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EUROPEANISATION, MESOGOVERNMENTS AND 'SAFETY NETS'

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Abstract

The process of Europeanisation implies a confluence of resources and outputs. This is mainly due to both structural constraints (e.g. economic harmonisation) and institutional inputs (e.g. sentences by European Court of Justice). In this article a reflection is made on two processes: (a) the adjustment of national systems of social protection to operate on a European framework; and (b) the decentralisation of 'safety net' policies at meso-level in order to favour territorial subsidiarity and democratic accountability. In the first section a review of concepts and premises is carried out prior to a general reflection on the so-called 'European social model'. Mesogovernments and the increasing role of EU's regions focus the interest of our third section. Decentralisation and a greater regional say in areas of policy-making closer to citizens' perceptions, such as the weaving of 'safety nets', have often been linked to cultural or identity considerations. But demands are also grounded on claims for policy innovation and a more effective management. A brief examination of the case of Spain's devolution of welfare powers to the regions illustrates such claims. It is concluded that in order to build up a macro community of trusts in the 'Old Continent' more attention is to be paid on the increasing role of medium-size layers of government.

Concepts and premises

Safety nets

They are bottom-lines of welfare provision and as such they adopt institutionalised expressions which vary in degrees and manners. Public programmes of social assistance provided on a means-tested basis are basic elements of 'safety nets'. These aim at facilitating citizens and families with means that guarantee the satisfaction of minimum vital needs and facilitate civic integration. In many cases these programmes are not a social security responsibility, although they may be linked to contributory social services and subsidies.

The aggregate of public policies and interventions associated to 'safety nets' is often fragmented. Benefits and services are generally targeted on different collectives with no correlation between them (Eardley *et al*, 1996). Other intervening factors, such as intra-familial transfers, community help, or altruistic help provided by NGOs (Non-Governmental Organisations) and Third Sector associations, play also a crucial role.

An excessive focus on centrally-run governmental output in the area of welfare provision has tended to ignore the impact of those latter factors, which are not easy to be measured and assessed in quantitative terms. Studies on welfare development have often neglected the importance of the interrelation between state, civil society, family and the individual in establishing 'safety nets', as well as in providing social cohesion and political legitimisation.

Indeed, welfare state research has often concentrated on analysing national social spending rather than institutions and organisational relations (Esping-Andersen, 1993). However, welfare 'safety nets' have been found in sub-national tiers of government important institutional actors of policy innovation which have often been disregarded by social policy researchers (Alber, 1995).

The concept of welfare 'residualism' is usually correlated to the decline of the centralising 'command-and-control' planning model. In parallel, a growth of institutional 'stateness', or state penetration of the welfare sphere (Flora, 1986/87), has also been noticeable in decentralised countries. Obviously, the concept of 'stateness' includes the degree of autonomy of state officials in decision-making and implementation of public policies at all layers of government (central, regional and local). In line with the traditional Jacobin tenets, there still persists a misinterpretation as a result of making synonymous both central government and state institutions,

Europeanisation

The unfolding of structures of governance at a supranational European level is taking place by means of formalising interactions between the fifteen members of the European Union. These interactions affect mainly to actors and policy networks traditionally confined to operate in nation-state arenas. An emerging new layer of supra-national government and an internal all-round political concurrence are processes well under way. As a multi-level political framework, the European Union is a compound of policy processes, and Europeanisation implies that national, regional and local policies are to be shaped by considerations beyond the mere centrality of the member states.

The process of convergence in the 'Old Continent' is commonly referred as Europeanisation. It relates to all three economic, political and social domains, and comprises countries sharing a somewhat common historical development and embracing values of democracy and human rights of an egalitarian nature. However, the concept is far from being precise and clear-cut. It is multi-semantic and subject to various degrees of understandings and interpretations. Europeanisation is not a static concept, but a rather dynamic idea to find expression in the gradual development of common institutions in Europe (e.g. Agreement of Schengen, Court of Justice, Euro currency).

The constitution of the United States of Europe cannot be regarded as the end-result of the process of Europeanisation. The neo-functional school of thought has generally adopted the view that universal progress requires a kind of integration, which is made equal to cultural assimilation, along the lines of the 'melting-pot' experience. An alternative view of non-homogenising integration puts the emphasis on the historical, psychological, and social premises of plural Europe. Pluralists envisage that European rules can only be achieved and successfully accommodated by taking into account both history and cultural diversity within the mosaic of peoples in the 'Old Continent'. Neo-functionalists usually criticise such an approach as being 'Euro-pessimistic', as it is not centralised and vertically hierarchical.

Decentralisation

The principle of subsidiarity enshrined in the Treaty of European Union of 1992 (Maastricht Treaty) provides for decisions to be taken supranationally only if local, regional or national levels cannot perform better. In other words, the preferred locus for decision-making is as decentralised and closer to the citizen as possible. Political elites of the member states, reluctant to further the process of European institutionalisation, interpreted the subsidiarity principle as a safeguard for the preservation of traditional national sovereignty and, consequently, the powers to intervene centrally. They placed the bottom-line of subsidiarity at the level of the nation-state.

European countries with a decentralised or federal structure of government are keen on clarifying the divisions of powers and responsibilities in the future multi-tier European Union. Workable schemes should be adopted so that German *Länder*, Italian *Regioni*, Spanish *Comunidades Autónomas*, or the British devolved administrations, could secure their own inputs at the European level, as well as to implement and manage EU decisions at their own level of competence. Regional governments have shown resistance to encroachment from Brussels on sub-state political action. Consequently, and as a result of the EU's summit held in Nice in December 2000, an agreement was reached to develop a new intergovernmental conference that would conclude with a new European Treaty in 2004. Regions and mesogovernments in the European Union expect the coming intergovernmental conference to reverse a trend to further re-centralisation, not only European-wide but also at national level.

Sub-state layers of government have found in the principle of European subsidiarity a renewed impulse for the running of public affairs, and new opportunities for policy innovation. It also encourages intergovernmental co-operation on the assumption that national states will be less 'sovereign' than they have been up until now. To meet these challenges, the process of democratic institutionalisation of the European Union need to acknowledge, in the first place, the diverse processes of state formation and nation-building of the constituent member-states.

Along the lines of Stein Rokkan's 'macro-model of European political development', the accommodation of cleavage structures forged in centuries of history appeared to be a pre-requisite to any political attempt to dismantle internal boundaries in a supra-national Europe (Flora *et al*, 1999). The development of a European supra-national welfare state and social policy is, therefore, unlikely in the near future. On consolidating welfare 'safety nets', national and local cultures will continue to play a crucial role in peoples' expectations, perceptions and values. This area of social policy-making is highly shaped by local cultures and life styles, and is less likely to be dealt with in a homogenous and centralised manner from a supra-national entity (Moreno, 2001a).

Model or models of European social protection?

During the 'Golden Age' of welfare capitalism (1960-75), West European systems of social protection were based upon the assumption of full employment and on the complementary role developed by the family, and, in particular, of women's unpaid work

within households (Lewis, 1993, 1997). A confluence of welfarism, keynesianism, taylorism and female segregation facilitated a sustained economic growth and the generalisation of a type of 'affluent worker'. However, the effects of the oil crises in 1973-74 and 1978-79 altered a scenario of prosperity and abundant stable male employment.

In the last decades, processes of globalization of the economy and industrial transformations have had wide-range effects on the national labour markets. But there have also been deep structural modifications as a consequence of the ageing of population, the increasing participation of women' in the formal labour market, and the re-arrangements occurred within households as main producers and distributors of welfare and well-being. In addition, fiscal crises and the erosion of the ideological consensus which gave way to the 'Mid-century Compromise'¹ have also conditioned the re-casting of welfare states in Europe.

There is a belief that the 'European social model' is something that provides with unity and identity to most of EU countries as differentiated to systems where an increasing individualisation of welfare is noticeable (USA). However, and viewed from below, such a 'European social model' appears much more diverse as a kaleidoscope of sediments and peculiarities (Ferrera, 1996b). Indeed, the systems of social protection within the European Union are far from being identical and uniform. Any future scenario for a unified EU involvement in the area of policies regarding social protection must take into account the present situation of welfare peculiarities. A succinct review of the diverse welfare arrangements and institutional configurations within the European Union should therefore be clarifying in this respect. To accomplish such a task we refer to the 'regime approach', which has established itself as a useful methodological tool for analysing the diversity of welfare in the European Union (Esping-Andersen, 1990, 1999).

The 'regime approach' put forward the idea that welfare systems are characterised by a particular constellation of economic political and social arrangements. Undoubtedly, the 'regime approach' has proved to be very persuasive in linking together a wide range of elements that are considered to influence welfare outcomes. However, on establishing patterns of fixed interaction a certain assumption of continuity tends to prevail over that of change. As a consequence, it is implicitly assumed that a particular welfare state will tend to sustain interests and arrangements identified within the three main categories. These are briefly described as follows:

(a) *The corporatist Continental* is characterised by a concerted action between employers and trade unions, and financed by contributions made by them. Welfare policies by state institutions uphold this arrangement, which is organised through social insurance. There is a sharp distinction between labour market 'insiders' and 'outsiders'.

(b) *The liberal Anglo-Saxon* is patterned by its commitment to universality, financed by taxes and incorporating residual means-tested services and flat-rate benefits. It has pursued a shift toward market principles, involving deregulation of the labour market, wage flexibility and containment in social expenditure.

(c) *The social-democratic Nordic* is Premised on the harmonisation of egalitarian ideas with growth and full employment, and the minimisation of family dependence. It is

financed by taxes, characterised by the principle of universality, and favouring the public provision of services rather than cash transfers.

To the well-known three-fold categorisation of welfare regimes, a fourth South-European or Mediterranean category can be delimited (Ferrera, 1996a; Rhodes, 1996; Moreno 2000). The discussion revolves around the contention whether the Mediterranean type of welfare is simply lagging behind those of the 'continental' model of social insurance to which they belong (Katrougalos 1996). Or else, whether it is a mere 'Latin rim' characterised by a rudimentary level of social provision and institutional development (Leibfried 1992; Gough 1996). In broad terms, similar social-demographic trends, macro-economic constraints and pattern of public policy can be observed in all four South European countries (Giner, 1986, Morlino, 1998; Castles, 1998).

Beyond the discussion on both parsimony and variance reduction in the classification of welfare regimes (see Table 1), a confluence in the level of public expenditure and in organisational arrangements among EU countries is noticeable. The adaptation of the European labour markets to global competition have undoubtedly induced such a convergence. After the implementation of the Euro currency next steps in the process of Europeanisation will involve tax harmonisation and convergence in labour costs.

If a reduction in the protecting intensity of welfare benefits, together with a hardening of the criteria of access and eligibility to welfare entitlements is observable in Central and Northern Europe, trends in Southern Europe have run in a somewhat opposite direction. From a Continental-like contributory system of social security, recent reforms implemented in Mediterranean countries have pointed towards generalisation --and even universalisation-- of benefits and services (e.g. education, health, non-contributory pensions). In the case of Britain, welfare reforms have put an emphasis in workfare in trying to avoid universal 'dependent' welfare. Such a course of action has implicitly adopted the philosophy of the 'contributory principle', although a transfer of responsibilities from the state public to the profit-making private sector is the underlying trend.

Among the various factors affecting this observable trend towards 'unity' in social policy provision developed by the European member states, macro-structural constraints such as external social dumping, industrial relocation and financial globalization are to be accounted for. But the European institutional inputs are also of the foremost importance, particularly those related to European law and European Court of Justice's jurisprudence. Let us refer to one appearing to be most compelling.

According to art. 2 of the EC Treaty provided the EC legislator with the competence to harmonise provisions of the national systems of social security in order to secure the freedom of movement of workers. Accordingly, the impact of European law on social security matters is growing in importance and has a potential of far-reaching consequences. In recent times, social policy matters have been brought to the forefront of EU interests. The Social Charter on the right of workers, as well as the agreement on social policy of the Maastricht Treaty and its inclusion in the Amsterdam Treaty as a separate chapter on social policy, have meant significant steps in the direction of developing the 'Social Europe'.

Unquestionably, a decisive institutional input shaping the future of social security in the European Union is constituted by jurisprudence of the European Court of Justice. The decision of 1998 on the Kohll and the Decker² cases constituted a turning point in the juridical concept of the relation between EU law and national health insurance laws. The Court ruled that, in the absence of harmonisation at the EU level, each member state could determine the conditions concerning the right and duty to be insured with a social security scheme, as well as for the establishment of the conditions for entitlement to benefits. Nevertheless, and this was the crucial aspect of the Court's decision, national member states should comply with European law when exercising their powers to organise their social security systems (Kötter, 1999).

Whether the Kohll and Decker rulings by the Court of Justice will have a 'visible' impact on an area of national 'exclusive' competence is something which remains to be seen.³ The weight of the institutional inputs produced by the Court's jurisprudence will have the highest levels of legitimacy in the process of building up the 'Social Europe'. Up until now, decisions and rulings by the Court have enjoyed an uncontested degree of legitimacy *vis-à-vis* national interests defended by the governments of the member states. At the root of such attitude lies the acceptance not only that political life in Europe depends on the rule of law, but the conviction that human rights and values of an egalitarian nature are embraced by EU countries without exception.

Mesogovernments and welfare development

Higher degrees of uncertainty for wide social collectives -- who were covered in the past by social protection schemes and now face increasing vulnerability-- are the consequence of recent social and economic transformations. Given this context, 'safety nets' have become focal points of attention. There is a growing European concern expressed in those EU programmes set to combat poverty and social exclusion. The EU Commission 'Strategic Objectives' for the period 2000-2005 envisage a reform of social protection based on solidarity that can remain fair, caring and inclusive in a climate of "...cautious public spending" (Commission, 2000). According to these Commission views, the new European governance is not considered the 'exclusive' responsibility of European Union institutions. Neither national governments nor national parliaments are regarded as being the sole actors of European governance. Instead, regional and local authorities and the regions are regarded as decisive emerging actors.

Bottom-up Europeanisation and top-down decentralisation have allowed a considerable extension of a type of European *cosmopolitan localism*, and the increasing role of sub-state governments in the provision of community-centred policies (Moreno, 1999). This is reflected in both societal interests, which are aimed at developing a sense of local community and at participating simultaneously in the global context (Strange, 1996). In this respect, the role played by medium-size polities is acquiring relevance in most aspects of contemporary life. In Europe, the renewal of community life⁴ at the meso-level derives mainly from the combination of two main factors: a growing rejection of centralisation at the national level coupled with a strengthening of supranational politics, and a reinforcement of local identities and societal cultures with an territorial underpinning.

In policy making, mesogovernments are no longer dependent on the state building programs of rationalisation carried out during the XIX and XX centuries. Regionally-based entrepreneurs, social leaders and members of the *intelligentsia* have adopted many of the initiatives and roles once reserved for 'enlightened' elites, who in the past held the reins of power at the centre of their nation states. Positions of influence are now more evenly distributed in central, meso-level and local institutions. The co-option of regional elites to the central institutions of government is no longer the exclusive route available to 'successful' political careers.

What is acquiring major relevance within the supranational framework provided by Europeanisation is a re-assertion of sub-state identities. Manifestations of such developments in Western Europe do not circumscribe to electoral deviations within national contexts (e.g. CSU-Bavaria, CiU-Catalonia, Lega-Northern Italy, SNP-Scotland). Social movements and industrialists of the 'new economy' have found a more flexible context for action at the regional level. Central state apparatuses are often clumsy and inefficient in dealing with bottom-up initiatives. Medium-size nation states (Denmark or Finland), stateless nations (Catalonia or Scotland), regions (Brussels or Veneto) and metropolitan areas (London or Berlin) are well equipped for carrying out innovation policies in a more integrated Europe. In particular, the quest of medium-size communities to run their own affairs and to develop their potentialities outside the *dirigiste* control of central state institutions is to be underlined.

Claims for a greater regional say in areas of policy-making closer to citizens' perceptions are not only based on cultural or identity considerations, but also on the accomplishment of a better management of welfare programmes associated to the weaving of 'safety nets'. Deconcentration and decentralisation of social services have had a much larger impact than privatisation in Southern European. Programmes of 'minimum income guaranteed' constitute important materials in the process of weaving such 'safety nets'. The case of their implementation in Spain offers a good illustration of the growing role mesogovernments are developing.

Spain's devolution and the development of 'safety nets'

In 1988, the Basque Government announced the implementation of a regional *Plan de Lucha contra la Pobreza* ('Programme against Poverty'). This innovative policy sparked off a regional mimesis, or 'demonstration effect', on the part of the other 16 Spanish *Comunidades Autónomas*. By the end of 1990s, all Spanish mesogovernments had implemented regional programmes of minimum income guaranteed, which combine means-tested cash benefits with policies of social insertion (primarily employment promotion and vocation training schemes).

Regional parliaments had passed legislation allowing Spanish mesogovernments to develop integrated networks of social services. These pieces of legislation were based upon the constitutional principle which entitled them to request 'devolved powers'. The criteria for the implementation of the new regional networks of social policy and welfare services established that local governments were to carry out the bulk of service provision. However, the powers of legislation, planning, and co-ordination with the private and altruistic sectors would rest upon regional executives and legislatures.

Networks of social services were considered by the Spanish regional laws as integrated public systems with unrestricted access to all citizens. Traditional public beneficence was 'updated' in order to avoid stigmatisation of the beneficiaries. The general aim shared by the Spanish mesogovernments was one of modernisation of the social services by means of taken into account in a more efficient manner the needs expressed by users, as well as their complaints and 'feedback'.

With the purpose of rationalising and adapting the provision of new social services, the idea of the 'welfare mix' was also embraced enthusiastically. The combination of efforts with private and altruistic organisations has proved to be very effective in the implementation of programmes to combat poverty and in the gradual weaving of 'safety nets'. Non-profit and voluntary organisations, in particular, were incorporated in the general provision of social services, and many of them were subsidised by the regional public systems of social services (Moreno and Arriba, 1999).

Welfare policies to combat social exclusion developed by the Spanish mesogovernments followed EU recommendations, some of which were put into practice by neighbouring France. First implemented in December 1988, the French RMI (*Revenu Minimum d'Insertion*) aimed at establishing a linkage between the receipt of the benefits and the objective of insertion for beneficiaries in their communities of residence. Deconcentration of the management of the programme at the regional and local level was implemented. This policy was geared towards adapting the general objective of social insertion with the characteristics and structural constraints of those local communities concerned.

In France, as in the case of the Spanish mesogovernments, programmes of minimum income guaranteed have been conceptualised as public instruments to 'fill in the gaps' of the contributory systems of the social security. Let us remember that with the growth of unemployment in the 1980s and 1990s, increasing numbers of 'new poor' who had formerly gainful jobs in 'lame-duck' or non-competitive industries, had to face situations in which contributory unemployment benefits ran out. The new social assistance benefits were granted to them not so much as former gainfully employees confronting permanent unemployment, but as citizens entitled to minimum income for purposes of social insertion.

The expansion of social assistance programmes has meant an increasing economic burden for local authorities and regions, which runs somewhat contrary to general aspirations of cost containment at national level. Let us remind that in many European countries, central treasuries finance regional budgets with transfer from general taxation by means of 'block grants'. But the key element to be considered in this respect is whether the final destination of such funds is 'earmarked' or non-categorical.

Once again, the case of Spain illustrates the potentialities for policy innovation and rationalisation of costs when policies of welfare 'safety nets' are a regional responsibility within a general framework of non-discrimination. Spanish mesogovernments have the final budgetary say in the running of *ab novo* programmes, which have been the product of their own political initiative. This usually implies the setting of budgetary priorities within the aggregate of policies and services to be complied statutorily. Certainly, the Basque Country and Navarre with a system of fiscal quasi-independence⁵ have been able to fund more generously their programmes of

minimum income guaranteed. Nevertheless, the setting of political priorities in policy funding appears to be the most compelling explanatory element. Mesogovernments have found new arenas for political legitimisation with the autonomous implementation of welfare programmes (Moreno, 2001b).

It remains to be seen whether these welfare programmes will continue to be a priority for the Spanish mesogovernments. Up until now the expansion regional public expenditure has allowed the financing of 'safety net' policies. Table 2 shows the territorial re-allocation of public spending in the last twenty years, with an impressive expansion of regional expenditure.

By extension, the potential role to be played by the European mesogovernments in the development of 'safety nets' is large. They are well placed at an intermediate level to integrate social services and social assistance policies into a common network. The ever-latent risk of exacerbating inter-regional inequalities in welfare provision will greatly depend on the political commitment shown by EU countries to make social cohesion a priority.

In financial terms, differences in policy outcomes might be dependent upon the spending of the mesogovernments. The degree of financial autonomy for the design and implementation of welfare policies highly conditions the capacity of policy innovation. As has been commented on in the case of Spain, the fact that the Basque Government had sufficient resources has been a key factor in the development of the minimum income guaranteed programme since 1989. This in turn provoked a 'domino effect' in the rest of the Spanish regions, which paradoxically did not have the same financial manoeuvrability as the Basque Country. However, not wanting to be left behind they were able to finance their programmes, although some regions have not been as 'generous' as the in the Basque and Navarran ones.

The possible exacerbation of inter-regional inequalities can be linked to the discussion on the 'welfare tourism', which was initially analysed in the USA. The main argument here revolves around the contention that poor and excluded would change their residence in order to obtain more generous welfare benefits. Such a behaviour would initiate a 'vicious circle' by penalising financially those states and communities which make extra budgetary efforts in favour of more comprehensive and generous welfare programmes. However the argument does not seem to have the same degree of plausibility in the case of Europe, since the level of geographical mobility is much lesser than in the USA, and were social bonds, kin and networks of friends have a much greater influence in people's attachment to their territorial contexts. Besides, cultural factors are also crucial aspects which deter 'welfare tourism'. These include not only linguistic barriers and differences in customs and habits, but also a more accessible path towards social insertion. In fact, territorial identities at regional and local level can provide better means for insertion for the excluded.

Further arguments supporting local and regional involvement in the 'weaving' of welfare 'safety nets' concern the maximisation of available information for policy-makers, and a better 'tailoring' of insertion programmes according to the needs of local employment. Critics draw attention to the fact than an excessive autonomy of the richer regions would be in detriment of the poorer ones. Such a course of action could widen the gap between more developed and less developed regions, and the

fuelling of regional comparative grievances. All things considered, a better access of civil society to political decision-making at the meso-level can be regarded as the means for fortifying accountability in a global order that put at risk the democratic quality of post-industrial societies.

Conclusion: decentralisation and subsidiarity

The provision of social policies according to the principle of decentralisation and subsidiarity opens up new opportunities for policy innovation at the regional level. Mesogovernments, and medium-size states, are no longer dependent on state-centred welfare programmes or supra-national EU intervention provided in a hierarchical manner.

Subsidiarity favours the participation of sub-state layers of government in the running of public policies, among which social provision appears to be an obvious priority. At the same time, it encourages intergovernmental co-operation on the assumption that the role of the national states would be less hierarchical than its has been up until now.⁶ Territorial identities, as sources of legitimacy, are intertwined in a manner that express the degrees of citizens' attachments to the various institutional levels: municipalities, regions, nations, states, and European Union.

The implementation of regional systems of social protection and welfare 'safety nets' is in line with the assumption that a more efficient welfare provision is plausible by means of a more effective development of community care services. It appears more suitable for purposes of monitoring means-tested programmes, and for optimising economies of scale. Besides, it provides for institutional means to facilitate democratic accountability at both meso and local levels.

Democratic accountability and full involvement of citizens were given priority by Prodi's Commission in a fully-fledged statement at the beginning of the millennium (Commission, 2000). The ways and means by which territorial subsidiarity and democratic accountability are envisaged in the future European governance concerns the decentralisation of day-to-day programmes and tasks. The difficulties of implementing transnational policies from Brussels, particularly in the area of social policy and welfare development, were implicitly acknowledged in such a statement. Further to this, the agreement taken at the 2000 Nice summit in order to work out a EU treaty in 2004 based upon a new intergovernmental balance of powers seems to give support to the quest for more extensive decentralisation.

Efforts of Europeanisation in order to build up a macro community of trusts, which would dismantle internal boundaries, need to be reoriented towards transferring more responsibilities to the regional layer of government. Europeanisation would thus develop into a meaningful system by incorporating existing cultural systems and collective identities of both national and sub-national levels. These interact in a differential and contingent manner and should be integrated --rather than assimilated-- into a process of convergence. In this way, Europeanisation would avoid to be seen as an exogenous process, which is superimposed on the internal interaction of communities with long-standing culture and history.

Endnotes

1. By which there was a conciliation between a primary framework of property ownership and social rights in advanced industrial countries representative of welfare capitalism. This mutual concession made feasible the institutionalisation of conflicts latent between capitalist inequalities and equalities derived from mass citizenship (Crouch, 1999).
2. Mr. Kohll, a Luxembourg citizen, had requested the authorisation for dental treatment of his daughter in Germany (Trier). Mr. Decker, also a Luxembourg citizen, had solicited the reimbursement of spectacles with corrective lenses he had purchased in Belgium. In both cases, national social security administrations rejected both claims. Kohll and Decker appealed subsequently to the European Court of Justice.
3. On the allegation that the financial implications of this ruling could undermine the balance of the national systems of social security, the Court held the view that the reimbursement of costs at a flat-rate, or in accordance with the tariff of the established in the country of origin, would have no effect on the financial equilibrium of the national social security system.
4. European community life should be seen as distinct from that prescribed in North America for local communities (Etzioni, 1993). In the case of the USA, many of the communitarian experiences may be regarded as reactions to specific social cleavages and pressing social fractures (the criminalisation of social life), as instrumental means of socialisation in response to urban constriction (suburban isolationism), or as alternative lifestyles to dominant values (possessive individualism). Thus, North-American communitarianism can be seen mainly as socially defensive.
5. Spanish mesogovernments collect main taxes such as income tax, corporation tax and VAT and (since 1997) those corresponding to 'special taxes' (petrol, tobacco and spirits). Basque and Navarran institutions collect practically all taxes. Subsequently, they transfer a previously agreed quota to the Spanish central treasury. These transfers represent compensation for Spanish common expenditure, and to cover the costs of running those state administrative bodies located in the Basque Country and Navarre. Note that as compared with the autonomous public spending in Catalonia, the Basque regional per capita expenditure is 1,8 higher. According to 1995 data, the mean non-financial per capita spending carried out by Catalonia amounted to 1,373 Euro, which compared to 2,508 Euro in the Basque Country.
6. This would take full advantage of a period of peace and relatively stable economic growth characterised by the absence of wars between once powerful nation-states. The ever-latent possibility of rivalries between nation-states is nevertheless potentially explosive (Chomsky, 1994).

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Table 1: Features of European Welfare Regimes

	ANGLO-SAXON	CONTINENTAL	NORDIC	MEDITERRANEAN
IDEOLOGY	Citizenship	Neo-corporatism	Egalitarianism	Social justice
GOALS	Individual choice	Income maintenance	Network public services	Resource optimisation
FINANCING	Taxes	Payroll contributions	Taxes	Mixed
BENEFITS	Flat rate (low intensity)	Cash (high intensity)	Flat rate (high intensity)	Cash (low intensity)
SERVICES	Residual public	Social partners	Comprehensive public	Family support
PROVISION	Public/quasi markets	NGOs	Public / Centrally fixed	Mixed / Decentralised
LABOUR MARKET	De-regulation	Insiders/outsidiers	High public employment	Big informal economy
GENDER	Female polarisation	Part-time feminisation	Occupational specific	Ambivalent familialism
POVERTY	Dependency culture	Insertion culture	Statist culture	Assistance culture

Table 2: Territorial Distribution of Public Expenditure in Spain (%)

	1981 ¹	1984	1987	1990	1992	1997	2000 ²
CENTRAL	87.3	75.6	72.6	66.2	63.0	59.5	54
REGIONAL	3.0	12.2	14.6	20.5	23.2	26.9	33
LOCAL	9.7	12.1	12.8	13.3	13.8	13.6	13

¹ Beginning of the process of devolution

² Government's estimates

Source: Spanish Ministry of Public Administrations (MAP, 1997).