



Closing gaps in social citizenship: What more can Europe do?

Angelo Vito Panaro, Viola Shahini and Matteo Jessoula

EUROSHIP POLICY BRIEF No. 6 – May 2023

INTRODUCTION

The EUROSHIP project (2020-2023) aims to provide an original and gender-sensitive assessment of the current gaps in social protection against poverty and social exclusion in Europe. Through the involvement of national and European stakeholders, EUROSHIP develops policy recommendations on how to strengthen social citizenship at the national and EU levels. The research results will support the implementation of the European Pillar of Social Rights.

In the work package “Closing gaps in social citizenship through multilevel governance” we have examined the achievements in the governance and policy initiatives adopted by European Union (EU) in the field of social protection during the last two decades. The research team aims (1) to reconstruct the EU actions in the field of social policy and assess them along three dimensions: grand strategy, governance mode and policy initiatives, (2) to identify which factors contribute to increasing relevance of minimum income and minimum wage initiatives at the supranational arena, (3) to shed light on the political dynamics that lead to the adoption of the 2023 European Council Recommendation on Adequate Minimum Income and the 2022 European Directive on Adequate Minimum Wages and Collective Bargaining, and (4) to provide knowledge about the extent to which EU inputs translate from supranational institutions into national governments.



This project has received funding from the European Union’s Horizon 2020 research and innovation programme under grant agreement No 870698. The opinions published in this deliverable only reflect the authors’ view. The Agency and the Commission are not responsible for any use that may be made of the information it contains.

Preliminary findings show that there have been some steps towards a more social Europe. More specifically, we find that:

- 1) When looking at EU priorities, governance mode and policy initiatives, there has been a substantial change from the Lisbon to the Europe 2020 strategy. That is, the Europe 2020 has reaffirmed the priority of social policy in the EU project and introduced supranational 'hard' quantitative targets on employment, poverty and social inclusion. Similarly, the launch of the European Semester and its gradual socialization within the Europe 2020 strategy has promoted an upward social policy convergence across European Member States (MS). Meanwhile, a series of new policy actions, particularly the twenty principles set by the ESPR and its Action Plan, have strengthened the EU commitment to adopt new and potentially more binding policy initiatives in the social field.
- 2) In line with this approach, the 2023 European Council Recommendation on Adequate Minimum Income and the 2022 European Directive on Adequate Minimum Wages and Collective Bargaining represent two steps forward in the implementation of the ESPR and its Action Plan, as well as a new a more inclusive involvement and stronger commitment of the EU in the social field. In more detail, in line with the active inclusion approach, the Recommendation on Minimum Income aims at tackling poverty and social exclusion by promoting income support, effective access to enabling and essential services and active labour market integration (for those who can work). The Minimum Wage Directive, instead, establishes a framework aimed at: i. improving the adequacy of statutory minimum wages in MS where the latter exists, proposing as reference values 60% of the national median wage and/ or 50% of the national average wage; ii. enhancing access of workers to minimum wage protection through collective bargaining, requiring MS to draw up national action plans to increase the collective bargaining coverage in case less than 80% of the workforce is covered by collective bargaining agreements.

However, we also find that this change towards a more social Europe has been limited in content and outcome due to political tensions. That is:

- 3) Only few of the quantitative targets set by the European 2020 strategy were effectively reached. The EU social policy toolkit has in fact proved insufficient and inefficient in combating in poverty and social exclusion. In 2021, more than 95 million people in the European Union continue to live at risk of poverty and social exclusion (AROPE). More worryingly, AROPE is more pronounced for certain groups (e.g. around 22.5% of the EU population living in households with dependent children is at risk of poverty or social exclusion). Among EU countries, AROPE is particularly high in the Southern European countries (AROPE rate is 26,7% of the population in Spain and Italy, and 28,3 in Greece) and Eastern European countries (34.4% in Romania and 31,7% in Bulgaria) while it remains relatively low in Nordic (17,3% in Sweden and 17.2% in Denmark) and Central European countries (16.6% in the Netherlands and 17.3% Austria) . Overall, then we witness an increasing trend in the at-risk of poverty and social exclusion (AROPE) and severe material deprivation rate in Europe, coupled with varied gaps across EU countries.
- 4) Our analysis also reveals that the political tensions between national and supranational actors have limited the scope of the two policy initiatives – the 2023 Council Recommendation on minimum income and the 2022 EU Directive on minimum wage. More specifically, we found that, despite the legal feasibility to adopt a more binding initiative in the field of minimum income at the EU-level, the tension within EU

institutions as well as among MS led only to the adoption of Recommendation rather than a more binding initiative. Similarly, the 2022 EU Directive on minimum wage was watered down due to the opposition of some MS (e.g. Denmark, Sweden, Austria, Hungary and Poland), which were more concerned about an excessive intrusion of the initiative on the national wage-setting and collective bargaining systems.

- 5) In addition, our analysis shows that while the European Commission has continued to emphasize the importance of implementing the EPSR principles in its Country Specific Recommendations (CSRs) for EU member states, many countries are faced with a conflict between cutting spending to achieve their budgetary objectives and recommendation to invest in the field of education, employment and social protection. Moreover, even though the Pillar seems to be influential in the national debate on certain issues, overall we observe variation among countries in terms of prioritising social CSRs in their National Reform Programs (NRPs). In fact, only a few MS show some progress in implementing policy reforms to address their ongoing employment and social challenges, whereas in others we observe 'no' or 'limited' progress. Finally, we note that starting from 2020 the CSRs were mostly concerned with the energy crisis and the decarbonisation process, which is in turn leading to a subalternity between green transition policies and the social dimension.

POLICY IMPLICATIONS AND RECOMMENDATIONS

In light of the empirical findings emerged from the four working papers, we derive some policy implications and propose policy recommendations towards a more social Europe.

Policy Implications:

- 1) The launch of the Europe 2020 strategy highlights the importance of adopting precise, quantitative targets in order to create a commitment of the EU in the social sphere and upward social convergence. Despite the inability to reach out the Europe 2020 targets, the setting of quantitative targets has produced a reference point for all actors involved. Hard targets in fact endow a political relevance and come with political resonance, thereby they contribute to clearly identify EU priorities in the social sphere and reinforce pressures on national governments.
- 2) There is a demand for EU binding initiatives in the social field. During the last decades, social stakeholders have mobilized and asked for more binding EU initiatives in the social sphere. Despite some steps towards a deeper Europe, most of the EU policy initiatives remain either not binding (e.g. 2023 Recommendation on minimum income) or limited and/or vague in the content (e.g. 2022 Directive on minimum wage).
- 3) In line with previous studies on the EU, the results of the working papers showed that supranational policy decisions ultimately rest on the political struggle at the EU-level. While the European Commission played a key role as policy entrepreneur in the social sphere, research findings revealed that many policy initiatives in the field of anti-poverty and social exclusion depend on the political conflict between national and supranational actors, on one hand, and within EU institutions, particularly in the European Parliament and the Council, on the other hand. The main line of tension between MS and the EU constituted an intrinsic feature of the EU governance during the last two decades, preventing the adoption of more EU binding initiatives in the social sphere, despite the legal feasibility.

Policy Recommendations:

- 1) **A new strategy prioritizing the social dimension.** Considering the increase in problem pressure stemming from the COVID-19 pandemic and the inflation crisis, the next EU strategy should consistently prioritize interventions in the social dimension. As it emerged from conducted research, MS received contradictory indications by the EU – secure macroeconomic stability while fighting social imbalances. Yet, this tension can be overcome if the EU takes a clear stance in the fight against poverty and social exclusion over the imperative of budgetary objectives. That is, CSRs should prioritise social issues and increase financial resources to fight poverty and social exclusion. Moreover, CSRs should establish a proper link between the energy crisis, the green transition and the social challenges these may imply.
- 2) **Hybrid governance system.** The EU's 'social effectiveness' lies in the strengthening of multi-level, and multi-stakeholder arenas. As such, the adoption of a hybrid governance system similar to the European Semester framework, might overcome political tensions while fostering a social EU by combining *hard targets* with a governance tool that relies on *supranational recommendations* to be channelled into domestic policymaking via *iterated interactions* between EU institutions and national actors.
- 3) **Conditional provision of EU's financial resources.** Within the framework of a hybrid governance mechanism, the availability of EU's financial resources should be conditional upon MS performances in the social field. The conditional provision of EU's resources might in fact push national governments to deliver on the provision of social assistance schemes, for instance by developing key social and activation services attached to anti-poverty and minimum income programmes.
- 4) **Involvement of relevant stakeholder at all levels of government.** Research conducted in EUROSHIP WPs 4 and 9 has shown the relevance of stakeholders (especially trade unions and anti-poverty groups) in pushing stronger anti-poverty and minimum income schemes in EU MS. It is thus key that the European Commission i) reinforces initiatives aimed at increasing awareness about EU's social initiatives among national stakeholders; ii) promotes the establishment of fora through which national (not only supranational) social actors may have systematic exchanges about goals, practices, strategies as well as interacting with European Commission representatives.

PROJECT IDENTITY

PROJECT NAME	Closing gaps in social citizenship: New tools to foster social resilience in Europe (EUROSHIP)
COORDINATOR	OsloMet - Oslo Metropolitan University, Norway
CONSORTIUM	OsloMet – Oslo Metropolitan University (coordinator), Norway University of Milan, Italy University of Tallinn, Estonia University of Hamburg, Germany TÁRKI Social Research Institute, Hungary University of Florence, Italy Autonomous University of Barcelona, Spain Swiss Paraplegic Research, Switzerland University of Sussex, Business School, UK Social Platform, Belgium
FUNDING SCHEME	Funded by European Union’s Horizon 2020 research and innovation program under Grant Agreement No. 870698
DURATION	February 2020 – July 2023 (42 Months)
BUDGET	EU contribution: EUR 3 Mill.
TWITTER	@EUROSHIP_EU
WEBSITE	www.euroship-research.eu
FOR MORE INFORMATION	Contact: Rune HALVORSEN (Scientific Coordinator), OsloMet – Oslo Metropolitan University, rune.halvorsen@oslomet.no

