ENVISIONING EUROPEAN SOLIDARITY BETWEEN WELFARE IDEOLOGIES AND THE EUROPEAN SOCIAL AGENDA

Andreas Follesdal, Liana Giorgi and **Richard Heuberger**

This article uses the debates of the Working Group 'Social Europe' of the European Convention for the Future of the European Union that drafted the Constitutional Treaty to explore the views on the European social model among representatives of the European political class. The debates within the European Convention on basic social values, social objectives, the Union's competences, the open method of coordination, the coordination of social and economic policies as well as the role of social partners provide insight into the emerging visions of European solidarity at the crossroads between welfare regime ideologies and Europeanization. It is argued that, despite an overall consensus regarding a greater future role of the European Union in social policy, the contours of the European social model and the scope of the Union's competences remain contested. However, the observed cleavages are to be found mainly on the left–right political scale, and this suggests that we might gradually be observing a re-politicization of the social policy discourse at European level. Nevertheless, the holding on to arguments of subsidiarity and especially sovereignty represents a barrier to envisioning European solidarity and developing a stronger European social agenda.

Introduction

The Lisbon Strategy for Growth and Employment, launched in 2000 with the goal of making Europe the 'most dynamic and competitive knowledge-based economy in the world' by the year 2010, provided impetus for beginning to think about the European social agenda in a structured and ambitious way and as the basis for re-conceiving the role of the welfare state in the twenty-first century. In that same year, Gøsta Esping-Andersen prepared a report on this subject entitled *A Welfare State for the 21st Century* in which he called for a focus on the long-term goal of balancing efficiency and equity (Esping-Andersen, 2000). Six years later, the European Union is still finding it difficult to focus on this broad and long-term picture and this is now making the Lisbon goals appear further away than ever before (EC, 2004).[1] This has been underscored by the rejection of the Constitutional Treaty in France and the Netherlands in 2005.

A majority of French and Dutch voters—but also significant shares of the populations of other EU Member States as shown by several surveys—felt that the process of European integration was endangering the European social model through its emphasis on liberalization and deregulation. Yet, is there such a thing as a 'European social

model'? The term was used as a banner in the referendum debates to signify opposition to the Constitution and has become fashionable ever since. Yet in fact, what Constitution opponents were mainly concerned with was the negative impact of liberalization and deregulation on *national* welfare systems. Supporters of the Constitution, on the other hand, saw in the Constitutional Treaty an opportunity to advance the *European* social agenda, thus helping create a European social model in order to protect European citizens against the negative effects of liberalization and deregulation.

This article is an attempt to advance this debate. We take a closer look at the discourse about social policy in the context of an enlarged European Union comprising trans-national institutions and embarking on a project of political integration. Our analysis is based on the analysis of the debates that took place in the framework of the Working Group 'Social Europe' established by the Convention on the Future of the European Union that also drafted the Constitutional Treaty. These debates provide insight into the underlying problematical issues concerning a vision of European solidarity at the crossroads between national welfare ideologies and systems and the European social agenda, and explain why we should not be so surprised that the Constitutional Treaty was rejected on the grounds that it was.

Methodologically, there are two main justifications of our choice of the Working Group 'Social Europe' as a basis for our analysis: first, these debates were part of the wider discussion on the future of the European Union and, specifically, its future Constitution. Consequently, they had to focus on the long-term perspective and on the broad picture— the discussion of principal issues, such as social values, social objectives and the future role of Community institutions in social policy, gives an interesting insight into what contemporary political actors are thinking about social citizenship, the role of the state, the national systems of social protection and the European social agenda. Second, the Convention was composed primarily of members of the European political class: the majority of the Convention participants were members of one of three key groups, namely, national Parliaments, the European Parliament or national governments. This provides the opportunity for a comparative analysis of national as well as political party ideological cleavages. The development of these cleavages will determine to a significant degree the future of the European social model. Previous research suggests that, despite convergence trends at the level of party families at EU level, the latter still significantly diverge according to nationality (Marks & Wilson 1999; Kitschelt *et al*., 1999). This is despite the fact that 'all Member States are explicitly dedicated to raise employment, promote social inclusion [and] invest in the productivity and skills of future workers' (Hemerijck, 2002).

The European Convention did not bring about a significant turnaround in thinking about how to conceive of European solidarity and the welfare state in the twenty-first century. (The present halt of the constitutionalization process might at a later stage be attributed to this.) However, it did provide a space for a first discussion of these issues and for a clarification of what is or might be at stake in the mid-term and long-term future. Against the background of what we already know about welfare regimes and the process of Europeanization, the analysis of the 'Social Europe' debates provides a basis for thinking through the key components of this future discussion. We therefore begin this article with a brief overview of the state-of-the-art on welfare regimes and Europeanization prior to presenting the results of our analysis and discussing its implications.

The Context of Study and Methodological Approach

Welfare Regimes and Political Ideologies

In the European context we can identify two opposing theoretical streams regarding the comparison of welfare state regimes. On the one hand, there are those who argue that there is a European social model as opposed to the ideology and system of welfare provision in the United States (Aust *et al.*, 2000). These scholars are less concerned with the differences between (Western) European welfare systems as they consider these to be more similar to than different from each other as compared with regimes outside the European continent and, especially, the USA. According to Jacobsson (2004), the EU policy discourse on employment and social welfare since the 1990s has also employed this contrast in order to establish 'a rationale for EU action in the social field' (pp. 360–361). At a more normative level, Habermas and Derrida speak of the common heritage across European countries of workers' movements and Christian socialist traditions supporting the struggle for more social justice and leading to the establishment of welfare systems.[2] On the other hand, we find the representatives of theories of welfare regime diversity within Europe. For these theorists a 'European welfare model' might be a nice vision to aspire to, but the European reality is (still) characterized by significant variation. This theoretical work goes back to the 1940s and 1950s (cf. Beveridge, 1942; Myrdal, 1944; Wilensky and Lebeaux, 1958; Titmuss, 1958), but it mainly took off with the publication of the seminal work of Esping-Andersen, *The Three Worlds of Capitalism* (1990). According to Powell and Barrientos, 'this has . . . become one of the most central and most cited contributions to recent comparative social policy' (Powell & Barrientos, 2002, p. 3).

Esping-Andersen distinguished three 'welfare state regimes': the liberal, the corporatist and the social democratic welfare regime. The details of his analysis are by now so well-known that it here suffices to summarize the main points. Under the liberal welfare-state regime, the market is expected to be the main provider of welfare, the state assuming the role of residual welfare provision for those few who are (temporarily) not integrated into the labour market. The second regime type, the corporatist welfare-state regime that is often also referred to as the Continental or conservative regime, preserves the societal status differentials by attaching the social rights or benefits to the occupational status of the beneficiary. Welfare benefits are under this system provided in the framework of social security insurance organized on a corporatist basis and based on previous contributions made by employees and their employers. The third welfare-state regime type is the social democratic welfare regime that characterizes the Nordic countries. The Nordic welfare system places a high value on social inclusion through the universal eligibility to welfare services. In order to sustain the universal eligibility to social services and welfare benefits, the social-democratic system places a strong emphasis on full employment and both for men and women. However, unlike the liberal model, the social democratic model considers that it is the state's responsibility to promote full employment through macro-economic policy. According to Esping-Andersen, 'the Nordic model may be famous for its generosity and universalism, but what really stands out is its emphasis on employment and the ''de-familization'' of responsibility for providing welfare' (Esping-Andersen, 2000, p. 4).

The welfare regime typology of Esping-Andersen is modelled according to Weber's ideal type methodology (Rieger, 1998, p. 62) and as such is more analytical than descriptive. In fact the typology is especially useful for assessing *normative* differences

between different forms of welfare provision, and how these differences impact on the policies and practices of welfare systems. Key to these normative differences is the role of the state in welfare provision as compared with the market and the family: the liberal model thinks that the market, even if displaying destructive tendencies for workers, is also the main source of welfare; the Nordic social-democratic model assigns a key role to the state both directly in terms of the provision of basic welfare services and indirectly in terms of promoting full employment; finally, under the conservative model, the state's role is mediated through corporatism in the form of close collaboration between employers and employees' associations. In Southern European countries the family takes over the protective role of the state.

The names given by Esping-Andersen to his three welfare regime models are indicative of the role of political ideologies on social and welfare policy. It is also for this reason that this typology cannot automatically be used to describe in detail national welfare regimes (cf. Huber & Stephens, 2001; Maitre *et al*., 2005). Austria for instance is considered by Esping-Andersen as belonging to the corporatist welfare-state regime type. In fact it is a hybrid of the corporatist and social-democratic regime and this can be explained by the long-time coalition of the conservative and social-democratic parties in government. Hence Austria places a strong emphasis on corporatism and its welfare system is tied closely to social insurance that, in turn, is linked to employment. Nonetheless the system also displays several additional components that help ensure close-to-universal coverage in terms of pension, health and minimum income despite the maintenance of social stratification based on occupational status. In addition, the Austrian welfare system displays a generous and universal system of children benefits.

In most European countries we find distinct political party views regarding welfare irrespective of the welfare regime type a country resembles to most (Marks & Wilson, 1999). The emphasis on the role of the state found in the social-democratic welfare state regime type is a normative orientation shared by most socialist or social democratic parties in Europe. As van Kersbergen (1995) puts it succinctly: 'Social democracy instrumentalizes the state in order to eliminate inequality, which is seen as an inherent characteristic of the capitalist system of production. The function of the state is perceived as a permanent capacity of reform'. Economic liberals as often found in right-wing conservative parties in the North and South of Europe focus instead on securing liberty in the 'negative' sense of protection from interference by other human agents but also the state. The unable must be provided for, typically by tightly targeted, needs-based assistance given to those available to work (work fare) or to certain categories excluded from the labour market (the aged and disabled) (cf. Goodin *et al.*, 1999). Christian democratic parties share the positive view of the market with economic liberals but have less of a distaste for state intervention based on a conception of distributive justice that is, however, family-centred. These distinct political views regarding welfare provision become especially manifest during times of reform as has been documented for pension policies by Ney (2003).

How relevant is this welfare regime typology today in view of Europeanization? Prior to addressing this question, we consider the different meanings of Europeanization.

On Europeanization and Welfare and some Thoughts on Research Design

Europeanization is a multifarious term (Olsen, 2003). There are especially three types of Europeanization that are relevant for the comparative study of welfare regimes in Europe today.

The first concerns *European institutions* to refer broadly to policy-making. With regard to welfare and social policy the key reference is here the European Employment Strategy (EES), launched in Luxembourg in 1997 following the inclusion in the Amsterdam Treaty of Article 136 outlining Community objectives in the social area, namely, to promote employment, improve living and working conditions, ensure social protection and a more active dialogue between employers and employee associations. The Amsterday Treaty also laid down the so-called 'convergence strategy', which foresaw that common objectives would be used to guide Member States' policies while taking account of national practices. This strategy was later codified into what we today refer to as the 'open method of coordination' (OMC).

The second meaning of Europeanization concerns the *actual impact* of existing EU policies and supra-national institutions, like the EES, on national welfare policies. Pierson (1998) holds that Community regulations and court decisions have eroded national welfare state sovereignty and that austerity measures having a significant impact on welfare budgets are a direct result of the Maastricht Treaty criteria. Not everybody agrees that such effects are alone the result of Europeanization or that they are so significant (Hemerijck, 2002). However, the emergence alone of the European Employment Strategy is evidence enough that such impacts are indeed thought to be occurring and, what is perhaps more important, requiring joint reaction or, better, pro-active action. Considering that change does not come about alone or even mainly through policy and that ideas are, next to institutions, important levers of reform, this ideational level of impact should perhaps not be underestimated.

The third meaning of Europeanization refers to the intended political project of *European integration*. This project received increased momentum with the signing of the European Constitution by Heads of State on 29 October 2004, but continues to stumble against quite diverse views about how powers should be shared between EU supra-national institutions and Member States, i.e. the precise political meaning of the term subsidiarity (Follesdal, 1998). Most political observers and political elites agree in the meantime with Jacques Delors that the European Union will not be able to consolidate its legitimacy as a political system exclusively on the basis of allegiance to a Common Market framework for collaboration. However, the extent to which the harmonization of policy should expand and, especially, whether it should extend to fields like social security, remains highly debatable. Only a minority of members of the European political class support the idea of federalism, even in a loose form, the majority still preferring cooperative inter-governmentalism (Feron *et al.*, 2006). In any case, the political dimension of the EU is now firmly on the agenda, as evidenced by the recent Constitutional debate and the predecessor debates on the democratic deficit of the EU as well as that of European as a community of values (Follesdal, 2004; Giorgi *et al*., 2006).

The above three meanings of Europeanization, while analytically distinct, are not independent. The impact of European policies on national welfare systems may give rise to problems at national level that can only be overcome through re-thinking welfare at a different scale. This, in turn, may influence both the European project of political

integration and European institutions. Alternatively existing European institutions and forms of policy-making like the EES may bring about changes in national welfare policies and systems that demand a re-conceptualization of national welfare ideology and such a re-conceptualization may over time lead to the harmonization of both welfare practices and welfare ideologies (Follesdal 1997, 2001). A third and not least likely option is that we will continue to observe national differences in welfare regimes within Europe despite policy convergence, harmonizing trends through European institutions or indeed an ever closer political union of Europe's people.

This latter view is that favoured by the authors in the volume *The New Politics of the Welfare State* (Pierson, 2001; see also Hemerijck, 2002), who claim that policy responses are unlikely to change in any major way because they are conditioned by institutions and also the values and norms the latter entail. Instead we can expect piecemeal adjustments of particular welfare system functions. This conclusion, however, fails to answer the question about the direction such incremental changes may take and assumes that because change happens incrementally it does not matter as much—a conclusion which is flawed both substantively and procedurally. Insofar as Europeanization was never conceived of as a revolution, but instead, as a gradual and cautious process of 'ever closer union'—which also explains the success of functionalist theories to explain the EU process over a long time—it would be wrong to deduce that mere piecemeal adjustments or incremental changes are not important for a common social policy of the future.[3]

It follows from the above that tracing the impact of Europeanization on national welfare-state regimes requires a complex research design that is cognizant of the different meanings of Europeanization as well as the different analytical dimensions of welfare regimes. Contemporary research in this field tends to omit these distinctions and this explains—at least in part—why it remains so difficult to systematically describe and analyse the linkages between Europeanization and welfare regimes.

It is beyond the scope of the present article to consider all three types of Europeanization and both welfare ideologies and institutional practices in specific policy or sub-policy domains. This is clearly a broad research agenda for a long-term project.[4] In our paper we concentrate on the debates of the Working Group 'Social Europe' as a defining instance of the European political integration process and as providing insight into the ideational discussions regarding the European social model at the crossroads between national welfare regime ideologies and the European social agenda.

'Social Europe' in Search of Guiding Principles

Set up and Mandate

The formation of Working Group XI was not foreseen when the Convention took up its work in February 2002. On 26 September 2002 Anne van Lancker, Johannes Voggenhuber and Sylvia-Yvonne Kaufmann, acting on behalf also of several other members of the Convention, submitted a motion to the Praesidium demanding that a 'debate on the issue of a social Europe' be placed on the Convention agenda (European Convention, 2002a). This motion was justified with reference to 'the numerous statements and contributions of the members of the Convention within the plenary meetings . . . the various statements of representatives of the civil society, the conclusions of the Youth Convention and the results of the Eurobarometer' (European Convention, 2002a).

A first debate on social issues took place in the framework of the plenary session held to discuss the final report of the Economic Governance Working Group. The latter group noted that there was a significant division among Convention members as to the extent to which the Articles of the Draft Constitutional Treaty on values and Community objectives should make reference to social issues. Consequently it was agreed to establish a new Working Group to deal with these concerns in a 'sufficiently ambitious manner'. This Working Group, the eleventh to be established by the Convention, was entitled 'Social Europe' and was constituted in December 2002. A total of five meetings were held. The constitutive meeting took place on 6 December 2002, the last one on 27 January 2003. The Final Report was presented to the plenary session on 30 January 2003 (and a corrigendum and revised version on 4 February 2003).

The 'Social Europe' Group's mandate was structured around seven questions:

Article 2 of the preliminary draft Constitutional Treaty sets out to define briefly the Union's basic values. What basic values should this provision contain in the social field, taking into account those already present in the Charter of Fundamental Rights of the EU?

Article 3 of the preliminary draft Constitutional Treaty sets out to define the Union's general objectives. To what extent and in what way should these general objectives include social objectives?

As regards the Union's competences, do you consider that the present competences of the Union/Community in social matters should be modified? If so, what new competences should be conferred on the Union/Community in social matters, and in which category of competences should they be placed?

What role could be given to the open method of coordination and what would be its place in the Constitutional Treaty?

What relationship can be established between the coordination of economic policies and the coordination of social policies?

Regarding procedures, to what extent should co-decision and qualified-majority voting be extended to matters for which unanimity is currently required?

Title VI of the preliminary draft Constitutional Treaty deals with the democratic life of the Union. Should the role of the social partners appear in Title VI and, if so, what should this role be?

Of all the 11 groups formed, the Working Group 'Social Europe' was the largest in terms of membership, comprising a total of 70 participants, including 16 members of the European Parliament, 22 representatives of national parliaments, eight representatives of Member State governments, 15 representatives of national parliaments and two governmental representatives of the candidate countries as well as seven observers— one from the of the European Commission, three from social partner organizations, two observers from the Economic and Social Committee and one from the Committee of the Regions.[5] Of the 70 participants, 32 were full members, 31 were alternates and seven had observer status.

The contributions to the meetings of this working group were also made in written form. This provides a rich database of material—over 500 pages—and allows an analysis

of the debates according to political party membership as well as nationality.[6] The political distribution of the 43 Convention members contributing in writing to the Working Group 'Social Europe' was as follows: 16 were affiliated to social democratic parties in their country and the Party of European Socialists (PES); four were members of green parties; 11 were members of conservative parties and the European Peoples' Party (EPP) and two were members of liberal parties.

In what follows we present and analyse the work of the Working Group around the seven questions that delineated its mandate. A cautionary note at the outset: the number of contributors to the Working Group 'Social Europe' is undoubtedly small. However, as elected members of the political class and given the context in which their opinions were expressed—namely upon occasion of writing a constitution—their opinions are not to be counted as personal but, rather, as representing broader political and institutional opinions.

Basic Social Values

Insofar as welfare regime ideologies are about norms and values, agreement on basic social values can be taken to imply the beginning of convergence of welfare regime ideologies. Indeed, at a very generic level, such a consensus can be said to exist: of those contributing in written form to this question of the mandate (36 out of 43) there was practically no one who objected to the explicit reference to social values as well as the inclusion of the Charter of Fundamental Rights in the European Constitution.[7] Substantively there was broad agreement that the social values that ought to be explicitly referred to in the Constitutional Treaty were those of solidarity (6 out of 10), equality (5 out of 10) and social justice (3 out of 10).

The final text agreed to by the Convention read as follows regarding Article 2:

> The Union is founded on the values of respect for human dignity, liberty, democracy, *equality*, the rule of law and respect for human rights. These values are common to the Member States in a society of pluralism, tolerance, *justice*, *solidarity* and non-discrimination. (Draft Treaty establishing a Constitution for Europe, CONV 850/03, 18 July 2003, p. 5, emphasis added)

The final text in the Constitutional Treaty signed by Heads of Member States on 29 October 2004 was slightly modified in order to explicitly refer to the respect of rights of minorities as well as the equality between men and women—a subject that most Convention members mentioned as relevant for inclusion as an objective of the Union rather than as a value.

> The Union is founded on the values of respect for human dignity, freedom, democracy, *equality*, the rule of law and respect for human rights, including the rights of persons belonging to minorities. These values are common to the Member States in a society in which pluralism, non-discrimination, tolerance, *justice*, *solidarity* and *equality between men and women* prevail. (Treaty establishing a Constitution for Europe, CIG 87/2/04 REV2, 29 October 2004, p.10, emphasis added)

All left-leaning members of the Working Group (i.e. social-democrats or greens) were in favour of the inclusion of social values in the Constitutional Treaty as opposed to two out of three among conservatives and liberals. In similar fashion, solidarity and equality

from among social values were more frequently mentioned by left-oriented participants as compared with those on the right (8 out of 10 among social democrats and greens as opposed to 4 of 10 among conservatives and liberals).

Social Objectives

At the outset of the discussion of this second question of the group's mandate, it was agreed that social objectives should not be restricted to what could be achieved by the Union institutions alone but also address those areas where the Union has complementary competences. Social objectives most frequently mentioned by the members of the Working Group 'Social Europe' included full employment (1 out of 2), social protection (4 out of 10) and basic services (1 out of 3).

The final text proposed by the Convention for Article 3 was as follows:

> The Union's aim is to promote peace, its values and the well-being of its peoples. The Union shall offer its citizens an area of freedom, security and justice without internal frontiers, and a single market where competition is free and undistorted. The Union shall work for the sustainable development of Europe based on *balanced economic growth, a social market economy, highly competitive and aiming at full employment and social progress, and with a high level of protection* and improvement of the quality of the environment. It shall promote scientific and technological advance. It shall *combat social exclusion and discrimination and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of children's rights*. It shall promote *economic, social and territorial cohesion and solidarity among Member States*. The Union shall respect its rich cultural and linguistic diversity, and shall ensure that Europe's cultural heritage is safeguarded and enhanced. In its relations with the wider world, the Union shall uphold and promote its values and interests . . . These objectives shall be pursued by appropriate means, depending on the extend to which the relevant competences are attributed to the Union in the Constitution. (Draft Treaty establishing a Constitution for Europe, CONV 850/03, 18 July 2003, p.6, emphasis added)[8]

Unlike the debate on basic social values, which was largely consensual, the debate on 'social objectives' was more differentiated. This became especially obvious in relation to the issue as to whether 'full employment' as opposed to 'high employment' should be explicitly referred to in the Draft Constitutional Treaty: some members emphasized 'full employment' as one of the major objectives while others argued that a 'high level of employment' was closer to the objective which the EU ought to pursue, namely that of creating favourable conditions for jobs to be created.[9] Left-wing politicians were more likely to want the Treaty to mention full employment (8 out of 10). Only 2 out of 10 right-wing politicians held this view, the majority favouring 'high level of employment' instead. The same trend, albeit not as strong, emerged with regard to 'social protection' and 'basic services'. Likewise, references to the European social model and a social market economy, while overall few, tended to come mostly from left-leaning participants.

The debate as to whether the adjective 'full' vs 'high' should be attached to employment as a social objective to be pursued by the European Union is more than a mere play on words. As we saw in the previous section on welfare regimes, 'full employment' is associated with the Nordic or social democratic welfare regime. The greater approval of 'full employment' as a social objective among left-leaning members of

the Convention suggests, therefore, the persistence of these different welfare regime ideologies across the political left−right dimension.[10]

Union's Competences

Opinions on the subject of the Union's competences were divided. Every second member of the Working Group was of the opinion that the current range of competences was sufficient while the rest expressed the view that the Union's competences should be extended so as to cover the areas of pay, right of association, the right to strike as well as the right to impose lock-outs currently excluded by Article 137(6) of the TEC. The cleavage here ran mostly according to nationality rather than politics: participants from the Nordic countries as well as the UK and Ireland were keen to maintain the status quo regarding EU competences in the social field, underlining the importance of flexibility in the implementation of the open method of coordination (see below). In contrast, Continental and South European participants were more interested in seeing EU competences extended.

The overwhelming majority—9 out of 10—were against any extension of the Community's competences in the field of social protection, which is also at the core of welfare policy. In this regard, the Union's legitimate area of intervention was thought best limited to cross-border situations. The application of the principle of subsidiarity to the social area was backed by several participants, i.e. that each Member State should be able to take decisions relating to its level of social protection with the Union only acting in cross-border cases. Sören Lekberg of the Social Democratic and Workers' Party of Sweden summarized the subsidiarity argument succinctly by writing:

> It is true that the welfare policies and the social protection systems to a high extent rest on shared values and objectives, but they have developed differently and have been adapted to the Member States' specific traditions and circumstances. An increased harmonization in the social field is undesirable. We do not achieve a social Europe by trying to shape a common European welfare policy. (CONV WD No. 5, pp. 27−29)

The Earl of Stockton, representing the Conservative Party of the UK, extended the subsidiarity argument to include national sovereignty. He claimed that any attempt to create a common European approach on social issues would be equivalent to intrusion in a Member State's sovereignty and hinder Member States in adapting their national and regional situations to economic change. His colleague, Peter Hain of the British Labour Party, also thought that the EU should not acquire any new competences.

Johannes Vogenhuber of the Austrian Green Party and representing the European Greens at the European Convention likewise called for the respect of national social systems but asked for 'general provisions for a sphere of social security' in the form of minimum standards in order to avoid distortions of competition and indeed the 'erosion' of national welfare traditions (CONV WD No. 5, pp. 35−39). Italian Valdo Spini, representative of L'Ulivo, called for a stronger policy-setting role for the European Commission including with regard to the ability to impose binding targets for Member States in terms of employment.

In the draft Constitutional Treaty the Union's competences are dealt with in Part III, Articles 9−17. Article 10 defines the Union's competence in the field of social policy as that of *promoting and coordinating* employment policy (besides economic policy) whereas

Article 13 also includes social and territorial cohesion as well as consumer protection and common safety concerns in public health matters as areas of shared competence. Education, vocational training and youth are identified by Article 16 as areas of supporting or complementary action. These recommendations were taken up in the Constitutional Treaty in Articles I-12 and I-14 under Title III.

Open Method of Coordination

The OMC introduced by the Amsterdam Treaty foresees greater collaboration among Member States in social policy areas, albeit in accordance with the principle of subsidiarity. The underlying idea is that of policy convergence rather than harmonization: Member States are expected to agree on targets and principles, not necessarily on policies or practices. The debates within the Working Group 'Social Europe' on the OMC suggest that Member State representatives are overall keen to keep to this state of affairs: there was general agreement that the OMC represents a useful complementary mode for coordinating policies which are not at the core of the legislative activity of the Union through the Council or the European Parliament, hence also for areas such as the European Employment Strategy, the fight against social exclusion, pension reform or health. This is consistent with the views expressed in relation to the extension of EU competencies and supports holding on to national traditions and institutional arrangements. Nonetheless, most Convention members were unsure about whether it made sense to include the OMC in the Constitutional Treaty. From the perspective of the impact of Europeanization on welfare regime ideologies, this debate is interesting in that it shows that, despite the fact that there is consensus in favour of the maintenance of a soft system of governance regarding social policy, there is increasing recognition of the possible problems of this approach from the perspective of democratic legitimacy. Furthermore, the emerging views in this respect are clearly divided across the political left−right dimension.

Several members of the Working Group were keen to underline the non-legislative, non-binding and hence flexible character of the OMC, quasi as an institutional pre-decision mechanism of deliberation that should help gradual harmonization through learning, the exchange of information and benchmarking (cf. Jacobsson, 2004). Thus the OMC was judged most useful for agreeing on values, targets and indicators, less for specific policy measures. According to the supporters of this view, mainly right-wing politicians, the OMC had no real place in the Constitution given that it represented a flexible negotiation or consensus-reaching strategy. For instance, Hannes Farnleitner, representing the Austrian government in the European Convention, noted in his intervention that the OMC allows the rapid reaction to new policy challenges but called for flexibility with regard to how it is applied (not least with regard to the actors consulted). In other words there should be no OMC model as such (CONV WD No.1 pp. 38−39). Similarly, Filadelfio Basile, representing the European Peoples' Party of the European Parliament, cautioned against any excessive formalization of the OMC as this would compromise its flexibility (CONV WD No. 8, pp. 2−9). Dick Roche of the Fiana Fail Party is worried about the OMC becoming a 'one size fits all' approach (CONV WD No. 22, pp. 2−3). In order to avoid precisely this problem, Pia Noora Kauppi of the Kansalinen Kokoomus (Finnish Conservatives) is against the constitutionalization of the approach (CONV WD No. 15, pp. 2−3).

At the other end of the spectrum, other members of the Group saw a certain danger in the flexible character of the OMC as de-legitimizing the role of the European Parliament, and, more generally, the legislative procedure over time. Such concerns were mainly raised by left-wing politicians who thus also called for more transparency and clearer procedural rules if the OMC were to be included in the Constitutional Treaty. Thus, Jürgen Meyer, representing the German Social Democratic Party SPD, cautioned that the OMC is not misunderstood or used as a substitute of Community legislative procedures and pointed out that the OMC seriously lacks democratic legitimacy since it sidelines the European Parliament (CONV WD No.1, pp. 48–53). Similarly Ann van Lancker of the Belgian Socialist Party was worried about the limitations of the OMC and called for the explicit inclusion of social partners, civil society organizations, and local/regional authorities in consultation procedures (CONV WD No. 2, pp. 2–4). Louis Michel of the Belgian Liberal Party PRL saw in the OMC a useful procedure, however, mainly for inter-governmental consultations rather than consultation among governmental and several societal actors. For this reason, and assuming that the OMC would be included in the Constitutional Treaty, he was in favour of making it possible for the European Parliament to make observations on agreements reached through the OMC (WD No. 30, pp. 3–7).

Eventually, there was no explicit reference to the OMC in the Constitutional Treaty. The latter, however, described in detail the procedures followed by the European Employment Strategy, which is the prototype of the OMC (CIG 87/2/04 REV2, 29 October 2004, Part III, Chapter III, Section 1, Articles III-203 to III-208, pp. 69–72). Similar procedures are described in Section 2 on 'social policy': Article III-209 calls for the harmonization of living and working conditions, noting that 'the functioning of the internal market . . . will favour the harmonization of social systems' (ibid, p. 73). The Union is called 'to support and complement' the activities of the Member States in several fields, including that of the social security and protection of workers, the representation and collective defence of the interests of workers and employers and the combating of social exclusion. To this end, the following procedures/measures are prescribed or allowed:

> European laws or frameworks may establish measures designed to encourage coopera-
> tion between Member States through initiatives aimed at improving knowledge,
> developing exchanges of information and best practices, promoting innovative
> approaches and evaluating experiences, excluding any harmonisation of the laws and
> regulations of the Member States. . . . European framework laws may establish minimum
> requirements for gradual implementation, having regard to the conditions and technical
> rules obtaining in each of the Member States. Such European framework laws shall avoid
> imposing administrative, financial and legal constraints in a way which would hold back
> the creation and development of small- and medium-sized undertakings. (Ibid., Article III-
> 210, pp. 74–75)

Furthermore, the Constitutional Treaty foresees that framework laws on matters relating to social protection, the conditions of employment for third-party nationals or the collective representation of interests shall be adopted by the Council unanimously and following consultation with the European Parliament. In other words, the co-decision and qualified-majority voting procedures were not extended to these areas. Furthermore, even if such laws were to be enacted, these 'shall not affect the right of Member States to define the fundamental principles of their social security systems' (ibid., p. 75), nor to introduce more stringent protective measures. In addition, and as requested by the majority of the

members of the Working Group, the above provisions do not apply to pay, the right of association, the right to strike or the right to impose lock-outs, which thus remain firmly in the hand of nation-states.

Coordination of Social and Economic Policies

The degree and scope of coordination of economic and social policies is a defining element of welfare regime ideology. Liberal welfare ideologies are more likely to favour a weak coordination as compared with social democratic ideologies preferring a strong coordination. We observed this cleavage also among members of the European Convention. All members of the Working Group 'Social Europe' agreed with the principle of better coordination between economic and social policies. The key difference was between those who called for a strong coordination or even integration between social and economic micro- and macro-economic policies towards a social market economy and those who instead were in favour of weaker forms of coordination.

Left-wing politicians called for a strong integration of the two and an explicit consideration (with policy implications) of social issues in the drafting of the broad economic guidelines. In this spirit, Caspar Einem representing the Austrian Social Democratic Party notes that it does not suffice to promote employment through labour market policy but that it is equally important to streamline macro-economic policy towards the achievement of full employment (CONV WD No. 6, pp. 5−43 and WD No. 43, pp. 2−4).

Right-wing politicians were instead keen to underline the importance of maintaining the independence of economic policy and in that were against suggestions by the left for increasing the scrutinizing role of the European Parliament vis-à-vis the European Central Bank or the European Investment Bank. Claude du Granrut notes somewhat sarcastically that 'all economic policies have impacts on social policies and vice-versa' (WD No. 6, pp. 20−23), yet this does not mean that economic policy should be conditioned or calibrated alone through its social impacts. Instead, there should be more attention paid to territorial aspects: regional policy is one way to address the social impacts of economic policies.

In line with the above, there was overall approval of the social dialogue and its explicit mention in the Constitution; however there were also concerns regarding its scope (i.e. the areas it should apply to), its legal basis as well as the representativeness of social partner organisations. Right-wing politicians were more likely to raise such concerns as compared with left-wing politicians. The dialogue between social partners is explicitly mentioned in Article I-48 of the Constitutional Treaty, which asserts that the Union 'recognizes and promotes the role of the social partners at its level, taking into account the diversity of national systems' (Part I, p. 52). It furthermore asserts that 'it shall facilitate dialogue between the social partners' and mentions in this respect the Tripartite Social Summit for Growth and Employment. All further mentioning of the social partners were, however, removed and substituted with 'management and labour'. Hence, 'management and labour' (rather than social partners) are referred to in Article III-208 as partners to be consulted by the Employment Committee for the design of the European Employment Strategy and repeatedly in Section 2 on 'social policy'. Significantly Article III-210 foresees that social partners may be entrusted with the implementation of framework laws in social policy fields while Article III-212 opens up the possibility for direct negotiations between social partners and Union institutions.

Discussion

There is wide consensus among political representatives and across Member States and political parties that social values have a legitimate place in the Constitution. The European Union is seen as upholding equality, solidarity and justice next to freedom, democracy, the rule of law and the protection of minorities. There is likewise widespread agreement that shared competences in the formulation and implementation of social policy should respect national differences with regard to welfare and social protection systems. At the same time there is increased recognition that the 'ever closer Union' that is emerging through the internal market as well as the supra-national EU institutions tends to 'favour' the harmonization of social systems and that such harmonization may have to go beyond micro-economic and social policy as in the European Employment Strategy.

So far so good. The picture begins to become less consensual when one moves on to social objectives or the coordination of social and economic policies. Here we witness distinct left–right ideologies which correspond to the normative orientations of the welfare regime typology. Left-leaning politicians are, for instance, more likely than conservative politicians to favour 'full employment' as opposed to 'high employment'. Full employment, as we saw in our review of the welfare regime literature, is associated with the social-democratic welfare-state regime that, at the same time, assumes a strong role of the state in promoting employment through macro-economic policy rather than through micro-level activation measures alone. It is therefore not accidental that this idea alienates conservative politicians but is attractive to Social Democrats and members of Green parties. The favouring among the latter of a stronger coordination between social and economic policies tells the same story. Indicative are also the reasons cited against endorsing the open method of coordination as a new Community method of decision-making and as such one to be engraved in the Constitution. Even though most Convention members welcomed the use of the OMC as a useful method for 'screening' differences and similarities among Member States in search of common ground, its inclusion in the Constitutional Treaty would have been accepted by right-wing politicians only upon condition of maintenance and extension of its flexibility. Yet this was precisely what left-leaning politicians could not accept as that would imply, in their opinion, a further legitimizing of the inter-governmental mode of policy-making and an exclusion of the possibility for deeper harmonization at a later stage with a greater role for the European Parliament. Finally, we could observe a similar cleavage with regard to the role assigned to social partners. It is indeed telling that the Constitutional Treaty as finally signed by Heads of State only includes one reference to the social partners, unlike the Convention draft, which spoke about the social partners more than 10 times. Social partners are instead referred to as 'management and labour' representatives and their role in policy-making is still primarily seen as channelled through national-level governments.

As with most EU documents, the European Constitutional Treaty represents a compromise between different national and political interests. It is, therefore, not surprising—and certainly not accidental—that the final text of the Constitution muddles through opposing views and attempts to downplay these. 'Full employment' is an objective of the Community in Article 3 but in all subsidiary texts on policy, there is reference instead to 'high employment'. 'Management and labour' can be delegated policy implementation by national governments but, assuming they manage to organize

trans-nationally, the door is left open for direct negotiations with Union institutions on specific issues, and so on.

If we expected Europeanization and, specifically, the project of political integration to bring about a levelling off of welfare regime differences at the level of ideologies, then our results suggest that this is far from happening. The evidence for this is entailed less in the obvious continuing need of national politicians to assert the uniqueness of their welfare systems—a tendency that is quite widespread. The real evidence is inherent in the clear ideological differences with regard to opinions on key issues such as the scope of social objectives, the division of competences and the role of EU institutions.

At the same time, the fact that these opinion differences are structured politically and are as strong, if not stronger, than national opinion differences can also be interpreted as evidence for the gradual consolidation of European-level ideologies on social policy and the welfare-state. Esping-Andersen (2000) claims that one of the barriers to addressing the contemporary challenges to welfare states is the continuing dominance of ideologies. This negative view of ideology characterizes technocratic assessments and is legitimate from the latter perspective. The counter-argument is that ideologies matter, especially on principal issues or normative concerns such as the political architecture of the European Union institutions or the edifice of the welfare state. Indeed, in the absence of ideologies and ideological cleavages, there might be no pressure for a social Europe or for solidarity within member States. If the latter is the case—and we suspect it to be—then the 'Social Europe' debate represents an important milestone for envisioning European solidarity between welfare regimes and the European social agenda.

NOTES

1. In a recently published mid-term review report on the Lisbon Strategy authored by a High-Level Group chaired by the former Prime Minister of the Netherlands, Wim Kok, the message is that progress has been slow and that time is running out (EC, 2004). Even though the report is careful about making a 'continued case for Lisbon', its conclusions speak the opposite, with most recommendations consisting of calls for yet more committees, indicators and assessment and for Member States to assume more responsibility.

2. Habermas and Derrida 'Unsere Erneuerung', lead article in *Frankfurter Allgemeine Zeitung*, 31 May 2003.

3. Esping-Andersen (2000) is also of the opinion that welfare regime changes will persist and that these differences make it difficult to design general strategies for social reform. However, insofar as the challenges faced by welfare states are common—demographic ageing, the increased labour participation of women and the emergence of a knowledge-intensive society—the general principles to guide the welfare edifice of the future should not be different.

4. This research agenda has informed the project 'Whither Welfare Regimes?' carried out with the support of the Austrian NODE Programme on 'New Orientations for Democracy in Europe'. In addition to considering the ideological debates regarding the European Social Model (dealt with in this paper), our NODE project has been comparing the specific policy measures and institutional practices concerning unemployment policy in six EU Member States. The preliminary results of this research speak in favour of a strong policy convergence with regard to unemployment policy, despite the fact that policy actors in

different countries think otherwise. Differences instead are tending to emerge with regard to the policy narratives informing 'workfare' or activation policies. This part of our research will be reported in a forthcoming publication in 2007 (Giorgi).

5. Government representatives in the Working Group 'Social Europe' came from Spain, Austria, the UK, Belgium, Ireland and the Czech Republic (full members) as well as France, Germany, Finland and Latvia (alternate members). National parliament representatives came from Portugal, Ireland, Sweden, Austria, Luxembourg, Greece, Denmark and Germany (full members) as well as from Italy, Belgium, Finland, the Netherlands, Greece, France and Austria. Representatives of the national parliaments of Candidate States came from Lithuania, Slovakia, Cyprus, Slovenia, Hungary and Poland.

6. Clearly the overall number of participants does not allow us to carry out statistical analysis of the debates. The social democrat and green members of the Convention are grouped together as 'left-leaning', the conservative and liberal members as 'right-leaning'. Nationality cleavages are specified generically or by clusters.

7. Only two participants thought that the inclusion of the Charter was sufficient and no further explicit reference to social values in Article 2 was necessary. A few participants cautioned against the full inclusion of the Charter in the Constitution as possibly affecting the sharing of competences between Member States and EU institutions (see WD No. 5 of Sören Lekberg, WD No. 25 of Lord Stockton) or by reason of the legal vagueness of the terms (Danny Pieters WD No. 1, pp. 63–67).

8. The only real difference between the above text and that in the final Treaty which was signed by heads of Member States—and apart from stylistic or editorial corrections—was the addition of reference to price stability in connection with the pursuance of a balanced economic growth (CIG 87/2/04 REV2, 29 October 2004, p. 11).

9. Other objectives mentioned included the promotion of services of general interest (e.g. health and education), the fight against economic insecurity and social exclusion, the promotion of the social market economy or of the European social model, sustainable economic and social development as well as economic and social cohesion between Member States and at the regional level.

10. From the above analysis it appears that the political left got its way in having full employment written down in the Constitution. However a more careful reading shows this not to be entirely true. Under Part III, Chapter III, entitled 'Policies in other specific areas', Section 1 on employment, we may read under Article III-99 that: 'The Union shall contribute to a *high level of employmen*t by encouraging cooperation between Member States and by supporting and, if necessary, complementing their action . . . The *objective of a high level of employment* shall be taken into consideration in the formulation and implementation of Union policies and activities' (CONV 850/03, 18 July 2003, p. 103, emphasis added).

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