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# Changes in political discourse from the Lisbon Strategy to Europe 2020: tracing the fate of 'social policy'?

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**Working Paper 2011.01**

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**europaen trade union institute**

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## Introduction

A study of EU-level social policy could conceivably take many forms. One approach would be to examine the specific programmes and their funding, comparing them with national and sub-national programmes; alternatively, it would be possible to start out from the actual competences and their legal base, as they are enshrined in EU law; a third possibility – the one that will be adopted here – is to focus on analysis of the political discourse. The amount of funding for social policy available from the EU budget is, after all, negligible in comparison with social expenditure at member-state level, while – in relation to the second option – jurisdiction over ‘social matters’ is in general exercised at national or sub-national level. As such, as an initial approximation, EU social policy could indeed be regarded as the realm of discourse *par excellence*. In this respect, the essential innovation of the late 1990s was the invention of the Open Method of Coordination (OMC). This method – in its various manifestations – is, as is widely documented in the literature, mainly a matter of discourse (Barbier, 1998; 2005; 2008; Büchs, 2007; Kröger, 2008). It is an approach to policymaking that subsequently became essential in the larger framework of what was to be named the ‘Lisbon Strategy’. From the early stages of the European Employment Strategy (EES) and the Employment Chapter of the Amsterdam Treaty to the present crisis, it is possible, with hindsight, to identify distinct periods of discursive approach (Barbier, 2010), and an examination of EU political discourse, whether – to use V. Schmidt’s vocabulary (2006) – ‘communicative’ or ‘co-ordinative’, is particularly important not so much for its own sake as because its analysis provides a key tool for a more general understanding of EU politics.

The aim of this article is specific and limited: essentially on the basis of a comparison of selected official EU documents (issued by the EU Commission and the Council, see list page 20) dealing with ‘social policy’ before and after eruption of the 2008 crisis, its goal is, on the one hand, to identify the changes and enduring features of EU political/policy discourse and, on the other hand, to seek to explain these changes and enduring features by tentatively relating them to factors regarded as their determinants. The notion of ‘social policy’ – or ‘policies’ – , as understood from a traditional national perspective, has invariably seemed odd when applied at the EU level, while its content has always been somewhat elastic. Since the Amsterdam Treaty, this notion has encompassed ‘employment policy’, a term that is itself indeed quite vague if regarded from the standpoint of cross-national research (Barbier, 1998). In this article, therefore, we leave aside the politics and policies relating to health and pensions and reserve our focus for employment and labour market

policies, unemployment and welfare benefits and assistance, and the whole array of social services.

Performance of our task presupposes a theory of EU discourse, and this will be presented in the first section, in the context of its relationships to law and the funding of policies. We will subsequently move on to identify essential elements of official discourse as manifested both before and after the crisis. Here, for purposes of simplification, we assume that, in matters of social policy – as defined above – the contrasting periods are sufficiently well illustrated by the ‘Lisbon Strategy’ corpus of discourse on the one hand, and the ‘Europe 2020’ corpus on the other (for details of documents chosen, see list of references). The same section goes on to explain how changes can be interpreted at the present time when the political process at the EU level which is affecting ‘social policy’ is still in its early stages, a new ‘governance system’ having just recently been introduced (Pochet, 2010). While hard facts remain to be checked out in the future, some significant turnings are nevertheless already apparent and clearly identifiable.

## **1. Crafting the political discourse of the EU in the 'social policy' area**

Understanding the role of discourse at the EU level entails adoption of some theoretical premises. While this is a topic on which there exists a very rich literature which we are naturally unable to examine in detail here, we have first to explain our assumptions concerning EU politics in the 'social policy' area, after which a closer review of some essential features of EU social policy discourse will be required. This will lead to elaboration of a tentative interpretative model for analysis of the changes in discourse on which the remainder of the paper will be focussed.

### **The politics of EU social policy<sup>1</sup>: scarce funding, hard law and profuse discourse**

An extensive literature has dealt with the specificity of the EU as a polity, as an organization, as a 'regional state' (Schmidt, 2006). This literature is rather consensual when it comes to accepting the fact that EU policies and politics, as well as the EU polity and the EU political community – inasmuch as there exists such a thing as an EU polity or an EU political community – are different from traditional national policies, politics, political communities and polities. One of a range of influential approaches has been to regard the EU as a 'regulatory state'. As Majone has shown, governance will always have a distinct quality at the EU level, consisting more of 'social regulation' than actual 'social policy' (Majone, 2006), leading – inter alia – to the fact that the EU, if ever it should gain legitimacy, will have to acquire it by means other than the traditional forms characteristic of national governance (2006: 619). V. Schmidt has convincingly argued that, at the EU level, one encountered 'policies without politics', while at the national level it was a case of 'politics without policies' (Schmidt, 2006: 5). And yet, appealing as this description may be, it is liable to be misleading if taken at face value, not only because European integration is, inevitably and inherently, a thoroughly political venture but also because, more precisely, recent developments in EU integration tend to demonstrate that the process of politicization takes on differing forms at different moments.

In the 'social policy' sphere, empirical investigation (Barbier, 2004; 2008) teaches that the conduct of politics at the EU level is different from the

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1. Given the vagueness of EU-level political notions, one could just as well write 'social policies'.

traditional national pattern. It occurs in special spaces – i.e., forums and arenas<sup>2</sup> – that together constitute a special and relatively bounded, albeit simultaneously rather open, political space, or embryonic *Öffentlichkeit*. In these spaces, decisions are taken about the allocation of a marginal amount of funding; about EU law (primary and secondary legislation, as well as case law); and, thirdly, about discourse. This discourse is – however hard EU-level politicians may try to conceal the fact – intrinsically political, even when explicit efforts are made to pretend that it is merely a question of policies and their effectiveness, or, as the current president of the Commission, J.M. D. Barroso, has repeatedly stated, of the general interest of EU citizens, who expect what he has called ‘results’<sup>3</sup>. All in all, a peculiar combination of scarce funding, asymmetrical legal jurisdiction and dissemination of a rampant “officialese” can be seen as the typical pattern of social policy at the EU level.

In this regard, the role of EU law should not be underestimated. True, when it comes to ‘social policy’ in the EU, general jurisdiction lies with the member states, and, although the EU has been constantly extending its own – or, in many cases, shared – competences, this situation has appeared sustainable over the last decades (Ferrera, 2005; Barbier, 2008). Even so, the main driving force of EU influence on ‘social policy’ has gradually taken shape over the years in the form of ‘negative integration’ (Scharpf, 1999). What is more, an increasing number of analyses have pointed to the destructive effect of EU governance on social protection systems as they exist in 2010 (Barbier, 2008; Scharpf, 2010; Ferrera, 2009). One consequence of this structural and dynamic imbalance is that any analysis of political discourse needs to be backed up by a sober assessment of the role of EU law.

## Forums and arenas where the discourse is created

The process of developing new forms of discourse unfolds in EU forums and arenas, notably through the OMC procedures and the continuous production of formal texts adopted by the EU Commission, the EU Council competent in social or in general matters, as well as numerous political papers and policy-specific communications. Each instance of discourse should be considered as the product of an ongoing and rather open-ended struggle for ideas, a war waged by a limited number of élite actors by confronting ‘social models’<sup>4</sup> with one another. Identifying these actors is an empirical task to be performed anew each time one conducts research about EU-level discourse. For instance, during the first phase of what was to be later called the ‘Lisbon Strategy’, the Employment Committee played an important role in the crafting of the social policy discourse. Subsequently, however, the importance

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2. I here follow B. Jobert’s (2003) distinction between forums, where debates occur, and arenas, where debates are sanctioned by decisions.

3. The President of the Commission’s website, in October 2009, carried his image with the following motto: ‘Europeans have told us that they want results, not divisive ideological battles. The Lisbon Growth and Jobs Strategy is the way we can deliver these results’.

4. In political parlance, there is a European social model, which is deemed to subsume all other models.

of this Committee's role declined. In any given member state, the actors participating in the discussion and negotiation of the EU-level discourse kept changing in accordance with national political decisions (see for instance Kröger, 2008, on the 'inclusion OMC' in Germany and France). Ideas, as has been established by the classic Weberian approach, are vectors for interests (Weber, 1996) and this is also empirically verifiable at the EU level. The main actors engage in combat at the EU level for control of the discourse finally and formally agreed upon in the relevant arenas – the Commission, the Council (in any of its different formations), the member states (in member states, social and education ministries and finance ministries); the relevant formal committees (as, for instance, the Social protection committee) and the main Directorate-Generals, the European Parliament, not to mention social partner organizations and NGOs. Individual actors also play a role as political entrepreneurs and are members of a cross-national and supra-national group of top politicians. It is not merely the coordinative function of the discourse that is valuable for actors, for they are subsequently able to use it also as a resource, in various situations, at both the EU and national levels.

The aspect of most interest for our limited purpose in this paper is *the wording of the discourse* that eventually emerges from the negotiating and the fighting, in the context of all sorts of horse-trading processes between member states and relevant actors in the arena. This final outcome is a product of a situation characterised by the fact that member states and the Commission are the principal actors who have reached agreement on a certain 'state of the world', on a set of intrinsically normative and cognitive statements and prescriptions relating to and deemed applicable to the policy area in question. On any matter, alongside the discourse that is ultimately adopted and published in a formal text, there circulate in EU forums and arenas numerous competing discourses emanating from a variety of actors (NGOs, lobbies, academics, consultants, social partners' organizations, and all the EU-level institutions – with a key role for the EU Parliament).

With respect to the adoption of social policy discourse – here, mainly employment, labour market, social assistance and unemployment insurance, social services – a huge literature<sup>5</sup> that cannot possibly be quoted here has established a number of empirically documented findings: (1) member states enter into enduring alliances that influence the substance of the discourse (Barbier, 2004; Mailand, 2006); (2) at the EU level a structural imbalance has existed between social actors and economic actors that is a counterpart to the structural imbalance found at the national levels: however, this balance/imbalance is subject to change over time (Guillén and Palier, 2004) : one of the roles played by the EU Commission and, in particular, its president, is to arbitrate between DGs in the event of conflict (Barbier, 2004); (3) The master discourse has consistently been the economic coordination and communicative discourse (Radaelli, 2003; Schmidt, 2006), with social policy and economic policy being

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5. Authors include Kröger (2007), Hartlapp (2007), Büchs (2007), de la Porte (2008); Falkner *et al.* (2005), Armstrong *et al.*, 2008.

regarded as separate fields, subject to a general acceptance that the former is legally and explicitly subordinate to the latter.

## **Evolving forms of politicization and the production of discourse**

In the first years of the EES, because of the innovative procedures entailed, scholars were often fascinated by its novelty (Goetschy, 1999), to the point of dreaming of a new actualization of truly communicative action along the lines of the Habermasian notion of *kommunikatives Handeln*. During the early stages of the launching of various Open methods of coordination in different social policy fields, it was sometimes taken for granted that because discourses produced at the EU level were to be ‘depoliticized’ (Radaelli, 2003; Barbier 2005), they could be analyzed as functional and technical processes. But this amounted to an underestimation of not only the political struggles waged under Jacques Delors’s presidency (1985-1994) but also the explicitly Social Democratic roots of the European Employment Strategy (Barbier, 2004). Attention to the nature and operation of politicization processes subsequently increased in the wake of the failures of the French and Dutch referendums (Barbier, 2006; Ferrera, 2009; Scharpf, 2010). What researchers observed in the EU forums and arenas was always, in any case, *surface depoliticization*; what was actually entailed was implicit acceptance, on the part of the member states and the Commission, of the assumption that several versions of capitalism were acceptable. Along similar lines, F. Scharpf aptly remarked that the Commission, in order to remain ‘legitimate’, had to avoid opposition and adopt a position of political invisibility, while providing solutions that minimized conflicts (Scharpf, 2000: 31-32).

Under this surface depoliticization, however, the conflicts of values in social policy choices that were less apparent from 1998 to 2004 were bound to re-emerge and in the following years it became increasingly impossible to suppress them. From 2007-2008, the crisis inevitably led to sharpening of these value conflicts, as a letter by John Monks of the ETUC recently illustrated<sup>6</sup>. The situation in 2010 is a case in point in which numerous processes of politicisation are simultaneously in evidence: though the Commission retains a clear advantage as to the eventual formulation of the mainstream EU discourse, and the contribution to its spin (its political communication dimension), struggles nonetheless remain fierce and are waged in various arenas. The social policy discourse at the EU level is political not only in the sense that it is unambiguously normative and prescriptive, but also in terms of the contradictions between Directorates-General (DG Employment and Social Affairs, for instance, as opposed to DG EcFin) that it supposedly serves to bridge, as well as of the oppositions between governments depending on

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6. January, 11<sup>th</sup>, 2011, letter to Commissioner Olli Rehn, criticizing the ‘ignorance of social dialogue’ by EU Commission and IMF representatives.

their partisan orientation. It is indeed the case that, as is notoriously the case in European Parliament politics, divergences and conflicts are subdued and euphemised. What is more, the élites in all member states underwent a conversion, back in the 1990s, to 'managerial neo-liberalism' (Jobert, 1994; Campbell and Pedersen, 2001), which confers some uniformity on the substance of the discourse. Finally, besides its cognitive and normative dimensions, the EU discourse has, as already noted, been resorting increasingly to traditional techniques of political communication (Barbier, 2008; Schmidt, 2010)<sup>7</sup>.

From the above analysis it is possible to draw a more precise understanding of how and why the type of discourse under consideration here is subject to change. Alterations in discourse are always to be considered as indicators of some change taking place among the relevant actors in the struggle for ideas. For instance, the *relative* demotion, after 2005, of the OMC discourses, which were replaced by a unilateral focus on the 'flexicurity' discourse, was the symptom of (1) a marginalization of 'social actors' both within the Commission and outside it (essentially, social partners); (2) alongside this decrease of the role played by social policy discourse, there was a continuous reshuffling of powers between the Commission and member states that was best illustrated by the powerlessness displayed by the Commission in all phases of tough decisions about fiscal stimulus, and was in evidence once again during the so-called 'Greek crisis' in early 2010. (3) At the same time and in parallel, the European Commission, under the firm direction of its president, embarked on a steady upgrading of its political communication strategy, a development that it is important to stress for empirical and methodological reasons; where, in the pre-2005 situation, documents of relevance to social policy discourse were relatively unknown to the general public and kept out of the Commission's mainstream political communications, a process of politicization of the documents has now been devised, tending to act, in many cases, either as a substitute for the absence of decisions or as a compensation for the marginalization of social policies at the EU level<sup>8</sup>. Our own assumption, in this respect, is that it should be relatively easy to distinguish and to separate two types of political discourse: real routine stuff on the one hand, corresponding to formal and regular deadlines; and instances of discourse produced for the general public in an effort to veil the struggles and contradictions between elite politicians<sup>9</sup>.

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7. More recently, because it has an autonomous spin dimension which is effectively and deliberately pursued by identifiable politicians and agents in the Commission in charge of communication matters, this dimension of politicization is easily observable. Note that the budget for communication increased from 120 to 209 million euros from 2002 to 2010 (see also the role played in this field by Vice President Commissioner Vivien Reding cf. her letter to the President of the Commission, June 21<sup>st</sup>, 2010).

8. The 'manipulative' dimension has become increasingly visible since the adoption of the White paper on communication in 2006, and the launching of various initiatives considered in 'plans for Democracy'. Since then, 'political communication', not in the Habermasian sense, but in the sense of Blairian 'spin doctoring' has been a key element of the special type of politics taking place at the EU level.

9. A case in point was the confrontation between Commissioner V. Reding and the French government over interventions related to the Roma people in France (September 2010).

The validity and interest attaching to discourse analysis should be considered in the light of the above considerations. In other words, social policy discourse, when it changes, is the symptom of the changing interests of changing coalitions of actors in the general intergovernmental bargaining process. At the EU level, a discourse is crafted little by little as a result of inputs by relevant actors and this product represents a *discursive* settlement of conflicts; the final discourse (e.g. the Europe 2020 so-called guidelines) is then available for actors to use in their national forums and arenas, to be wielded as a power resource in national negotiations and conflicts. As for essential causal factors underlying policy change, we have shown elsewhere that these originate mainly in the diverse national compromises made by relevant actors at the national level (Barbier, 2008). The influence of social policy discourse is thus limited by, on the one hand, the predominance ascribed to overall macroeconomic coordination, and, on the other, the paramount role played by national compromises in the social policy area.

## **2. Discourses and practices from the late 1990s to the post-crisis Europe 2020 strategy**

Understanding the evolution of different instances of discourse in the social policy realm entails an investigation of their main substantive elements. However, the comparison should not remain 'internal', a prisoner to the letter of the texts, but should take into account the activities and processes that are linked to the production and circulation of the texts that contain the discourse. This comparison, moreover, should be placed in a historical sequence.

The literature and our own fieldwork investigation lead us to identify three periods: (1) the first started with a period of innovative social policymaking in the mid- and late 1990s, the leading actors of which have been identified (Barbier, 2008, p. 83-99); the main political process was the EES, later incorporated into the wider first stage of the 'Lisbon Strategy'. (2) The second period started from 2005, when the various processes, after their pretended 'evaluation', were reformed and 'streamlined', as the label went, into new processes: the EES was merged with the Broad Economic Policy Guidelines, forfeiting its autonomous status; the 'inclusion OMC' was merged with the coordination of pension and healthcare reforms. This period ended with the first stages of the crisis, when the Commission – weakened especially over a period during which the Lisbon Treaty had been rejected in Ireland (pending its subsequent approval late in 2009) – was left to merely contemplate national initiatives and feign some attempt at their coordination. (3) A new period, marked by the coordinative discourse of 'Europe 2020' documents, started in 2010.

For each period, we review the role of the main actors, the respective input of economic and social actors, the extension of actual activities performed, and the key substantial elements of the prevalent 'social discourse'.

### **The 1995-2004 period**

During a first period, the Commission was extremely active and took the lead in promoting new processes, not shy, on occasion, of confronting member states, as for instance when it proved so difficult to convince Helmut Kohl (then German Chancellor) to accept the Employment Chapter of the Amsterdam Treaty, or, for instance, when Allan Larsson (then General Director in DG Employment and a key entrepreneur of the EES) and his staff used to travel to all capitals to discuss recommendations and analyses. This period came to a halt in the years 2003-2004 and was marked by the passage from the first 'Kok report' to the second (see below). It was the only period when 'social

actors' had a significant say, because leading actors, entrepreneurs in the Commission, had succeeded in presenting social matters *as economically relevant*, in strategically transforming the struggle *against* unemployment and poverty into a positive fight *for* employment and inclusion. Moreover, empirical documentation indicated at the time that the Commission presidents (first J. Delors and later R. Prodi) often arbitrated in favour of DG employment and social affairs (Johansson, 1999; Barbier, 2004).

In the later stages of this period, the influence of the OMC in its various manifestations was at an all-time high. Numerous new activities were launched, creating new forums, or exchanges (for instance the Cambridge procedure<sup>10</sup> among national officials). National experts and officials met regularly; interaction with the academic community increased. The innovative process was also marked by its formalization, most marked in the case of the European Employment Strategy, with deadlines being made explicitly visible and regular events organized by the Commission, including the institution of special social summits, with the association of social partners. A peer-review process, while always considerably politicized, was organized systematically. Detailed and documented reports were produced and circulated, while considerable effort was invested in the production of indicators, one of the most sophisticated exercises in this respect being the production of the so-called 2001 Laeken indicators that included, for the first time, indicators about job and employment quality.

As for the substance of the discourse, it should be stressed that it was marked by the elites' intention to demonstrate responsiveness to the concern about 'social' matters shown by public opinion, especially in the big countries (Italy, France, Germany). With the EES, the issue of 'full employment' returned to the EU agenda, and the 'quality' issue was included, aptly posed alongside productivity at work in order to strike a balance between 'economic' and 'social actors'; finally, social cohesion and inclusion in the labour market constituted a third pillar. The basic elements of a relatively balanced discourse had been put in place in Delors' White paper on Growth and Competitiveness back in the early 1990s. A systematic 'internal textual analysis' would reveal that, over the period as a whole, words and expressions were merely reshuffled and reorganized, according to summits, with the same elements remaining present, albeit in rearranged fashion to develop differing arguments (Barbier 2006). An active and dynamic management of the social policy discourse and debates at the time was associated with social policy objectives remaining firmly on the EU agenda, though to state this is not to imply any overestimation of the role played by the EU level in what could be called social 'achievements' across the EU at the time.

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**10.** Implemented in the early stages of the EES, the Cambridge procedure organized systematic presentations of national action plans by member states to one another.

## 2005-2009: from the first Barroso Commission to the crisis

During the second period, the balance between member states and the Commission was widely reported in the literature as having changed at the expense of the latter. The new Commission was considerably less active in the social field, and the OMCs became routinized. Moreover, the balance between social and economic actors within the Commission itself (i.e. among Commissioners), as well as the balance between DGs, changed, not least because, with the arrival of Central European member states, centre-right governments were in a majority. The second 'Kok' report (2004, 'Facing the challenge') clearly privileged an orthodox neoliberal strategy, with the subordination of social policy reforms to the growth strategy ('structural reforms' in mainstream economic parlance; concern for the costs to firms, the economic freedoms and the overarching goal of the internal market), whereas the first Kok report had stressed aspects of the social dimension, such as, for instance, the quality of employment and the detrimental aspects of labour market segmentation. The Commission, now weakened and whose president arbitrated systematically in favour of the economic actors, found 'positive' ways of presenting the marginalization of the various forms of OMC as an element of 'better governance', hence the importance of certain expressions that came into use at the time, like 'streamlining'.

The new notion of 'streamlining' indeed meant a decrease in administrative and exchange activities. Actors we interviewed at the time in DG employment and social affairs officially argued that governance was better implemented, and that the lack of resources created the need for more efficient processes. Between 2004 and 2006, one important indicator of decreasing activity was the number of staff working in the field of education (i.e. culture and training) on the one hand and in employment and social affairs on the other<sup>11</sup>. In the absence of any distinctive substantive input from the Commission, the final version of policy discourses in various areas was, by this stage, essentially the outcome of traditional horse-trading between member states, and, as former alliances were maintained between member states hostile to any form of 'federalism' (Scandinavian countries, the UK), their hand was strengthened by the introduction of a majority of 'new member states' (Poland and the Czech Republic). During this period, the Commission was deeply shattered by its failure to get the referendum through the electoral processes in the Netherlands and France, and then in Ireland. The clearest illustration lies in the Commission's disarray after these failures. A spin-doctored title was given to the report adopted in 2006 'Time to move up a gear', and fresh emphasis was placed on a new concept, namely, 'ownership' of policies by ordinary citizens<sup>12</sup>. The Commission was suddenly discovering that 'public ownership of the Lisbon growth and jobs strategy' 'fell short' (point 2.2.2, p. 7, English version), in the midst of increased politicization of European matters, at least in some countries.

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11. From 808 persons to 786 in employment; from 713 to 561 in education and culture.

12. In its point 2.2.2, under the heading 'overall conclusions'; the French equivalent was 'appropriation' and the German 'Identifizierung'.

At the same time, administrative and exchange activities, as a result of their streamlining, started to decrease, and their visibility receded. Considerably fewer issues were discussed in the Employment and the Social Protection Committees. Because the various thematic reports were also ‘streamlined’ (notably through the adoption of the principle of National Reform Programmes<sup>13</sup>, but also by means of the merging of the reports on social inclusion and social protection), documents and cross-monitoring also decreased considerably in precision and salience. Indicators which had been widely disseminated among elite actors were relegated to a less visible position, especially those measuring job and employment quality. Yet the discourse was never fundamentally altered – documenting again our observation that the main tenets of the social policy discourse have remained present since their introduction in the White Paper of December 1993. What was striking, however, was that only one topic was constantly presented to the public and politically promoted by Commissioner Špidla, namely, the *‘flexicurity’* issue. In this respect, the Commission finally adopted a low-key version, sidelining the role of social partners (van den Berg, 2009). Finally Scandinavian member states – Denmark, prominently, in long-term rivalry with Sweden – were happy to participate in the promotion. The Commission managed to ally itself with French and Danish actors<sup>14</sup> in order to make ‘flexicurity’ the order of the day. During the same period, an all-time and highly convenient issue was the promotion of so-called ‘activation policies’, also connected with the theme of ‘active inclusion’, more often than not an understatement code for the promotion of stricter eligibility criteria for benefit recipients.

The period ended with the initial phases of the current crisis: because the Commission was again weakened by the difficulties encountered with the final adoption of the Treaty, on the one hand, and even more so by its lack of room for manoeuvre during the essential phases when the bigger member states (the UK, Germany and France) were coping with the need to react to the financial crisis, the social policy discourse was set aside entirely. Perhaps one of the most telling illustrations in this respect is the fact that, even though ‘flexicurity’ had been Commissioner Špidla’s major area of investment, he did not once mention it when giving his last talk before leaving the Commission in February 2010. During the period, social policy at the EU level (including the Presidency) was paralyzed and would start to emerge again only with the new ‘Europe 2020’ momentum. During this period, on the other hand, very significant initiatives were decided at the national level in order to mitigate the impact of the crisis on employees (see other articles in the current project), one of the most important illustrations being the use of *Kurzarbeit* in Germany, leading to avoidance of high increases in unemployment and the prevention of labour-shedding practices. In many member states (Erhel, 2010), reforms were introduced to accommodate specific social demands, as for instance in

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13. National Reform Programmes were substituted to area action plans, merging reports about the economy and various OMCs into a single document.

14. Close cooperation took place between right-wing French and Danish governments and Commissioner Špidla, well illustrated by a special ‘mission’ in five countries, and a ‘Report by the Council Secretariat’ was posted on the Commission website on 12 December 2008.

France the decreasing conditions for entitlement to unemployment insurance for the young, or in Finland for part-time employees. Left with its minuscule European Globalisation Adjustment Fund, the Commission's discourse at the time was in a position to produce no more than a few perfunctory comments about the national measures.

## **A new period began in 2010**

As from the consultation organized in late 2009 by the Commission on its new 'Europe 2020' document, it is possible to observe the first phase of the renewal of the EU's social policy discourse; the elaboration and implementation of Europe 2020 coincides with the aftermath of the financial crisis and is a period when member states are seeking a way forward, whatever it may be. It is, however, too early to draw up any comprehensive analysis comparable with the two previous periods reviewed here.

As for the role of the main actors, the new Lisbon treaty has introduced institutional grounds for change with the entry into the arena of the new President of the European Council. Since then, all the indications have been that this has strengthened the tendency to renewed inter-governmentalism and sustained influence of the member states. Exploratory research leads us to think that, for instance, the adoption of a new objective for reduction of the number of the poor in the EU was powerfully endorsed by the President of the European Council, and less so by the Commission. On the other hand, this inter-governmental adoption of a key social policy target exposed the inability of the Commission to push forward centrally fixed quantitative objectives, insofar as, under the new process, member states were invited to put forward proposals based on their own national preferences.

As for the balance between social and economic actors, the situation prevailing since 2005 has certainly not altered in favour of the former; on the contrary, as is the case in many member states (France and the UK especially), the need for crisis management, with the associated deficits, has been used to introduce austerity packages, which have received back-seat support from the Commission, in its accompanying role (Pochet, 2010, speaks of an 'OECD+'). This may explain why no systematic evaluation of the 'Lisbon Strategy' was ever conducted: a so-called 'staff document' (February 2010) was published by the Commission but, contrary to the exercise organized in 2003, it was a merely political statement lacking empirical base. Given that, even back in 2003, evaluation – contrary to the canonical definition of the OMC issued at the Lisbon summit – was never really organized with traditional state-of-the-art methods (Barbier, 2004), the staff working document appeared to be intended as a token evaluation. Evaluation, exchange of information and assessment are, as such, set to regress in the future. The same applies to the documentation of indicators, the number of which has been reduced (Pochet, 2010). As many critics of the strategy have noted, the documents now approved and to be 'implemented' have eschewed the possibility of any genuine evaluation of what was called 'Lisbon'. Here the theme of 'activation policies'

is a case in point. None of the great promises contained in the introduction of new ‘activation strategies’ has been met; (Barbier, 2010) most saliently, the anti-poverty policies have failed (Cantillon, 2010).

On the face of it, in both the initial Europe 2020 document and the set of guidelines subsequently adopted in July 2010 by the Council, the substance of social policy discourse does not differ radically from that disseminated from 1993 (the Essen summit). The later addition, ‘flexicurity’ was rescued, with its ‘principles’, perfunctory mention being made of the ‘quality of jobs and employment conditions’ in the text associated with guideline n°7 (‘increasing labour market participation and reducing structural employment’). All the usual themes were still present: unemployment, lifelong learning, a skilled workforce, albeit with a more pronounced focus than previously on education. However, with the hindsight bequeathed by previous periods, it would at this point be both useless and cumbersome to attempt, through an ‘internal’ analysis of the text, to track the exact wording. The theme of ‘ownership’ was still a permanent concern for the Commission – in the Lisbon Strategy ‘evaluation document’ (SEC 114 final) a whole paragraph was devoted to the matter<sup>15</sup>, indicating the persistence of the Commission’s politicized concerns.

If ‘flagship’ programmes were refurbished and reorganized, some of them, especially in relation to poverty, lack credibility, appearing to contain no more than token references to ‘social’ concerns. Unlike the ‘headline targets’ agreed for employment rates, specific targets in terms of poverty rates were left to be decided in decentralized fashion. While the guidelines were presented as being stable for the whole duration of the strategy, some mention was nonetheless made of their possible adaptation after 2014. As had already been the case when the employment guidelines were merged with the BEPG, mentions of the latter were made in the former, but never the other way round. This was true of the main ‘social’ guideline, i.e. guideline n°7, which explicitly referred to a necessary compliance with guideline n°2 of the economic section of the guidelines, a text that mentioned ‘fiscal policy, wage developments, structural reforms relating to product, and financial services market’ as well as ‘labour markets (..) or any other relevant policy area’. There would appear to be no doubt that firm ideological support for ‘structural reforms’ will be unconditional and omnipresent for the foreseeable future, all of which tends to substantiate the provisional assumption as to the continuing marginalization of the OMCs and social policy intervention: this will be the order of the day in the coming years, just as it was in the 2005-2008 period<sup>16</sup>.

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15. Page 7: ‘Overall, there was not enough focus on communicating both the benefits of Lisbon and the implications of non-reform for the EU (or indeed the eurozone) as a whole. As a consequence, awareness and citizens’ involvement in and public support for the objectives of the Strategy remained weak at EU level and at national level was not always sufficiently co-ordinated. Where Member States communicated around Lisbon-type reforms, these were only rarely presented as part of a European strategy.’

16. The emergence of a rather insistent use of notion of ‘bottlenecks’ should perhaps be regarded as significant. This description – attributed to ministers of social affairs and labour – is strangely reminiscent of the traditional discourse of EcFin actors.

## Conclusion

It is instructive, by way of conclusion, to examine two specific and contrasting instances of discourse. Consider first the comments of a key actor in the first EES, Allan Larsson, who, as former Director for Employment in 1999, identified three tenets that he himself regarded as essential if a strategy were to achieve an appropriate balance between economic and social considerations: 'The first is that developing systems which enable as much as possible of the working-age population to contribute and to earn is not only good for social cohesion, it is good for public finances; the second is that good public services and a strong business sector are mutually supportive, in terms of reducing unemployment and in terms of raising employment levels; the third is that strong social partnership is central to the essential process of modernisation of Europe's workplaces and workforces.' (1999: 10). When examining the current structure of arguments and phrasing of texts with regard to the interaction between social policy and the economic strategy, it may be remembered that A. Larsson was convinced that it was a mistake to include employment as one of the Maastricht criteria: on the contrary, he said 'Employment could not be reduced to a convergence criterion. Instead it would have to be an overarching objective for economic policy' (Larsson, 2002: 9).

Now, in order to effect a highly significant comparison, let us consider the discourse adopted by the Council on 21<sup>st</sup> October 2010: 'Delegations described the major bottlenecks to growth and employment in their national labour markets that require reforms: qualification; transitions; mismatch between supply and demand; participation in labour market; situation of target groups such as young/old people, women, less qualified people and migrants; making work attractive.' This is a very different approach indeed from the one that had prevailed in the years before 2003. Challenges to fiscal sustainability, acting on fiscal policy, on wage developments, on structural reforms relating to product and financial services markets, on labour markets, on obstacles to employment and labour reallocation, appropriate labour market reforms, increasing wage flexibility and improving incentives to work for all: these are some of the words and phrases that essentially set the tone and content of the currently prevalent discourse<sup>17</sup>.

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17. See for instance 'EU Macrostructural bottlenecks to growth at national level', *European Economy*, occasional papers, 65, July, 2010.

Right-wing governments are in a majority. An overwhelming number of member states are hostile to furthering social policies at the EU level. Hostility to more 'social federalism' is clearly the order of the day. The crisis and its consequences in matters of public finances, deficits and debts have been used systematically by member states to impose social protection cuts and containment measures, as exemplified by the examples of both Denmark and the UK. The similar developments between these two countries in particular is of significance, because, despite the overall conversion to some form of neo-liberalism (Campbell and Pedersen, 2001), these two EU member states still illustrate two widely differing approaches to social policy conduct and choices.

Between the late 1990s and today, the change of discourse is entirely consistent with a reshuffling of leading actors who are at the present time opportunistically making use of the crisis to further their own agendas. Despite a general admission that 'Social Europe' never actually progressed very far (Ferrera, 2005; Barbier 2008), and even though compromises about social justice, redistribution and social protection have always been struck at the national level, the situation exposed by the new social policy discourse at the EU level is one of the sidelining of the social concerns that, for a brief period during the late 1990s, did find their way on to the EU agenda. Not only is the new target – actually the sole remaining social target – for poverty reduction simultaneously frail and uncertain; in conjunction with a legal interpretation apparently favoured by the Court of Justice of the European Union, and with the reference to 'minimal standards', the discourse employed in its formulation may actually herald further demotion of social policies at the EU level. Ironically, it would seem that financial and macroeconomic problems might alone be in a position to reverse this trend in a hypothetical future, if and when, that is, elites come to realize that the continuing existence of the European Union requires the active support of its population and that this will be forthcoming only insofar as a greater degree of social policy awareness and determination to act becomes manifest at the EU level.

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