

The Roots of Social Europe's Weakness

Book review of Amandine Crespy and George Menz (eds.). *Social Policy and the Euro Crisis: Quo Vadis Social Europe*. Basingstoke: Palgrave Macmillan, 2015.

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Social Policy and the Euro Crisis analyses the reasons behind the ever deeper departure of the European integration process from the notion of a supranational social market space. The diagnosis of social Europe's failure is meant to be a first step to single out the available ways for a shift towards a fairer Europe.

The book is edited by Amandine Crespy—Lecturer in Political Science and European Studies at the Université Libre de Bruxelles—and Georg Menz, Professor of Political Economy at the Goldsmiths College of the University of London. While it mainly targets an academic audience, the book is free of excessive jargon and technical references, so that even non-specialists can enjoy the reading. The volume is made up of nine chapters written by eight scholars, including an introduction and conclusion by the two editors. Overall, the essays—most of which ensue from a workshop held in Brussels in December 2012—compose a coherent picture under the general framework set by the editors. From the methodological standpoint, the book adopts, for hypotheses testing, qualitative case studies, mainly under the theoretical umbrella of a neo-institutionalist approach.

Three Guiding Questions

The aim of the book is “to provide in-depth analysis of how the crisis has affected the pursuit of Social Europe” (183). The main conjecture is that the latter has failed, and that the roots of such failure lie beyond the impact of the crisis, in specific antecedent conditions. To test such hypothesis, the authors connect the more recent developments of policy initiatives to pre-crisis conditions, by providing diverse empirical evidence. The theoretical framework of the study is presented by the editors in the Introduction. The premise is that the idea of “embedded liberalism” of the early years of European integration reached its golden era in the 1990s. In the following years, however, policy-makers turned to soft forms of coordination and “social policy was subsumed under the overarching priority of enhancing competitiveness” (2).

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Despite the severe and significant challenges that social Europe has had to cope with, the two authors notice that only scant attention has been paid to this topic by existing scholarship. Thus, their research aims

to fill this gap. Social Europe is understood broadly, as “the provision at the European level of substantial re-regulatory and redistributive measures that aim to ameliorate the material condition of Europe’s citizens and limit the negative consequences of the operation of market capitalism, inspired ideologically by northern European tents of social democratic ideology” (3). Based on the literature, the editors highlight four categories of activities related to this notion: distribution, regulation, coordination, and liberalisation. In their view, the euro and debt crises have inflicted a damage to the social facet of Europe, exacerbating previous latent tensions. Notwithstanding the role of agency, the framework focuses on the possible impact of structural trends at both the EU and national level, within the context of multi-level policy-making. The interaction between policies and politics is emphasized. Three main research questions guide the analyses: 1) “has the tendency towards path dependency in European social policy ... been punctured or indeed reinforced?” (11); 2) is social Europe still a matter for courts and markets or has recent austerity re-opened a space for a political, rather than technocratic approach?; 3) what is the role of national governments in elaborating social policy at the EU level?

From chapter two to chapter eight, the authors contribute to shedding light on some aspects that are useful to answer these questions. Chapters two (by Andreas Bieler) and three (by Georg Menz) deal with those self-reinforcing economic and political-ideological factors that block the development of a fully fledged social market economy and that started producing their effect years before the 2008 crisis. The former assesses social Europe since the drafting of the Maastricht Treaty. Following a Marxist approach, the author argues that actual social and economic outcomes at the national and EU level alike are the result of the struggle between capital and labour. Thus, the primacy of market-making over market-correcting policies would be the indicator of an imbalance of class power in favour of capital’s social forces. Menz, on the other hand, looks at ideational conditions, observing how prospects for a renaissance of a Delorsian agenda are limited by the domination—since the 1990s—of a supply-side approach to fighting poverty. This affected institutional political dynamics and behaviour: in particular, the actions of the Commission, the role of the European Court of Justice as well as the orientation of the 2004 and 2007 newcomer member States.

The interaction between supranational and national levels are the focus of Mikkel Mailand’s fourth chapter. The author looks, on the one hand, at the role that Swedish and Danish social models have played in inspiring the Commission’s actions and, on the other, at the top-down impact of EU regulations on these two countries. Anne Dufrense (Chapter five) further adds evidence by analysing the role of German trade unions in wage policy. Her thesis is that national purposes have sometimes contrasted with the creation of opportunities for social Europe. This “German Paradox” describes the German unions as both a driving force towards and a brake against Europeanization.

Chapter six, by Amandine Crespy, deals with the lack of positive European integration of public services. After presenting three hypotheses and following both historical and discursive neo-institutionalist approaches, the author finds that: 1) organizational and funding traditions about “services of general interests” have deprived the Commission of the support of member States; and 2) the sectorization of liberalizing policy-making has prevented the formation of inter-sectoral coalitions. The crisis has only reinforced these previous

trends. Paul Copeland and Mary Daly (Chapter 7) stress the undermining effect, for Social Europe, of Europe 2020 and the European Semester instruments, which have strengthened the shift of social Europe “from a historical ‘add-on’ to economic objectives, to that of ‘dependence-upon’ economic objectives” (140). Ben Crum (Chapter 8) changes the analytical level of the argumentation by proposing a critical hermeneutic reconceptualization of the debate in multi-layered terms. Three transnational social duties are identified: economic non-discrimination (to provide each other with equal access to different national opportunities); institutional stabilization (to support each other’s efforts in sustaining stable political and economic institutions); social policy tolerance (to respect each other’s autonomy in arranging social policy nationally).

Don’t Be Fooled by the Crisis

The title of the concluding chapter summarizes quite well the content of these single essays: “Social Europe Is Dead. What’s Next?”

“The crisis has had an impact, but the pursuit of social Europe was elusive in many respects and for several reasons even before. Structural constraints have slowed down the development of social Europe, in particular because of specific political dynamics linked to both national and European politics.”

Here, the authors argue that the crisis has had an impact, but the pursuit of social Europe was elusive in many respects and for several reasons even before. Structural constraints have slowed down the development of social Europe, in particular because of specific political dynamics linked to both national and European politics. According to the editors, the euro crisis has simply exacerbated existing trends, whose direction have not changed. With reference to the starting research questions, this means that the path dependency thesis actually needs further qualification. Moreover, the Commission and the ECJ have proved to be key elements in this general trend, but their orientations have been part of a more general political turn, in which member states’ approaches and interests have played a significant role. Overall, policy issues are becoming more and more politicized and a European paradox seems to strengthen: “at times of growing resentment against the EU and historically low support for the further integration of social policy, the EU under German leadership and through the incremental action of supranational institutions ... is de facto advancing further integration by stealth” (199). The book ends with some proposals for future research along two lines. First, the study of the welfare conceptions that are behind new policy initiatives; second, the analysis of the debates connected to the implantation of welfare provisions beyond national borders.

In spite of its edited structure, the book is well organized and each single chapter plays its own relevant part as a piece of the general jigsaw puzzle. One of the clearest merits of the volume is that of drawing attention on those structural factors that jeopardize the European social project and that have been producing their effects since before the crisis. The euro crisis has been often considered as a critical juncture for the development of social Europe. However, the editors (together with the other authors) convincingly show that continuity has been at least as important as discontinuity, if not more. Secondly, the argumentation is insightful to the extent

that it looks at European policy developments as resulting from the complex political interactions between national governments and stakeholders and supra-national actors. This leads us to focus on the political space when it comes to find a (narrow) way towards change in social policy.

A shortcoming of the book is the relative scarcity of comparisons. The case study approach pushes the authors to focus only on a very limited range of cases. The edited structure of the volume and the heterogeneity of the chapters' topics further limit the comparative breadth of the study. However, the book is overall an intriguing effort, which provides thought-provoking empirical evidence for further research on the possibility to pursue shifts of balances and orientations within Europe for future policy outputs.