



UCL PUBLIC POLICY BRIEFING OCTOBER 2014

AUTHOR

Eleni Frantziou
UCL Laws
eleni.frantziou.12@ucl.ac.uk

EDITORS

Dr Uta Staiger
Deputy Director
UCL European Institute
u.staiger@ucl.ac.uk +44(0)20 7679 8737

Sarah Chaytor
Head of UCL Public Policy,
Office of the UCL Vice-Provost (Research)
s.chaytor@ucl.ac.uk

A partnership between the UCL @ucl.ac.uk 0A10600.1we

The future of EU Social Policy

Summary

In recent years, the European social model has faced unprecedented challenges, such as increasing austerity in public spending, severe welfare cuts, and rising youth unemployment. These have in turn led to significant crises of ideology, legitimacy and regulation in respect of EU social policy. Nevertheless, there are prospects for the creation of more meaningful social rights in the EU in the future. This policy briefing provides an overview of:

- the major challenges confronting the European social model in the aftermath of the financial crisis;
- the core strengths of the European social model and EU social policy;
- the prospects for strengthening European social policy in the future.

Introduction

This policy briefing discusses the EU's social policy in the aftermath of the financial crisis. Whilst the European social model has come under increased pressure, it continues to offer important benefits, although there is an urgent need for future reform.

Three crises for the European social model

Any discussion of the European social model requires consideration of what the EU is about. Even if the EU is seen primarily as an economic union based on freedom of movement, it is not possible to disregard its social dimension. When things go wrong within the single market, such as when people lose their jobs or get sick, social policy has an important role to play.

European social policy is intended to ensure equality, common values and employment across the EU. However, during the financial crisis, European social policy arguably failed fully to meet these objectives. Consequently, the European social model is currently suffering from three main crises: of ideology, of legitimacy and of regulation.

KEY CONCLUSIONS

- The European social model has suffered significant blows as a result of the financial crisis, both in ideological and practical terms;
- These challenges show that substantial future reform is required to strengthen and secure the European social model;
- Reform of the EU social model could include a range of measures:
 - the creation of a European Social Compact;
 - a protocol on future bailouts to mitigate their social impact;
 - a focus on market mechanisms to enforce social rights and an alignment of EU social and economic rights with the Council of Europe's position.

The

Withstanding the challenge: Three core strengths of the European social model

Despite the crises outlined above, the history of EU social law is also one of pragmatism, adaptability and survival, as well as of capacity for reinvention. These characteristics can help to ensure that the social model survives the recent challenges.

Pragmatism

Social policy was absent in the early years of European integration. Equality directives were first introduced in the 1970s; the 1990s then saw a series of changes to the law covering (among other things) working time, pregnant workers, and posted workers; and flexibility policies were then introduced in the 2000s. This gradual history shows how European labour law, a core element of the EU social policy, has **adapted and responded to current**

ageing population, and family life. In addition to their national dimension, these issues have a clear European dimension in the free market context.

Enforcement of rights: The EU has already set out many rights and the emphasis now should be on their enforcement. In addition to regulations affecting Member States, increasing privatisation is changing the way in which social policy needs to be regulated.

Market mechanisms could be developed to foster employment rights, such as obligations of transparency on private undertakings and creating awareness in the workforce about social rights and companies' performance in protecting them. Instituting corporate social responsibility rules might be one of the steps needed to actively improve the enforcement of social and economic rights in the EU.

t b

b

' nl nt

/ "

s

/ O

O /

CO

°