

# **RETHINKING THE EUROPEAN SOCIAL MODEL: NEW SOCIAL RISKS, NEW SOCIAL VALUES AND NEW POLICY PARADIGMS**

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## ***Abstract:***

*The crisis of the European Social Model (ESM) was discussed mostly from economic, demographic and institutional perspectives. The new social risks, the changes in values and lifestyles of European citizens were less addressed. However, the legitimacy of the ESM is based on a set of common social values, which were a European “brand”, a source of pride and prestige, both for European citizens and elites. This paper intends to find out if and how these values have been affected by recent economic and migration crises. Our focus is the axiological change in public opinion and in social policy. The research uses statistical and document analyses. Main sources are the European social survey, social statistics and recent changes in the social acquis. The research results show a process of erosion of specific European social values. The community of values between the European nations diminished and the diversity is growing. ESM has to answer these mutations – not to be limited to minimum social standards or to the generalization of best practices of national social policies – but to truly represent a supranational level of social policy, effectively adjusted to globalization and to citizens' expectations.*

***Keywords:*** European Social Model, social values, immigration attitudes, economic crisis, reform.

*JEL Classification code:* F15, F15, I38

## **Introduction: the European Social Model (ESM) and the social values**

The term of *European Social Model* was invented by the President of the European Commission, Jacques Delors, in 1990, when this model was already in crisis. This concept reflected the awareness of crisis (of the so-called “eurosclerosis”) confronting both the European welfare states and the supranational European institutions. The awareness of the crisis of the ESM has accelerated the processes of reforming the European social policies, both at national and supranational levels. Before this historical moment, the ESM has existed and functioned, even if there wasn't a name for it, like in the Moliere's play about the *bourgeois gentilhomme*, who was speaking prose without knowing.

There are almost 20 different definitions of the ESM in the official documents of the European Union (Vaughan-Whitehead, 2014). Although the official definitions of the ESM have changed over time, they have a stable core, considering it as a social model “based on good economic performance which combines a high level of social protection and education and social dialogue creating a balance between economic prosperity and social justice and ensuring recognition of social partners” (*Presidency Conclusions*, 2002).

But, beyond formal definitions, the ESM is grounded in empirical reality, synthesizing the defining features of European social policies, both at national and supranational levels. Among these traits, a key role is played by the European social values, shared by both the European public and elites. The legitimacy of the European Union and of the ESM are based on this axiological consensus.

The ESM plays a powerful role as a tool of propaganda and polemics because the concept of the ESM also involves differences and oppositions with other social models (North-American, Asian, Third World social model, Communist, etc.). Confronted with a harsh international economic competition, the Europeans can boast at least the superiority of their social model and their better indicators of quality of life – in order to compensate their rather modest economic performance. Therefore, the ESM legitimises the European Union.

In this paper, we will try to see if and how recent challenges are affecting the values that substantiate the ESM. We are particularly interested in the impact of recent economic crisis and immigration crisis on the ESM values. Among the values envisaged we will refer mainly to social rights, social solidarity, equal opportunities, the obligation of the state to provide welfare, social inclusion and cohesion, tolerance, diversity and dialogue (Jouen & Palpant, 2005; Vaughan-Whitehead, 2014).

Our assumption is that these crises are affecting the values and attitudes of both the public and the elites. Even if the erosion of the ESM was visible in the last decades, the recent crises have accelerated this process. These changes indicate the attenuation of the characteristic social values. Social solidarity and social cohesion are more and more replaced by individualism and/or nationalism; tolerance and dialogue by social control in addressing difficulties. Thus, the positive references to the European social values tend to diminish and the existing critical aspects are emphasised: unemployment, social dumping and social budget deficits, ethnic and social conflicts.

We can find out whether and to what extent these trends do exist, using statistical and document analyses; the main sources are the European social surveys, social statistics and recent changes in the social acquis; also, in the discourse of certain European political leaders and in media discourse. Our paper will focus mainly on axiological changes in public opinion and social policy.

The main objectives of this research are: understanding the importance of the social dimension of the European construction; understanding the paradigms and the values that are underlying the ESM; analysing the dynamics between continuity and change in the evolution of the ESM; identifying the impact of economic crisis and of immigration on the ESM; discussing options for reforming the ESM.

## Paradigm shifts in the European social policies

The most important factors of change in a number of analyses are (Rosanvallon, 1995; Esping-Andersen, 2002; Wickham, 2002; Taylor-Gooby, 2004): globalization and international competition; crisis of the welfare state; post-industrialisation; changes in social structure (the decline of working class); the successive enlargements; economic crises; intra and extra-community migration.

The social policies are changing in order to respond not only to economic and financial challenges but, also, to new social values and lifestyles. For instance, there are crucial changes in demographic behaviours: people are living in consensual unions or they are getting married much later and they have fewer children. Education is longer and the entry on labour market delayed. The traditional family (male bread winner/ female caregiver) has practically disappeared. Atypical work is more and more frequent and the boundaries between employment and unemployment are more blurred. The new information and communication technologies changed how both the work and leisure are done. All these changes created new social risks, such as: long-term unemployment, lack of social security coverage, job insecurity, digital illiteracy, family instability and single parenting, double burden and work-life imbalance. New risks affect also the young generations. Often flexible work means for them exploitation, longer and unpredictable working hours, difficulties in social relationships. In Romania there were a few cases of young people dying at work because of exhaustion. Working from home is also a risk for effective and gratifying social integration. “Digital nomads” and young people moving from country to country inside a multinational company have problems maintaining the stability of their friendship and family networks.

Therefore, in order to cover these new social risks, social policy reform took place both at the European and national levels, with more or less coherence between those levels (Hemerijk, 2006, p. 20).

Examining the evolution of European social acquis and, also, the reform of European welfare states between 1990 and 2010, we have observed the following trends (Ghebrea, 2010): reduction of the State involvement in many welfare areas; retrenchment; from passive social policies to active policies; new, more dynamic target groups – children, youth and women (for the classic welfare state the main target groups were the sick, the poor, the elderly); investments in education, human capital and IT; from equal treatment to equal opportunities; less social protection; redefining the social dialogue and extending it from classical social partners (trade unions and employer associations) to other civil society organisations. All these changes are marking a paradigm shift toward less redistributive and more market-oriented (liberalised and deregulated) social policies.

The reforms have had varying degrees, different meanings and different instruments, depending on the characteristics of the regional social models: Anglo-Saxon, Nordic, Southern, Continental and Eastern (*catching up*).

Regarding the European level, EU enlargement was one of the main challenges because it was impossible to maintain unity in such an increased diversity. Therefore, instead of regulation by rigid directives, the coordination became the main method of creation of the social acquis. The Open Method of Co-ordination is more flexible and adaptable to the national contexts but, in the same time, it is more vulnerable, risking remaining just an exercise of establishing common goals and common indicators for evaluation. In fact, the enforcement instruments

are weak and implementing the social *acquis* remains largely the responsibility of the Member States. The “best practice” model is also rarely effective because the national contexts are very diverse (Scharpf, 2002, p. 656) and, therefore, best practices are not always applicable. The differences between the national welfare states are not just quantitative; they reflect different fundamental ideological, political and axiological options of the respective nations.

The common minimum social standards were established precisely for responding to this diversity. These standards are transposed in the national legislations but frequently without effective enforcement instruments.

The European social values are more effectively disseminated as thematic objectives, priorities and conditions for accessing the EU funds, especially the European Social Fund. For instance, social inclusion is one of the major objectives for 2014–2020 and projects in all operational programmes should observe equal opportunities, non-discrimination and social dialogue, amongst other European social values (Ministerul Fondurilor Europene, 2017).

## **Devaluation of the European Social Model**

The focus of this paper is identifying if and how the social values underlying the ESM are changing due to the recent economic and social challenges.

The core features and social values characterising the ESM that we intend to refer to are: diversity, dialogue, institutional trust, equality, non-discrimination, social inclusion, cohesion, solidarity, security/safety, avoiding risks, involvement of the state in welfare, social spending, and free movement (Constant, Kahanec & Zimmermann, 2008; Djuve, 2016; *European Social Survey*, 2012). All the above features and social values could be detected in analyses of both the European social *acquis* and social policies of Member States.

Our assumption is that these values suffer a process of degradation during the recent challenges. We discuss a few examples of this degradation in three areas: political discourse, social policy and public opinion.

**Discourse.** The consensus among European politicians, referring to the European Social Model, has disappeared. More and more critical and sceptical voices are heard, although they are contradicted by Commission Presidents. For instance, President of the European Central Bank, Mario Draghi, said: “the European Social Model has already gone” (*Wall Street Journal*, 24 February 2012). The former Vice-President of the European Commission, Olli Rehn, considered that the European Social Model can’t be sustained anymore: “High debt levels, the rapid population ageing and the fact that more than half of the social spending of the whole world today takes place in Europe (shows) the burden that the European productive economy has to carry in order to sustain our social model” (IIF-G20 Conference, Moscow, 15 February 2013).

Such things are said by the politicians who are more honest and more direct. Others continue to support the ESM values in words but not in deeds. The difference between speech and action is increasingly higher in some cases, and the divergences and contradictions between European leaders alike.

These gaps are visible when referring to the immigration. The official discourse supports the European values (non-discrimination, inclusion, multiculturalism, human rights...) but the actual actions demonstrate fears regarding the sustainability of the ESM and less tolerance

and acceptance concerning immigrants. Therefore, the immigration issue is seen from a perspective based upon social control and security: “the objective was to help reduce the influx of asylum seekers and immigrants into the Member States of the European Union [and to] analyse and combat the reasons for flight taking account of the political and human rights situation. It was only in the last few years that a substantial trend towards a supranational EU-level policy was initiated, besides the declaratory politics in place since Tampere, almost exclusively based on control measures, became evident” (Pastore, 2007, p.6).

**Social Policy.** A number of research papers show changes in the basic features of European social policies, both at national and supranational level, during the recent economic crisis. One of these features is a relatively high level of social expenditures (in comparison to other social models). However, between 2007 and 2012, the social expenditures were cut, on average, with 4% in EU-27 (Vaughan-Whitehead, 2014, p. 19). Other observed trends are: from universal to targeted protection (means-tested child allowances and augmented social assistance); increased deregulation of the labour market; wages in the public sector are reducing; social dialogue and collective bargaining weakened by governments; workers’ rights and working conditions deteriorating; violations on occupational safety and health are increasing with 5–20%; fewer resources for active labour market policies (Vaughan-Whitehead, 2014, p. 22).

Certain researchers emphasize the role of austerity policies in imposing a different social model: “The content of these reforms, though justified in the official discourse by references to the crisis, is in no way dictated by the need for responses to temporarily adverse economic circumstances. Their purpose, on the contrary, is to dismantle whole areas of the European social model.” (Pochet and Degryse, 2012).

This type of social policies produced negative social effects: amplifying of discrimination, inequality, insecurity and social exclusion. The importance given to human rights is declining (Vanhercke, Natali & Bouget, 2016, p. 11). These adjustment policies and their social effects are more present in the Southern and Eastern European social models (Djuve, 2016) and, therefore, they contributed to deepen the disparities among the Member States.

**Public opinion.** The mood of the Europeans has changed dramatically since the *trente glorieuses* (1945–1975). The incertitude became general and economic hardship produces anxiety and fear. The first two concerns expressed in the recent opinion polls are immigration (60%) and labour market/unemployment (36%) (Hilmer, 2016, p. 5). This ranking exists in all European countries, regardless the number of their immigrants. Other concerns are: social dumping, public burden, and increased taxation.

Next, we will examine the evolution of the main European social values:

1. *Tolerance and Diversity*: the respondents are in favour of restricting the immigrants’ access to EU, instead of their social integration: “between 2002 and 2014...the proportion of European publics who felt that none of these migrants should be allowed to come increased from 11% to 20%” (European Social Survey, 2014, p. 7). Similarly, the proportion of those considering that the migration has worse effects on cultural life, jobs, taxes, services and crime increased from 25% to 60%, between 2002 and 2014 (European Social Survey, 2014, pp. 8–12). The increasing intolerance is illustrated by the bigger sympathy towards the right-wing populism.

Still, the majority of interviewed persons accept the immigrants’ right to social benefits; also, *free movement* is considered an important value of European civilisation by 59% of the respondents (Hilmer, 2016, p. 12).

Intolerance correlates with the *institutional mistrust* (European Social Survey, 2008) but doesn't vary significantly depending on respondent's employment status. The European citizens put less and less trust in the EU capacity to solve problems and manage crises. The Euroscepticism is reflected in the evolution of the balance between advantages and disadvantages of being a European citizen: until 2016, this balance was positive; in 2016 it was negative: – 6 % (Hilmer, 2016, p. 8). Still, 77% agree with banning the Member States which violate the fundamental European rules and values. Other polls (Facchini & Mayda, 2006; Constant, Kahanec & Zimmermann, 2008; Hainmueller & Hopkins, 2014) show the decreasing political legitimacy of the European Social Model. Dissatisfaction with the functioning of the public institutions correlates with reductions of the GDP (European Social Survey, 2012; 2013) and, therefore, it is higher in countries most affected by the economic crisis (belonging to the Southern and Eastern European social models).

2. *Equality*: the egalitarian values are more present in public opinion in countries where the satisfaction with the ESM (especially with the quality of the public services) is greater. These countries belong mostly to the Nordic and Continental social models. In these cases, citizens are willing to accept taxes and increased social spending (European Social Survey, 2013).

3. *Cohesion*: the support for the cohesion policies is based on a very slim majority (51%) (Hilmer, 2016, p. 11); more and more respondents consider that development policies should be the responsibility of the national governments.

4. *The role of the State in providing welfare*: a significant majority considers that the States should be responsible for their citizens' welfare. The Europeans fear risk and incertitude, which are greater especially in the recent economic and social contexts (European Social Survey, 2013).

The above evolution of values and attitudes of Europeans shows that they want more freedom, autonomy, individualism and flexibility – as well as safety nets, by maintaining the welfare states. It is also noticeable downward trends in popular support for the European Union and deepening of negative feelings (mistrust, fear, scepticism, pessimism, insecurity).

## **Post-crisis lessons**

From our perspective, the most important lesson is regaining the popular support for the ESM and solving the present *legitimation crisis* (Habermas, 1975).

The round 7 of the European Social Survey (European Social Survey, 2014) showed that the negative attitudes towards migrants are not based on economic reasons but on fears regarding threats against the own identity. Therefore, consolidation of the European identity is crucial. The European citizens (especially the young ones) should be more involved in debates and decisions; they should become more confident and interested. Also, the EU should be more present in everyday life, more direct and friendly with its citizens.

The enlargements and the growing diversity of the regional and national social models were not well managed. Thus, there is a real risk for mistrust, competition, tension even conflict among Member States, instead of cooperation and cohesion (Vanhercke, Natali & Bouget, 2016, p. 9). Therefore, "unity in diversity" is merely a slogan but it could become possible if the cohesion is increasing and the disparities are reducing.

The most effective way to do that is enforcing the four free movements.

The social disparities are persisting and EU is divided between North and South and between West and East. Still, according to the *Reform Barometer 2016*, “the EU membership functions as an effective reform catalyst” for the new Member States (Social Inclusion Monitor Europe, 2016, p. 7). Unfortunately, the reforms mean often just legislative harmonisation and setting-up of new institutional bodies, without providing them with appropriate resources and enforcement instruments. For instance, in Romania the new Labour Law, revised in 2011, provides generous rights for the employees, harmonised with the European acquis. In practice, however, it is very difficult to monitor and sanction the violations of this Law because the responsible bodies (the Labour Inspectorates) are underfunded and have insufficient human resources. Therefore, the reform could remain a “world of dead letters” (Falkner and Treib, 2007, p. 5).

Regarding the migrants’ social inclusion, until now, the approach of the ESM was based on social protection; it should change to a more dynamic approach, based on activation and insertion on labour markets. Consequently, migration could show its positive impact upon the sustainability of the European social security systems.

## Conclusions

The ESM does exist and it is a creator of the European identity, contributing to the legitimacy of the European Union. Still, the continent is divided in more regional social models and this division was accentuated during the recent economic crisis. The cleavages West/East and North/South are visible in the social policies and public attitudes and values, which differ very much from a social model to another. The Southern and Eastern countries were very affected by the crisis and their recovery was more difficult. This fact says a lot about the degree (the lack) of convergence of social policies within the EU. The ESM made a harmonization effort (around certain values and principles) but there is still no social convergence. Social Europe remains a “soft” concept, operating on the subsidiarity. It is only a general framework that does not aim to replace national social policies. The national level remains the key level of social policy, because of, among others, the great diversity of national models which do not allow a consistent supranational intervention.

Contemporary European society is a “risk society” (Beck, 1992); too fast changes create too large chaos to be mastered; problems have no longer sustainable solutions, people and governments can improvise only short-term solutions. Risks are no longer exceptional situations, which society as a whole is capable of managing; they became widespread and stable situations (Rosanvallon, 1995).

In fact, the crisis only accelerated some trends already existing in the evolution of the ESM. It is impossible today to conserve all the values of the optimistic and affluent period after the World War II. The ESM is flexible and evolving, redefining itself according to empirical and theoretical changes occurring in the world.

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