

**The case for a *European Social Union*.**  
**From muddling through to a sense of common purpose.**

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# A European Social Union

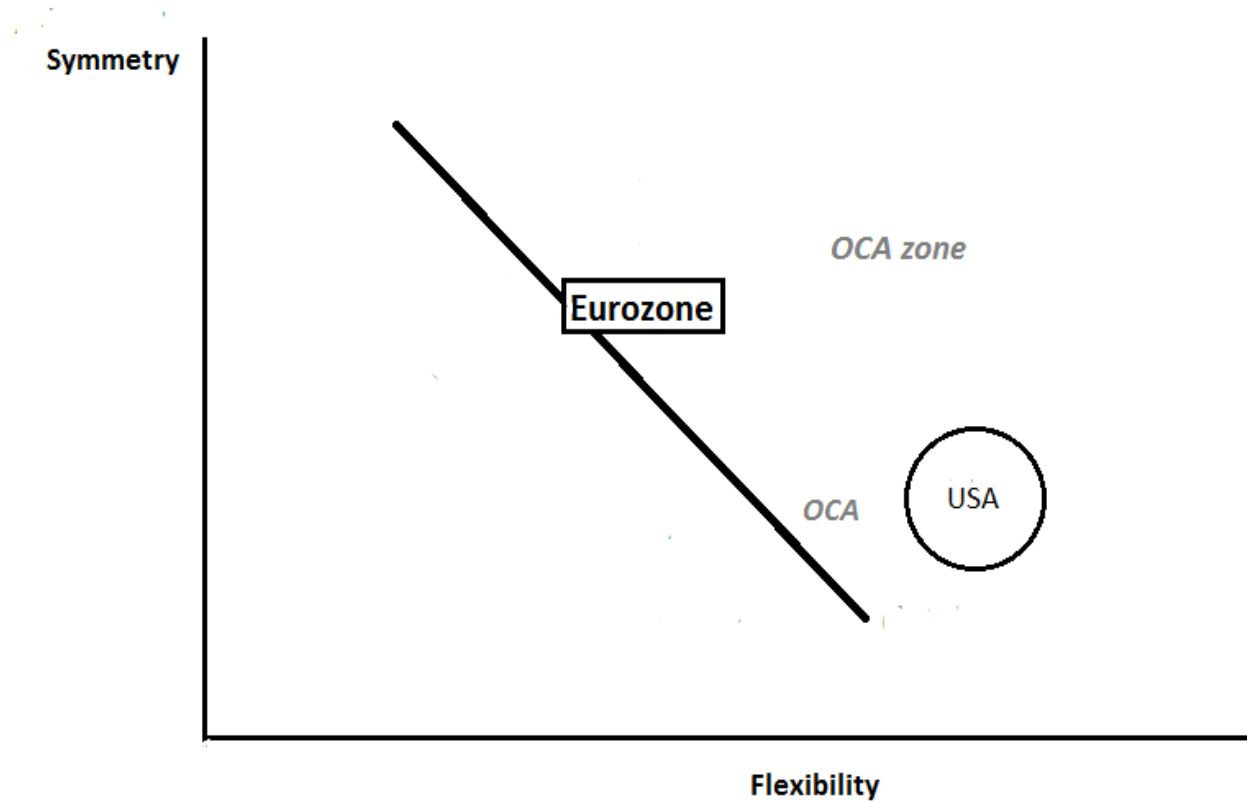
A Social Union would

- support national welfare states on a *systemic* level in some of their key functions
  - 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

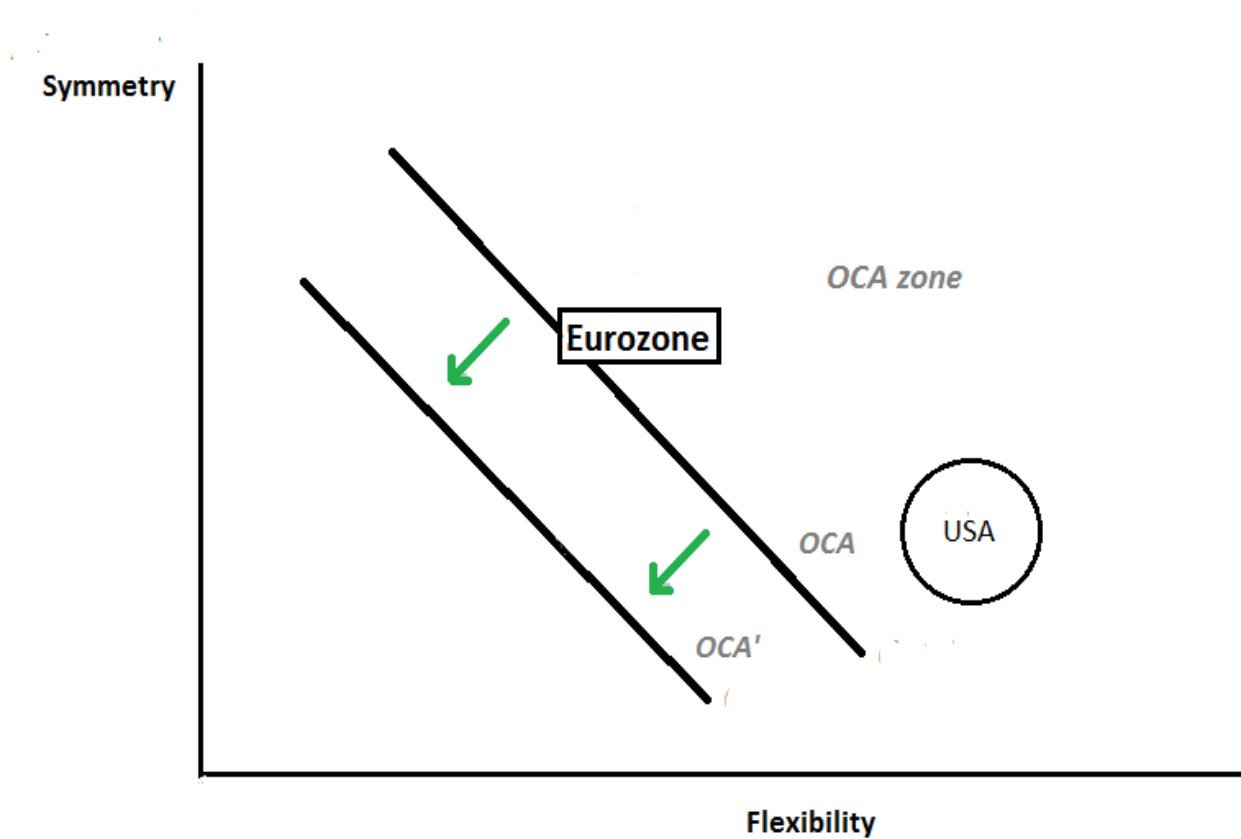
# A European Social Union

- Why?
  - Eurozone
  - EU28
- Which solidarity?
- Social investment as a common ambition
- Conclusion

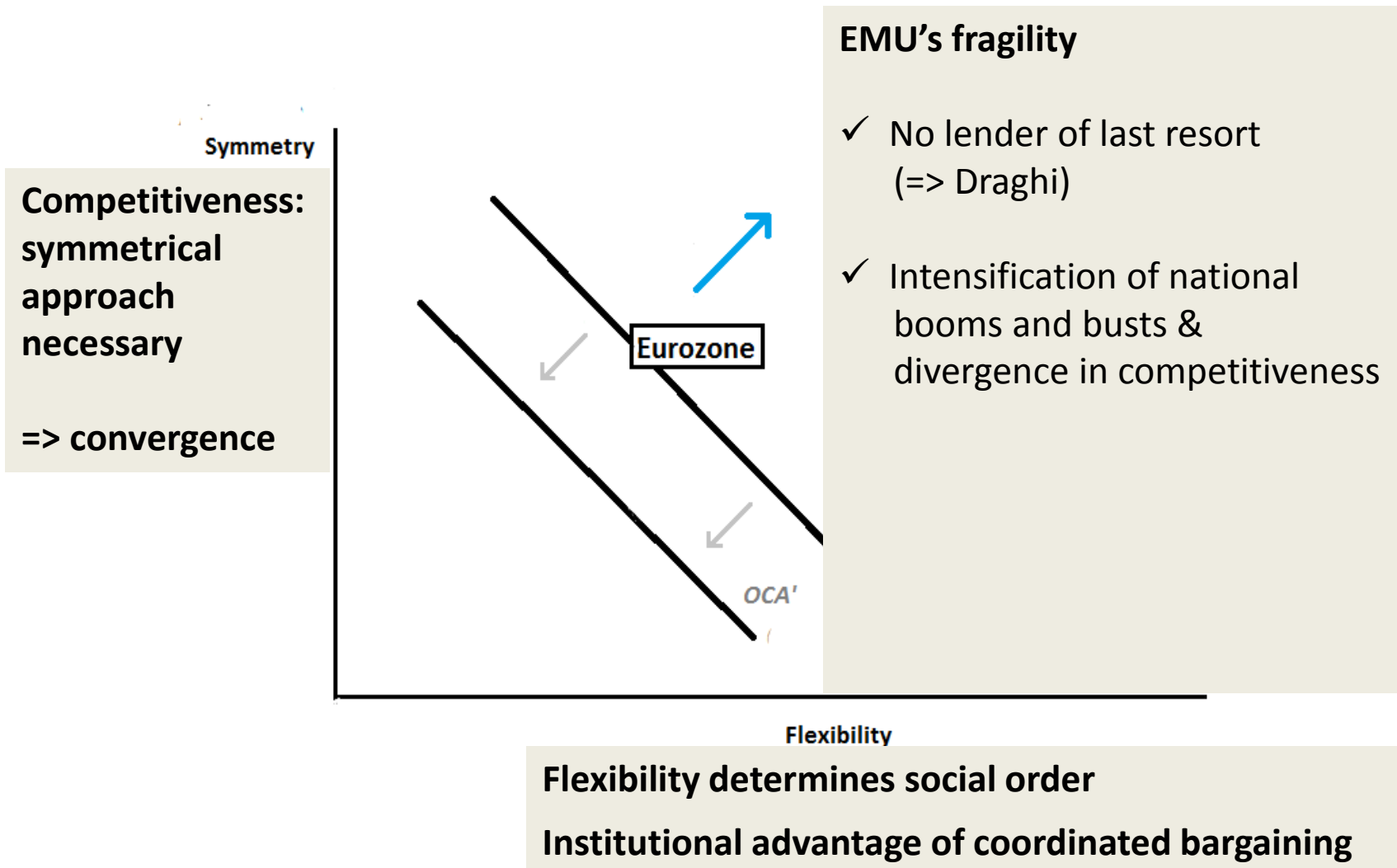
# The consequences of monetary unification



# Transfers might mitigate the symmetry/flexibility trade-off



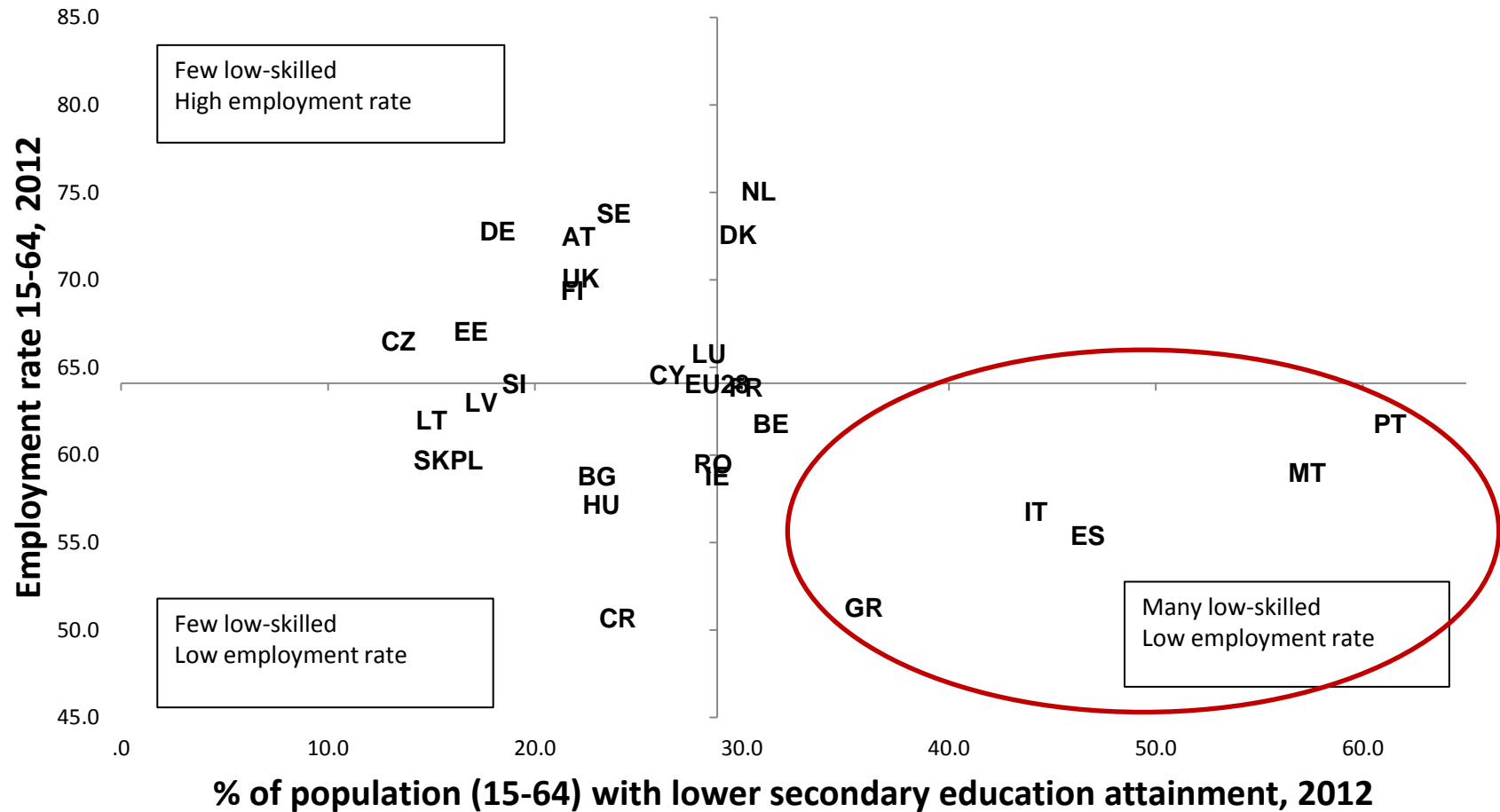
# The EU's way: more symmetry, more flexibility



# Defining the EMU's social objective is a necessity rather than a luxury

- Basic consensus on social model is necessary for the long-term sustainability of EMU
  - short term: stabilisation
  - mid term: a symmetric guideline on wage cost competitiveness & institutions that can deliver
  - long term: sustainability of pensions
- Symmetry => convergence w.r.t. fundamental parameters => shared objectives
- Legitimacy => convergence in prosperity
  - ‘excessive social imbalances’ associated with inadequate and disparate investment in human capital

# The human capital asymmetry: employment and formal educational attainment





## **Why a 'European Social Union'?**

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- integration and social regulation in EU28: 'balancing'
  - Social dumping => subsidiarity & proportionality (*Viking, Laval*)
  - Social sovereignty => horizontal social clause?

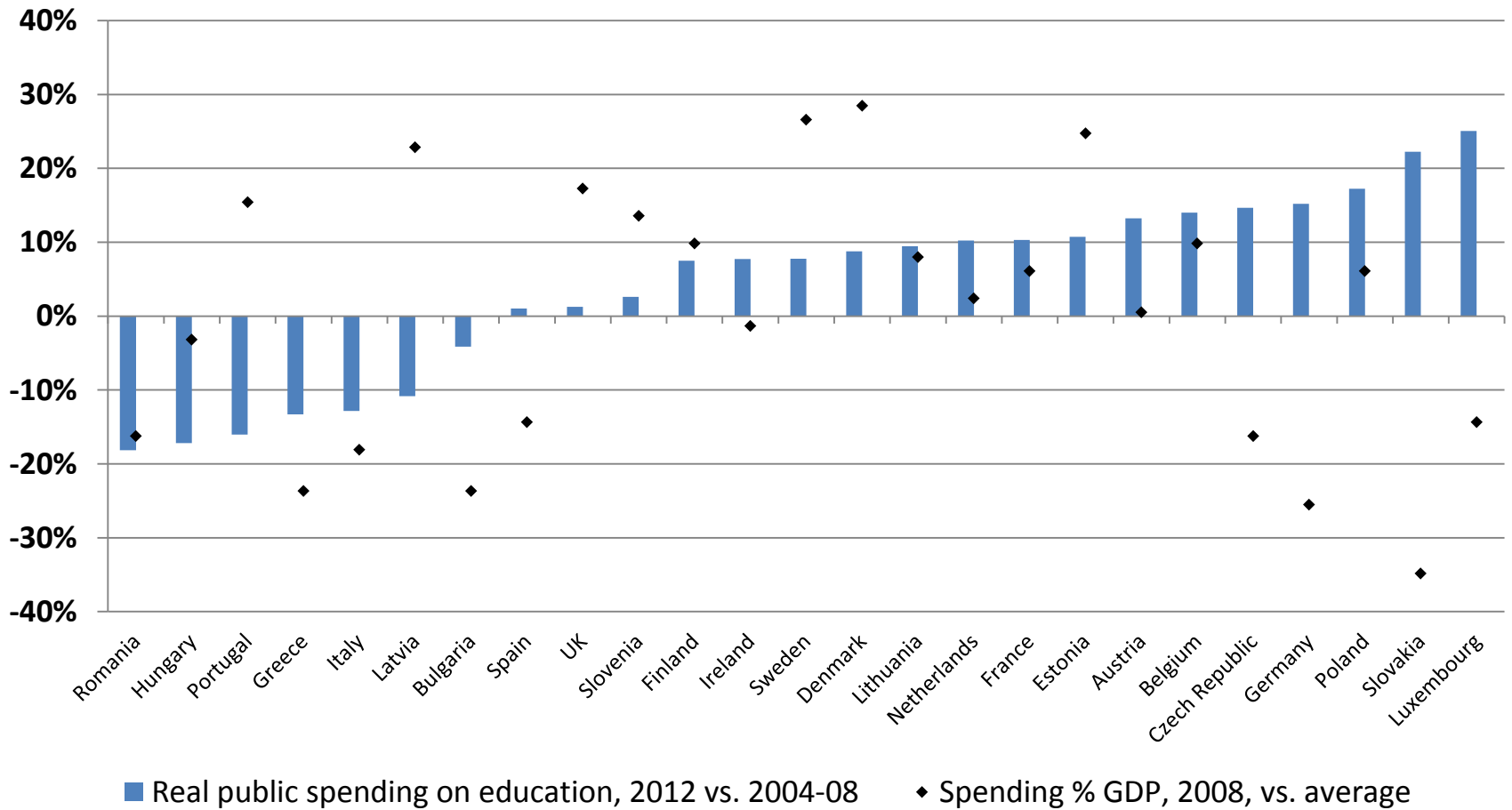
## Why a 'European Social Union'?

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- a dual perspective on solidarity: pan-European and domestic

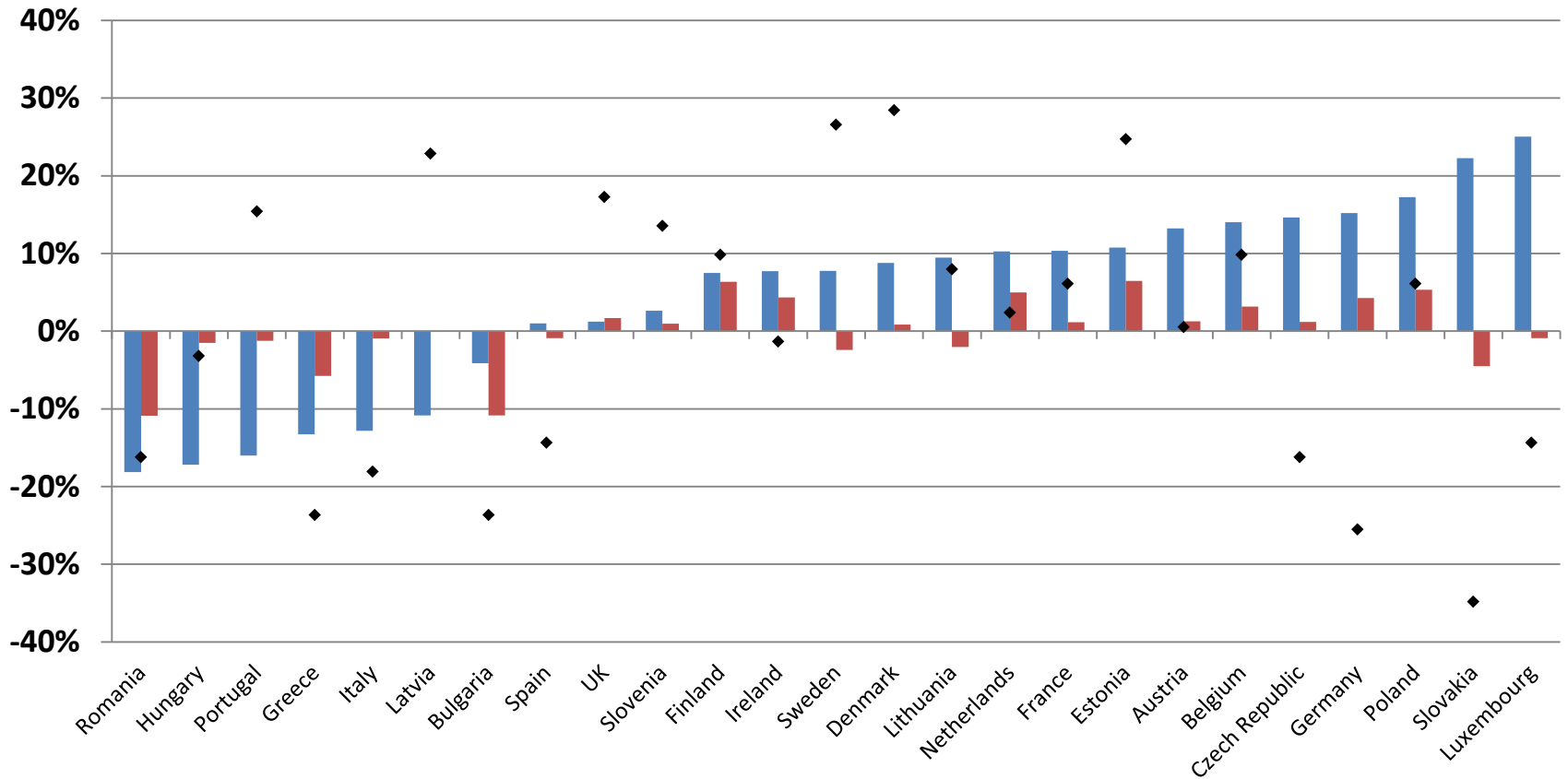
# Convergence in prosperity: the social investment imperative

- A social investment agenda (cf. *Europe 2020, SIP*)
  - Child-centred social investment strategy
  - Human capital investment push
  - Reconciling work and family life
  - Later and flexible retirement
  - Migration and integration through education and participation
  - Minimum income support and capacitating service provision

# Spending on education 2004-2008-2012



# Spending on education 2004-2008-2012 and PISA results



■ Real public spending on education, 2012 vs. 2004-08 
 ■ PISA 2012 (Math, Science, Reading) vs. average  
◆ Spending % GDP, 2008, vs. average

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- The political deal the EU needs is one wherein *all* governments pursue budgetary discipline and social investment, and are *supported* therein in a tangible way by the EU.

## The case for a *European Social Union*

- support national welfare states *on a systemic level* in key functions (e.g. stabilization)
- guide the *substantive development* of national welfare states
  - via general social standards and objectives
  - leaving ways and means of social policy to Member States



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    - ⇒ social investment
    - ⇒ minimum wages and minimum income protection
    - ⇒ solidarity in reform
  - leaving ways and means of social policy to Member States

**Tough nuts to crack**

# Thank you!

1. F. Vandembroucke, *The Case for a European Social Union. From muddling through to a sense of common purpose*, Euroforum Policy Paper, Sept. 2014 [www.kuleuven.be/euroforum/papers](http://www.kuleuven.be/euroforum/papers)
2. F. Vandembroucke, with B. Vanhercke, *A European Social Union. 10 Tough nuts to crack*, Friends of Europe, Spring 2014  
<http://www.friendsofeurope.org>
3. *Unequal Europe. Recommendations for a more caring EU*. Final Report of the High-Level Group on Social Union, Friends of Europe, Spring 2015 <http://www.friendsofeurope.org>