36–41). This group of authors has particularly stressed the need to think of European social policy together with the democratization of the EU. For example, in order to better connect national politics and socio-economic governance, an interdisciplinary group of French scholars has put forward a "Treaty on the Democratization of the Economic and Social Government of the European Union" called "T-Dem" (Hennette *et al.* 2017, 2019). A major

proposal in the T-Dem is the creation of an assembly of the euro area composed of members of national parliaments and the European Parliament (EP) entitled to wide decision-making powers in the socio-economic realm. Others have also called into question the independence of the European Central Bank (ECB) to extend its mandate to deal better with redistributive issues and thus really "serve the people" (Dietsch *et al.* 2018). A main claim is the need to make EU institutions more responsive to national politics (including social movements, for instance), when contestation about liberalization and the marketization of welfare arises (Crespy 2012, 2016).

A major overhaul is also advocated by those envisaging the future of the EU from a Habermasian perspective. Ever since his reflections on "the post-national constellation" (Habermas 1998), Habermas has undeniably been the most prominent advocate of the federalization of the EU as the only way to make the EU fully democratic. In his view, socio-economic policy-making and democratic decision-making must fully overlap and be underpinned by shared norms enshrined in a common constitution. In the aftermath of the euro crisis, he criticized what he calls "post-democratic executive federalism", that is inter-governmental decision-making taking place away from citizens' eyes (Habermas 2013a: 12). In the name of interpersonal social justice Europe-wide, the idea of a European basic income, called "Euro-Dividend", has been put forward by Van Parijs and Vanderborght (2017) (see also Denuit 2020). According to its proponents, such an instrument is functionally justified by ties of interdepend-ence and could both support national welfare states and make manifest the elusive European social citizenship.[6] Although an admittedly weak form of intervention, the idea of a guarantee to tackle child poverty and inequality at a young age has, in the meantime, made its way on to the EU's political agenda.[7] Calls to strengthen the EU's redistributive capacity are based on the idea that there is no theoretical ground for restricting distributive justice to – ethnically defined – national communities instead of broader social cooperation and solidarity among distinct *demoi*, as is already the case in multinational states (Rawls & Van Parijs 2003).

After a decade of harsh critiques and widespread despair as to the capacity of the EU in fostering social cohesion, the COVID-19 pandemic has seemingly heralded a new era. The sheer scale of the ongoing recession has led European

---

6. In 2020, a European Citizen Initiative for demanding the establishment of a European basic income was launched.

7. On 24 March 2021, the European Commission made a proposal for a Council Recommendation Establishing a European Child Guarantee (COM 2021: 137). While non-legally binding, the recommendation would see member states commit to guarantee access for all children to essential services (education, including early childhood education and care, healthcare, nutrition and housing, culture and leisure activities.

leaders to adopt a recovery plan that almost doubles the European budget for 2021–7 and relies on an unprecedented creation of common European debt. While there is a lot to say about the new additions to the EU's toolbox, it has also been a reminder that nothing is ever definitively "locked in", as contingent events reconfigure political struggles. At the same time, the last Social Summit held in Porto in May 2021 showed that political conflict lines were enduring as a number of member states have clearly expressed their reluctance vis-à-vis a significant increase in the EU's role in social policy. Thus far, the legitimacy of the EU's action in this area remains fragile and contested. The following chapters in this book will shed light on the more specific controversies underpinning the grand debates of the European social question. The purpose is to provide the relevant historical background, analytical tools and empirical insights enabling the readers to hopefully forge their own views about whether or not the EU can be more conducive to social cohesion.