

Triple-A rating? Juncker's vision for the EU's social policy scorecard



(<https://canterburypolitics.files.wordpress.com/2015/05/mechthild-herzog.jpg>) In a special guest blog, Jean Monnet scholar and PhD candidate Mechthild Herzog of the University of Luxembourg, gives her evaluation of Jean-Claude Juncker's vision for European social policy.[1]

Commission President Jean-Claude Juncker wants to be remembered as the man who re-initiated the Social Dialogue at the EU level. How? By bestowing upon the European Union a social 'triple-A' rating, which he officially designated as "just as important as an economic and financial triple-A"[2] at the outset his appointment, in October 2014. However, the EU was never particularly close to a 'social triple A', nor was any of its predecessor Communities. The simple reason: there is not much of 'the EU' in European social policy, nor is there a comprehensive EU social policy. [3]

Juncker is likely well aware of this problem, just as he is undoubtedly aware that fostering agreement on social goals can bring European integration a step further. The EU's history has shown that strengthening social security systems to reach a common high level, fighting unemployment and improving training and education (to name only three aspects) were much more likely to raise a feeling of common European identity than working towards a better regulated single market or abolishing tariffs. And with public support for the project Europe, politicians tend to be much more willing to go another step towards sovereignty shift from national to Union level.

Former Commission President Jacques Delors may well have thought the same when calling representatives of trade unions and employers' organisations on one table in 1985 to the first 'Social Dialogue', in order to actively involve them in the back-then European Community's policy-making. Although both sides had been consulted before on a regular basis by all Community institutions, the talks had not been of such an official nature, which now offered the social partners – employees' and employers' representatives – to have a stronger voice in the bargaining.

The first part of the term 'Social Dialogue' may however be misleading – this dialogue includes also market regulation and fiscal policy matters. Main subject under discussion was, and is until today – obviously – labour policy, which has in fact over the course of EU history quite often been mistaken for social policy. Both employers' and employees' representatives embraced from the Delors days on the opportunity to voice their opinion on truly all areas concerning them.

At the time Delors established the original Social Dialogue, Juncker was Employment Minister in Luxembourg. He subsequently experienced the intense negotiations for the Single European Act (1986) and the Maastricht Treaty (1992) from a front row position – two documents now heralded as having ended the stagnation of the integration process, as well in the area of social policy .

Many elements that have of late dominated European social policy can be found on the current Commission's agenda, a key one being the dialogue with the social partners. Integrating trade unions and employers in labour market regulation and legislation has from the beginning of European integration been considered an effective tool to prevent purely technocratic decision-making. Anxious to eschew further accusations of bureaucratic remoteness, the Juncker Commission may see the re-established Social Dialogue as a method of appearing more citizen-oriented. Doing so may score other wins, allowing Juncker's team to promote and consolidate further successful exchange with the social partners by implementing Commission programmes at a local level in a way that no Commissioner could.

President Juncker and his board are in the position to propose action; however they cannot trigger it without help from 'below'. As an example, the Commission called trade unions and employers – in pursuance of a Social Policy initiative – to help eliminate heavy shortages of skilled workers by offering training before entering a job as well as during the entire working life.[4] The Commission itself cannot implement this aim, it can only formulate it and ask those in touch with the concerned for support. Not everyone among the social partners may be a fan of this approach; seeing their role as incidental rather than direct, with no real outcome benefitting their own interest. As Klaus Beck, Executive Secretary of the *Deutscher Gewerkschaftsbund* (the German Trade Union Confederation), argued in March this year: "We are not here to implement decisions taken by others." [5]

Indeed, the Social Dialogue is not, and cannot currently be, as effective for key social partners, as it is for Juncker and his Commission. One simple, but key reason lies in the fact that there is simply no unified European labour market within which trade unions and employers can operate. There are some occupational categories that are largely integrated and EU-wide regulated, such as transport and agriculture. However, the majority of labour law, being a shared competence between the EU and its member states, is constructed by national governments, and merely co-ordinated on EU level. Thus social partners have much more reasonable chances to succeed in influencing politics if they promote their interest in governmental offices.

In addition, trade unions and employers' organisations have a very different standing in the single member states. A study published by the Commission in March 2015[6] shows that conditions of workers covered by collective bargaining vary significantly: from just over 10% in Lithuania to almost 100% in Belgium; while levels where most bargaining occurs (e.g. local vs. national) also range widely in nature. Bringing such actors and dynamics together coherently at a single table may be a grand gesture, but cannot at this point proceed far beyond a general information exchange. Why? Simple: the final action on social policy takes place nationally – under legislation directed by domestic, not EU policy.

The only outcome that workers' and employers' representatives might hope for (particularly those from countries with a weaker social dialogue system), is a general strengthening of their present position. Invited by the Commission to shape social and economic policy which their governments subsequently have to implement, these social partners might well argue that it would be wise of their politicians to make them strategic partners at a national level, and to support EU-level initiatives, even if they stretch only as far as information gathering at this stage.

For more established social partners, working at the EU-level might be perceived as hampering historic positions (as experienced by British trade

unions in the 1970s). If greater outcomes can be achieved by being active at national and regional levels, then any effort invested on European level might – for these states – be viewed as a waste of time and, possibly, resources. Additionally, a fear as old as the first European Community’s founding treaty negotiations still exists: namely, that politically-acknowledged trade union-employer bargaining might lose influence at key points, e.g. wage agreements.

Despite all such obstacles, President Juncker is right to include the social partners in a series of debates and negotiations on social, economic and labour policies. Their opinion and experience should be valued, especially when considering the tremendous influence of lobby groups in Brussels. After all, trade unions and employers’ organisations are lobbyists themselves, representing hundreds of thousands of people, with much more interest in human welfare than a major part of the other lobbyists can claim.

However, the social partners’ interest in people’s welfare ends at the limits of labour policy. They do not advocate cases of people they do not represent – which excludes anyone who does not work, for whatever reason. Thus the representatives confine their social engagement to merely the social dimension of labour policy. But – and that is a crucial point – social policy is not only labour-related.

Unfortunately, at the EU level, this simply does not apply. In the current Social Agenda, the Commission proclaims the grand aim of guaranteeing social security over the entire working life of an employee. But what takes place after employment, and indeed, before? If children are to be included within EU social policy, it is at present only with a focus on how to prepare them best for their future jobs.[7] If elderly people are addressed, then it is mainly from a position concerning their pension rights resulting from their time in employment. The EU has become, and wants to be, more than a Single Market. And while states may not yet be willing to yield social sovereignty, the Juncker team could do a great deal by setting standards, from safety at work, to security in all areas of life, from children’s education, to broader opportunities to grow up free from worry, from pensioners’ claims to pension transfer, to fighting against old-age poverty.

A social triple-A rating does not come with talking to trade unions’ and employers’ representatives. A triple-A in labour policy, maybe. A genuine social policy needs more, even if the only reachable aim is to offer orientation lines to the member states. Jean-Claude Juncker might follow once more Jacques Delors and his Commission, who stated in a White Paper for the European Council in 1985:

“Europe stands at the crossroads. We either go ahead – with resolution and determination – or we drop back into mediocrity. [...]

To do less ... would be to betray the trust invested in us; and it would be to offer the peoples of Europe a narrower, less rewarding, less secure, less prosperous future than they could otherwise enjoy. That is the measure of the challenge which faces us. Let it never be said that we were incapable of rising to it.” [8]

[1] (<https://canterburypolitics.files.wordpress.com/2015/05/logonom.jpg>) First-year PhD student in European Integration History at the University of Luxembourg, working on the European Parliament’s social policy from its foundation 1952 to its first direct elections 1979.

[2] <http://www.bbc.com/news/world-europe-29720463> (<http://www.bbc.com/news/world-europe-29720463>).

[3] Social policy shall for this article be understood as comprising any political acting in favour of the EU citizens’ living and working conditions, of their opportunities for education and employment, their security and overall well-being. Limits to other political areas, such as labour, education and culture policy, are blurry. In fact, social policy implies slightly different aspects in every member state – which makes dealing with it at EU level so hard. However, the above-mentioned very broad definition applies throughout the entire Union.

[4] Cf. Social Agenda n. 40 – EU economic policy in the making (20/04/2015) (<http://ec.europa.eu/social/main.jsp?catId=737&langId=en&pubId=7755&type=1&furtherPubs=yes>) (<http://ec.europa.eu/social/main.jsp?catId=737&langId=en&pubId=7755&type=1&furtherPubs=yes>)), p. 12.

[5] <http://www.euractiv.com/sections/eu-priorities-2020/commission-seeks-revive-battered-social-dialogue-312678> (<http://www.euractiv.com/sections/eu-priorities-2020/commission-seeks-revive-battered-social-dialogue-312678>).

[6] Cf. Industrial Relations in Europe 2014 (04/03/2015), Chapter 1: Developments in European industrial relations (<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7739>) (<http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7739>)).

[7] This aim has been emphasised once more in the Commission’s Erasmus+ programme, running since 2014 (cf. <http://ec.europa.eu/programmes/erasmus-plus/>) (<http://ec.europa.eu/programmes/erasmus-plus/>)).

[8] Completing the Internal Market: White Paper from the Commission to the European Council (Milan, 28-29 June 1985) (http://europa.eu/documents/comm/white_papers/pdf/com1985_0310_f_en.pdf) (http://europa.eu/documents/comm/white_papers/pdf/com1985_0310_f_en.pdf)), p. 55.

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