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Europeanising social models?

George Ross and Andrew Martin (eds.), *Euros and Europeans: European Integration and the European Model of Society*, Cambridge University Press, 2004, 385 pp. (ISBN 0-521-54363-0)

Maurizio Ferrera, *The Boundaries of Welfare: European Integration and the New Spatial Politics of social Protection*, Oxford University Press, 2005, 299 pp. (0-19-928466-0).

Robert Geyer and Andrew Mackintosh with Kai Lehmann, *Integrating UK and European Social Policy: The Complexity of Europeanisation*, Radcliffe Publishing, 2005, 200 pp., (ISBN 1-85775-764-5).

Mitchell P. Smith, *States of Liberalization: Redefining the public Sector in Integrated Europe*, State University of new York University Press, 2005, 242 pp., (ISBN 0-7914-6543-8).

How should we understand the European social model, and what impact are Europeanizing pressures of the single market, the EU competition regime, and Economic and Monetary Union (EMU) having on its evolution at the national and subnational level? These four texts address these crucial comparative political economy questions with varying degrees of precision. All explore the interplay of endogenous and exogenous pressures at work in the reshaping of Europe's social models, with much emphasis on the mediating role of intervening 'domestic'

ideational and institutional variables. Interestingly, most contributions highlight the limitations of the EU as a convergence-inducing social policy actor. The ‘Lisbon process,’ for example, is scarcely mentioned. The prevailing depiction is of a differentiated “hybridization” of Europe’s welfare and labour market institutions, programs and policies.

These works all offer intriguing glimpses of the European social model, and the dynamics of the Europeanization process whereby the single market, the EU competition regime, and EMU exert influence on national and subnational welfare institutions. All authors (some defensibly) display a Western European bias which neglects enlargement. Talk of *a* ‘European social model’ in an enlarged EU surely stretches the concept too far. Occasional vague references to ‘less commitment to the European social model’ in the recent accession countries scarcely captures the cavernous gap in welfare and labour market institutions and histories.

Surprisingly, only Ross and Martin attempt a (brief) definition of the European social model; a Weberian ideal-type, ‘the “European social model” (or model of society) refers to the institutional arrangements comprising the welfare state (transfer payments, collective social services, their financing) and the employment relations system (labour law, unions, collective bargaining).’ (p 11) The absence of conceptual interrogation beyond this suggests scholars prefer either this level of ‘taken as read’ generality, or discussion particular national or subnational cases.

Much of the analysis is situated explicitly in comparative conceptual frameworks. The Ross and Martin collection and the Ferrera and Smith monographs identify

clustering of national social model variants into ‘families’, while Smith, and Ross and Martin, invoke the varieties of capitalism paradigm. However there is no attempt to explore the interrelationship between comparative capitalisms and welfare institutions and policy, or indeed comparative welfare state theorising (which is rarely developed beyond name checking Esping Andersen). Disappointingly, there is still no sign of these two sizeable comparative political economy literatures cross-fertilising, or even having a conversation.

Ross and Martin’s important but idiosyncratic edited volume *Euros and Europeans* contains much excellent empirical coverage, and many fine chapters. Overall it favours analysis of broad European political economy issues pertinent to social policy over attempting to distill the essence of national or European social model(s) and their evolution in the wake of EMU. Chronologically, the book dwells on the decades leading up to EMU, saying disappointingly little about European social model developments since 1999. The laissez faire editorial approach curiously elects not to advance a core thesis, or even define a consistent and recurrent focus for individual chapters, yet Featherstone’s excellent chapter 10 could provide such a framework. In his contingent account, there remains some policy autonomy within parameters set by EMU, best analysed in terms of structure and agency, with domestic institutional and ideational factors mediating EU-level influences. Given the range of intervening variables, bold assertions that EMU and the stability and growth pact ‘imposes’ a particular evolution pattern European social model should be avoided (p 226).

Not all contributors heed this advice. Indeed, the editors themselves arguably overstate the stricture imposed on European welfare states by EMU’s fiscal

architecture. Martin's conjecture that EMU as driving Europe towards the US social model sits uneasily with more contingent analysis elsewhere in the volume, and under-specifies *how* this will occur. Sbragia's focus on Commission & European Central Bank pressure through multilateral surveillance and soft law governance structures presents the glass as half empty, underplaying domestic resistance to supranational influence. Further 'softening' of the stability and growth pact's soft law in March 2005, and the institutional crisis of the EU following the 'May events' of that year, make a reshaping of welfare institutions at the behest of over-bearing EU institutions appear less likely.

Hermejick & Ferrera's excellent overview of welfare state reform makes good use of a 'meso-level' analytical category, 'families of welfare'. Exploring the possibility of specific Europeanizing trajectories for particular welfare families is a promising avenue for future research. The four welfare state 'families' identified (p 252) should (but do not) provide a frame of reference for the six country case studies, which focus on general macro economic developments more than specific social model elements. Overall, the 'tensions between the EMU policy regime and the European social model' (p. 310) are insufficiently at the book's core, receiving only cursory discussion in the conclusion. There is clearly disagreement amongst contributors as to the relative import of exogenous pressure and internal resistance, and the likely outcomes of welfare state restructuring in EMU, nevertheless this is a significant and empirically rich contribution.

Ferrera's outstanding monograph *The Boundaries of Welfare* explores the 'deep tension' between national social protection and the logic of European integration (p.

221). Historically, ‘social sharing builds on ‘closure’ and presupposes a clearly demarcated and cohesive community’, yet European integration weakens spatial demarcations and closure practices of ‘nation-based welfare state’ (p. 2). Ferrera notes ‘the founding fathers ... conceived of European integration as a project capable of creating a virtuous circle between *open* economies and outward-looking economic policies on the one hand, and *closed* welfare states and inward-looking social policies on the other’ (p. 92). Further European integration and market- and competition-oriented EU economic governance have undermined that division of labour. In its wake, the nation state is ‘no longer the ultimate arbiter of inclusion and exclusion into its own redistributive spaces’ (p. 3). The EU is conceived as a set of ‘member spaces’ which are ‘constantly engaged in balancing acts between opening and closing’ (p. 220), where national welfare spaces face challenges from the supranational and subnational levels.

Ferrera’s rich, nuanced historical account focuses attention on the local and regional levels in analysing the spatial politics of welfare reform. Drawing on Rokkan, the book charts how European welfare states were ‘significantly shaped by pre-existing or co-evolving structural constellations, in particular cleavage constellations’ (p 48) crystallised through institutionalisation. European Integration’s impact on national social sharing varies according to national cleavage and welfare state properties, and to defensive institutional engineering. Different welfare state ‘families’ – be it the occupational (continental) variants or the universal (UK, Scandinavian), follow different trajectories. Multiple veto points and impediments at national, subnational and EU levels give rise to an ongoing ‘tug of war between the national and

supranational' (p. 163), including 'defensive mobilisations' to restore 'mechanisms of internal closure' (p 210).

Within national social sharing, supplementary social assistance schemes generated divisions between occupations, and hierarchies within occupational groups. Analysed in terms of Hirschman's voice exit and loyalty, Ferrera charts a 'gradual reconfiguration of the spatial coordinates of the politics of welfare' (109), involving firstly, internal 'exit' through supplementary schemes, and secondly external 'voice' through constitutionalisation of EC law. The economic and fiscal pressures, and accelerated migration expanded recourse to these options after the 1970s. EU 'market citizenship' conferred richer social rights on individuals, including migrant workers. 'Constitutionalisation' of EC Law and 'judicialisation' threatened particular national settlements as welfare state closure became a subject of litigation through issues such as exportability of benefits. Ferrera expertly charts how European Court of Justice (ECJ) jurisprudence eroded national control over beneficiaries, spatial control over consumption, exclusivity of coverage within national territory, control over access to the status of benefit producer, control over administrative case adjudication (p 120-1).

After much fine-grained, forensic, dispassionate analysis of the complex and changing spatial politics of welfare, the latter sections drift anachronistically into an optimistic plea for welfare state reform to succeed in Europe. The 'spatial reconfiguration' (191) of European welfare heralds the re-emergence of the region, assumed (without corroboration) to be better able to solve economic and social problems. The potential of the open method of co-ordination to achieve 'virtuous structuring' of European welfare states (pp. 244-51) is talked up shamelessly. Furthermore, Ferrera's notional

‘incremental social supranationalism’ (p. 239) does not face up to the institutional crisis of the EU since May 2005, and papers over cracks of collective action problems in an enlarged EU.

Ferrera identifies an emergent ‘pan-European solidarity space’ (p. 217) supported by ECJ jurisprudence challenging national closure tactics on social assistance and appealing to non-discrimination and transnational solidarity. Yet the reader is left with the sense that the ‘(narrow) margins of manoeuvre’ which may auger ‘a possible ‘spatial nesting’ of nation-based welfare states in a wider EU social space, capable of promoting reform and adaptation while upholding at the same time, the basic preconditions for high levels of social protection’ (p. 8) are much narrower than the author wishes to concede. No evidence substantiates the claims of a ‘virtuous structuring’ because, unconvincingly, it is deemed ‘too early to say’. This is a brilliant, debate-instigating, sketching of a spatially reconfigured European welfare future. The subtlety and sophistication of the analysis is compelling, even if its optimistic conclusions are not.

Integrating UK and European Social Policy presents a country case study, disappointingly not situated in comparative context. This purports to be an exercise in ‘ideal-type modelling’ but remarkably little discussion of, for example, welfare state ideal types, either substantively or methodologically. Europeanisation, also supposedly central to the book, receives scant attention. Yet this *is* a theoretically ambitious work. The analytical scaffolding of ‘complexity theory,’ which ‘breaks with rationalist, positivist, and reductionist approaches to linear social science by asserting that the natural and human worlds are composed of constantly interacting

orderly and disorderly phenomena' (xvii) is erected across one third of the book. This is an attractive approach, although it could helpfully be situated in the context of more familiar 'fellow travelling' social scientific theoretical frameworks, or 'open minded' approaches to 'epistemological positions and methodology strategies' (p. 48).

References to Colin Hay, and to 'bounded rationality' offer glimpses of the connections to be made, but the reader is left to join the dots.

Less convincing is the demonstration of how this ambitious theoretical exercise can 'add value' to empirical analysis. The case study chapters provide detailed coverage of employment policy, labour market regulation, equal opportunities and EMU, but complexity theory is either not mentioned *at all*, or is evoked as an afterthought in a paragraph of conclusion. Furthermore, where it is invoked, it is not clear that the grafting of 'conscious', 'biotic', and 'abiotic' complexity from their natural science roots onto this social science context really illuminates. The authors assert with little substantiation that struggles for resources between UK social policy actors 'mirror the evolutionary dynamics of plant and animal life' leading to 'continual success and failure of certain groups' (pp 64-5). This is an evocative metaphor, but it is questionable whether it offers sufficient explanatory purchase. The empirical and theoretical elements of the book are insufficiently inter-related, and the combination is somehow less than the sum of its parts.

There is little reflection on impact of specific changes on the 'bigger picture' of the UK or European social model. Giddens (who is ably critiqued along the way) loosely frames the empirical analysis of Europeanising changes to UK social policy. The 'third way's prominence appears dated, and this odd choice hinders the depth of

analysis. This book's unremarkable though doubtless accurate conclusion is an 'emergent, complex and adaptive' (p. 161) relationship between the EU on UK social policy, where an under-defined 'interactive partial Europeanisation' (p. 137) has only minor impact. This seems a modest 'return' on the 'investment' in complexity theory, leaving one agnostic as to its utility in analysing UK social policy in the context of a relatively short book.

Smith's *States of Liberalization* shifts our focus from particular social policy areas to the overall size and shape of the public sector. Public services, he argues, are key 'components of national models of political economy' that are 'vital to national conceptions of the state and of economic management' (p. 3). Smith analyses their Europeanisation using a standard rationalist U.S. political science approach to develop a loose game theoretical framework, identifying mooted costs and benefits of different strategies towards expanding the EU's single market and competition regimes.

Europeanisation is understood as potentially two-way process, requiring analysis beyond EU legal and policy framework to actual social policy outcomes, embedded within domestic political structures. Europeanisation of EU economic governance also involves opportunities as well as constraints. 'State hardening,' for example exploits European integration as 'external discipline' to drive public sector reform, as in Italy or Greece.

Smith foregrounds 'mechanisms by which domestic political and market actors and institutions mediate forces for change of policies and institutions'. (p. 187) Analysis focuses on private sector actors deploying 'political mobility' to activate ECJ jurisprudence and the EU regulatory competition arsenal. Supranational policy

entrepreneurship is thus a necessary but not sufficient condition of liberalisation, which also requires ‘politicization and activation of latent support for policy change’ (p. 180) among previously excluded actors. The interaction of these political dynamics with common EU single market competition pressures generates a differential picture across countries and economic sectors. Contrasting stasis in public procurement with extensive change in postal services, Smith identifies an ‘asymmetrical liberalization’ (p. 108) process. The book is ‘topped and tailed’ with brief consideration divergence/convergence debate within varieties of capitalism, but this is unfortunately never explored *in relation to* the ‘European social model’ or indeed public sector liberalisation.

The implications of post-May 2005 difficulties in EU institutional governance (which occurred after these works were published) for the theses advanced here are ambiguous. Ferrera’s optimistic vision of ‘virtuous structuring,’ and more deterministic anticipation of convergence towards a minimalist US social model both seem more distant prospects. Welfare reform outcomes will vary by economic sector, country and region, contingent upon complex political dynamics and the differential combination of exogenous and endogenous factors. The suspicion of ‘unilinear’ thinking and convergence predictions expressed in these works seems well founded.

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