

In Search of a New Social Model for the EU: how the Transition to UN SDGs Could Help

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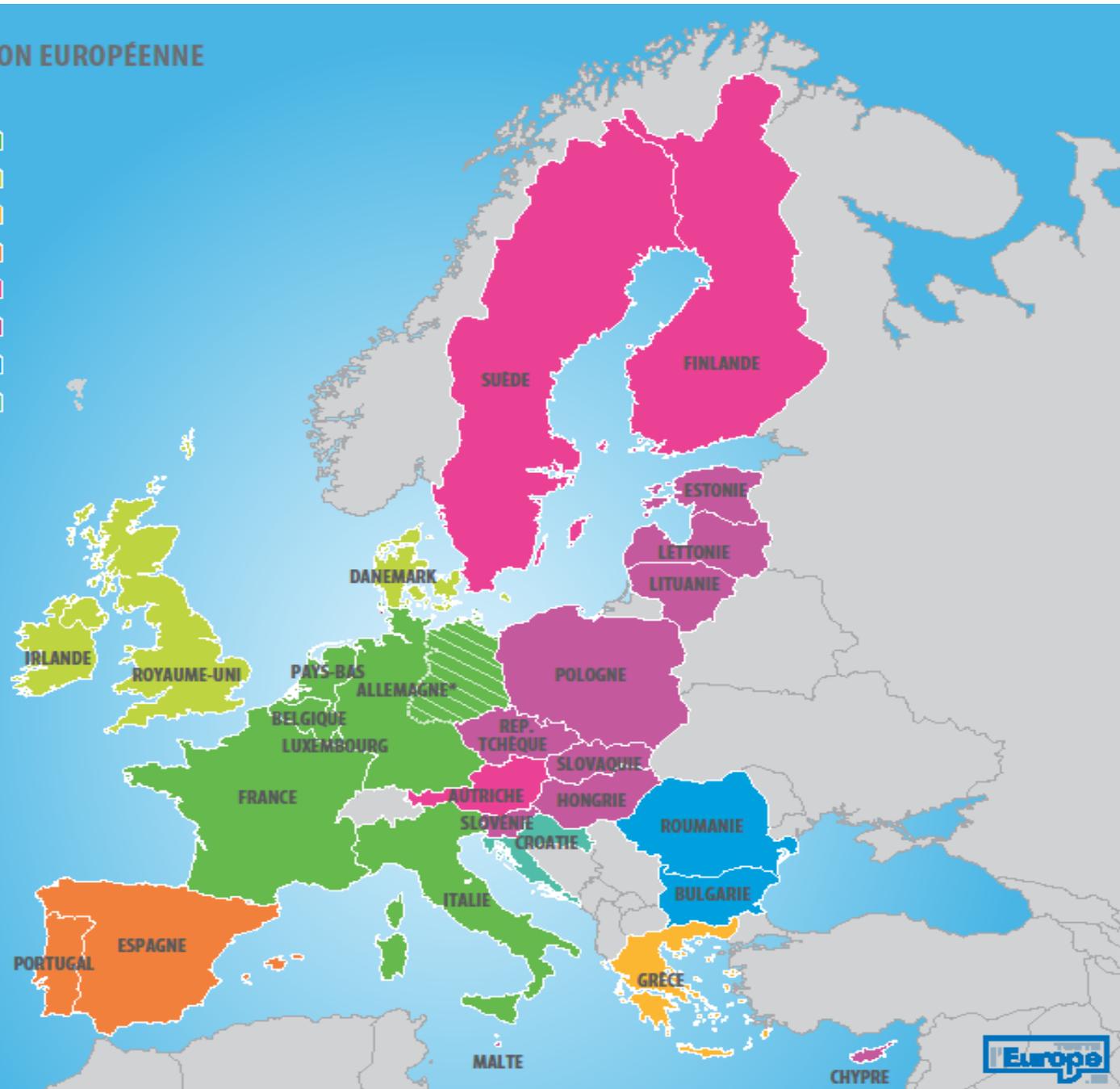
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- The EU seems to have lost much of its attractiveness.
- Since the 50s and 60s
- Has the social model of the EU petered out? And why?
- But did such model , supposed to have been attractive for vast majorities of European populations, really ever existed at the time ?
- ..when the creation of the EU is so closely attached to the creation of a common market in 1956 ?.
- Only a step by step assessment of the process of regionalisation can help to understand the room of manoeuver left for such attractiveness to be restaured.

First steps...

- Indeed historical accounts of the decade that followed the end of the war shows , first shows clear reluctance of the EU countries to ally with Germany when the US want an EU in position to meet the Communist threat.(see Robert Salais , *Le Viol D'Europe: enquête sur la disparition d'une idée* PUF 2013)
- The US also wanted an European entity to be engaged in a regional mangement of the Marshall Plan ...which did not succeed
- The creation of the ECSC (European community of steel and coal) was a compromise (pushed by jean Monnet , but initially suggested by the US authorities ,
- It worked because it was a way to control the defense industry of Germany.
- Overall , only 6 countries concerned at the time

CONSTRUCTION EUROPÉENNE LES ÉTAPES :



- How come then that this creation of markets came to be associated with a model of social Europe?
- Indeed a « common » social contract was at the same time elaborated , taking stock of the crisis of the 1930s and of the ensuing WWII disasters

The strength of this new social contract can be seen in the first place in the declaration of the Philadelphia conference 1944 , a post WWII conference organised by the ILO (Alain Suppiot *L'esprit de Philadelphie: la justice sociale face au marché total*, Le Seuil 2010) and then in the national debates which took place in the post war period , leading to full employment conventions

A realistic view of the emergence of an EU social model

- **First :**
- The post war context (of which the 1943 Kalecki's paper on full employment was a preliminary sign: either Capitalism will ensure full employment or it will have to be scrapped) marked by the confrontation between capitalism and communism
- From the Philadelphia conférence of june 1944
- To the diverse full employment conventions installed in the western countries in the aftermath of WWII
- **Second :**
- Consequently the EU episode , leading to the Common Market Treaty , appears more as a side effect
- The post war « social contract » forged the welfare states, the construction of the EU is , in this perspective a secondary issue.
- The first step ECSC does show what is the main preoccupation of the EU in its first phase: the containment of Germany

The philadelphia declaration of 1944

- Four articles showing
- The ILO DECLARATION OF PHILADELPHIA Declaration concerning the aims and purposes of the International Labour Organisation The General Conference of the International Labour Organization, meeting in its Twenty-sixth Session in Philadelphia, hereby adopts, this tenth day of May in the year nineteen hundred and forty-four, the present Declaration of the aims and purposes of the International Labour Organization and of the principles which should inspire the policy of its Members. broad lines of agreement:

The Conference reaffirms the fundamental principles on which the Organization is based and, in particular, that:

- (a) labour is not a commodity;
- (b) freedom of expression and of association are essential to sustained progress;
- (c) poverty anywhere constitutes a danger to prosperity everywhere;
- (d) (the war against want requires to be carried on with unrelenting vigour within each nation, and by continuous and concerted international effort in which the representatives of workers and employers, enjoying equal status with those of governments, join with them in free discussion and democratic decision with a view to the promotion of the common welfare. II

A lasting diversity

- A posteriori, one is surprised that there were so few cooperation/concertation in the post war Europe on the construction of the new full employment conventions that develop among its member states.
- An institutional diversity ...even if MS share some common values
- So lasting is that this diversity of capitalism that it will rebound in 2001 ...after decades of market liberalization
- (Hall and Soskice 2001, *Varieties of Capitalism: The Institutional Foundations of Comparative Advantage* ; Amable and Petit (2001)
https://www.researchgate.net/profile/Pascal_Petit3/publication/5008029_The_Diversity_of_Social_Systems_of_Innovation_and_Production_during_the_1990s/links/56b5e07708ae3c1b79ad12d3.pdf
- Some forty years after the common market had been created .
- Indeed the co-occurrence of these diverse evolution of welfare states somehow loosely gave an image of social model to the construction of the EU the wording of the common market is rather confusing in that respect.
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The four freedoms

- The **European Single Market, Internal Market** or **Common Market** is a [single market](#) which seeks to guarantee the free movement of
- [goods](#), [capital](#), [services](#), and [labour](#) – the "**four freedoms**" – within the [European Union](#) (EU).

with no allusion to any mission in terms of welfare , no reference to the Philadelphia declaration , nor to the Full employment conventions

The 1992 [Treaty of Maastricht](#) established the European Union, the EEC becoming one of its three pillars, the [European Community](#). the **Treaty establishing the European Community (TEC)**.

When the [Treaty of Lisbon](#) came into force in 2009, the EC ceased to exist as a legal entity the treaty was renamed as the **Treaty on the Functioning of the European Union (TFEU)**.

In March 2011, the [European Council](#) amended the Treaty by adding a new paragraph Establishing a [financial stability mechanism](#) for the [Eurozone](#), by which The Member States may establish a stability mechanism to be activated to safeguard the stability of the euro area as a whole

No special move towards a social modelat a time when the post war social contract Around wage labour security was less and less effective with a contract that could look as devoted to The security of the financial system

The EU and the erosion of the post war social contract

- Following the crises of the 1970s of an international organisation coined in the aftermath of WWII and finalized at Bretton Woods
- The world entered at the turn of the 1980s in a neoliberal economics eraand most of the adjustments of the EU after then contributed to adjust to this turn ...which consequently progressively challenged the post war welfare state contract.
- An evolution fuelled by the demise of the socialist block.
- This contradiction was perceived at the EU level and attempts to counter it led to successive (and unsuccessful) efforts to promote a social EU policy (see P. Pochet 2019)

Silent revolutions

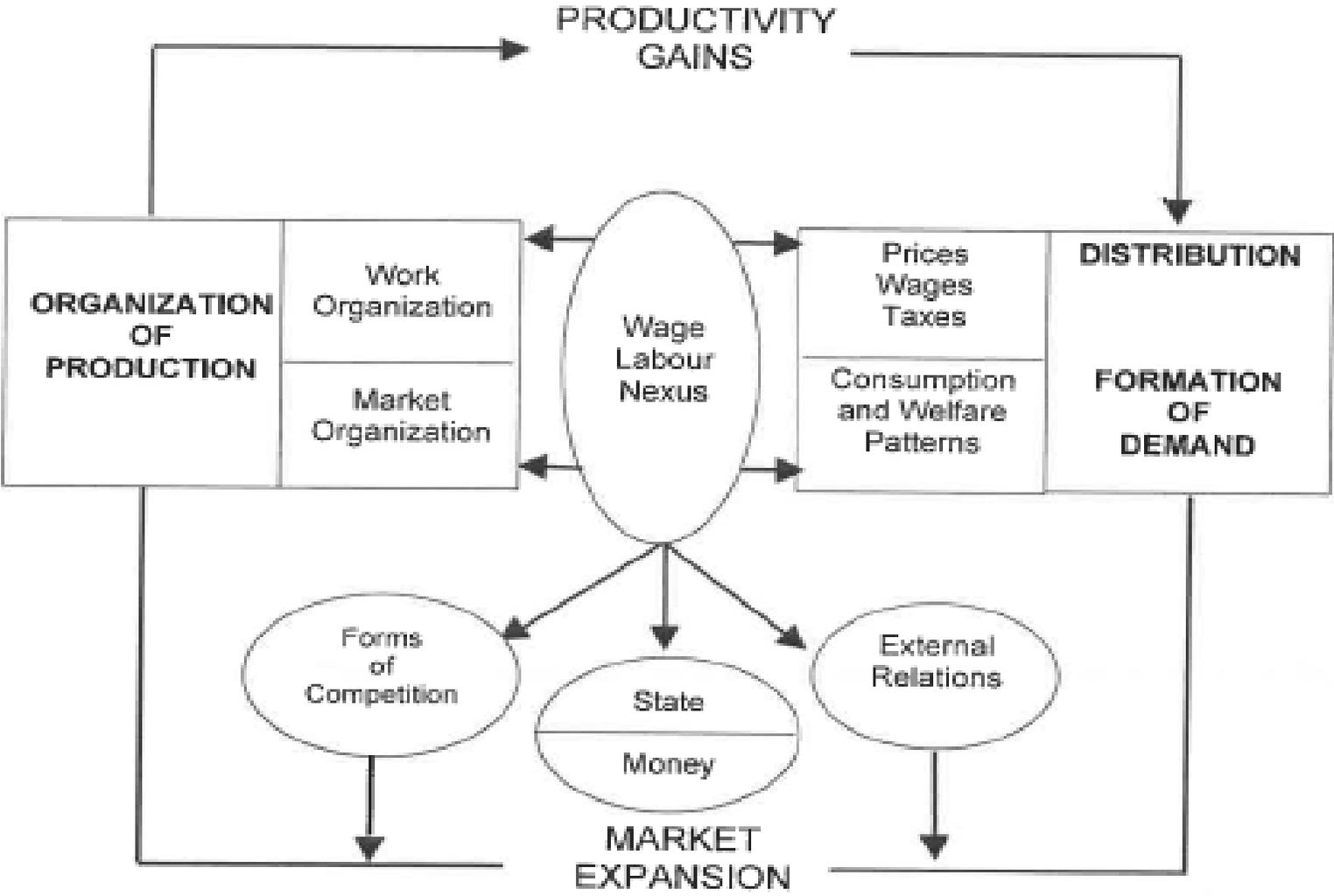
- Interestingly the initiators of the EU 1956 treaty (such as Spaak) were confident that given the background (new social contract) of the MS , the productivity gains that a common market will bring, should benefit the workers. (basing this belief on an ILO report by B. Ohlin , a swede where the welfare state social contract was of the strongest). (see Pochet 2019)
- So the silent revolution (stressed by S Gill) came « simply » from the fact that this assumption failed on two grounds : a) a reduction of the productivity gains and b) a priority that shifted to capital owners , thanks to an active new finance.

A regulationist methodological framework in a nutshell

- To track down how a society embraces a technological revolution:
- Five structural forms : 1 **State** ,2 **money and finance** ,3 **External relations** . (these first three are old regalian functions)
- 4) **Forms of competition** (which developed with the early merchant capitalism) and 5) the **wage labour nexus** (which emerged after a long battle over the social issue with the second revolution)
- In a growth regime, one form has a prevailing role, consacrated by explicit political agreements. Major examples of such political agreements are a) the conference/declaration of Philadelphia in 1944 , where (bluntly) mission was given to the states to ensure full employment and welfare, a commitment repeated under different forms in the full employment conventions, passed on (more or less effectively but setting the tone of political arbitrages) in the post war period.

FIGURE 2

INSTITUTIONAL CHANGES IN THE FORDIST ERA :
ON THE CENTRALITY OF THE WAGE LABOUR NEXUS



Investigating the post fordist times

- The *social contract* on which the « golden years of capitalism » or the different kinds of « modern capitalism » à la Shonfield were based, petered out in the 1970s
- Beyond the various reasons given : exhaustion of the benefits of Taylorian methods marked by a reduction in productivity growth, limits of the fixed exchange rates systems, marked by unsustainable balance of payments deficits, the neo liberal turn favored actions and power of the financial sector.
- All of which occurred without any emergence of a new consistent social contract. ...as shown by the continuous bashing of new finance.
- The rise of consumerism (attachment to consumption patterns) played its role, strenghtening the fancy that the change will bring important consumer surpluses

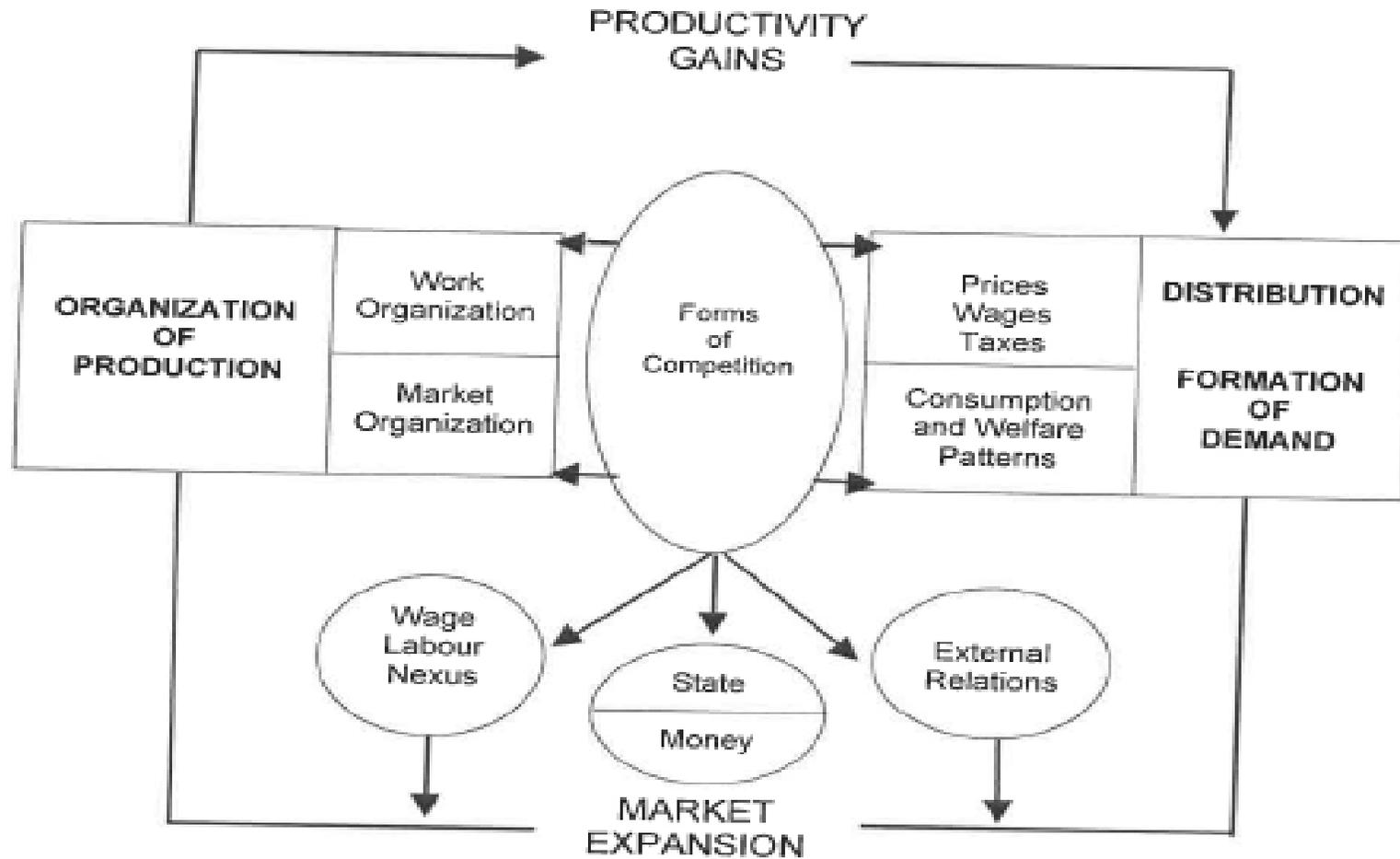
Post fordism growth regime, so what ?

If any, a degraded growth regime

- How to read the new state of affairs?, when it departs clearly from democracy
- Finance rapidly took advantage of the liberalization trend to become somehow the dominant structural form
- So we could qualified the regime of being finance led
- ...for sure, but then , we are in a degraded kind of regime as there was no political accord , justifying this prevalence. Finance bashing has been the common motto of politicians all along (see Bidhe claim to get back to simple finance). Recurrent financial crises were fueling this feeling (« finance ,my enemy » said Hollande as candidate) and the 2008 financial crisis would have ended in a lot of renationalisation of banks ...if they had not been already *too big to fail* .
- In the terms of the « growth regimes » discourses , *finance led* is a second class transitional regime , transitional towards what? A new structural forms of competition that would be socially and economically accepted?...as well as environmentallyif it can be set up ...in other terms , investigating what the forms of competition have been turned into should help us to see what the « secular stagnation » is made of.

FIGURE 3

INSTITUTIONAL CHANGES IN THE POST FORDIST ERA :
ON THE CENTRALITY OF THE FORMS OF COMPETITION



EU attempts to reflate the social component of the EU

- Retrospectively the assumption made by the EU that the post WWII social model would benefit from some recommended cooperation in the treaty between MS on some labour issues (such as wages, working time and the like) failed. ...and the efforts of the EU to correct these shortcomings failed as well (see Degryse and Pochet 2017).
- The threats on the welfare states are such that between 1987-1997 a noticeable effort is done to set norms and increase social dialogue in the EU12 (with reluctance from the UK) but in parallel a pressure to set a monetary union leads to a Maastricht treaty 1993 ..which will appear as anti social. The political context of 1997-2005 where social democrats are in power in most EU countries leads to the illusion that differentiated processes (as the open method of coordination) could lead to reverse the trend adverse to any flourishing of the welfare states !
- Post 2005 the enlargement (with a wider diversity of wage labour situations) and then the crisis of the euro and the rise of austerity measures seem to put momentarily an end to the efforts of the EUand priorities as given by the Juncker commission to a convergence of minimum wages appear as purely rethorical 'as any reference to the Swedish model of flexicurity.

The contemporary challenges of the EU

- Today challenge for the EU :
- A) to reflate upfront the welfare states contract seems out of reach.
- B) to accompany/embrace what is likely to be expected as a new social contract , if any, that could emerge in an (hopefully) near future may come first.
- C) Taking into account the debates at global level on a three dimensional sustainability (environmental, social and economic), set the context in which the new EU social model should/could be deployed . In effect the EU presents many advantages to lead such transformation .

Major threats call for global solutions

- The major threats on any sustainable pathway are both bound to be experienced locally but can only be met by global solutions.
- Climate change is certainly the major threat. Local experiences of disasters are clearly mobilizing locally while at the same time, solutions can be thought most often at global levels.
- Fiscal evasion is of a similar nature , being played at global level thanks to tax havens.
- Pollutions with huge impacts (be it pesticides, plastics, ..) call to ban some local behaviours
- Diffusion of information (fake news, privacy,..) and cyber security present similar concern at global level.
- Migrations in a troubled world need also to have global cooperation

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Still the EU has so far shown some impotency to address these issues

- Indeed the files have been opened, the cases instructed
- There is some surprising inertia when it comes to take measures (including surprising denials)
- Cases are pending when the EU meets the essential condition of being potentially a global player.
- This lack of effectiveness, of commitment has been attributed by some authors to the asymmetry of the democracy in a regional construction like the EU

A ternary scheme (Aglietta&Leron, 2017)

- *Polity* : institutional setting : who rules, in wich manner
- *Policies* : measures taken by those in charge
- *Politics* : democratic debate among citizens inspired by the convention prevailing in the polity design

The normal regime of the State : it designs « policies » in conformity with what the polity allows ...and is reckoned by the citizens as legitimized , being in the spirit of the convention.

See John Grahl : Debate on the Eurozone: a New Contribution from FranceNotes on Aglietta and Leron, The Double Democracy: a Political Europe for Growth, Seuil, Paris, 2017

http://www2.euromemorandum.eu/uploads/01_2017_grahl_debate_on_the_urozone_a_new_contribution_from_france.pdf

Adjusting to external changes

- Politics also imply some possibility to adjust/interpret polity to what is required by changes in external environment.
- Blockades of this adjustment capacity means either that changes are radical or that politics does not play its role.
- Such barrier could be raised if all the states involved are pushed in the same direction by converging political aspirations, building up a political space at an international level which could push in turn a change in the polity setting the rules at international level.
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The ternary scheme to account for the EU political crisis

- « policies » are implemented in the EU, but crucial problems remain unsolved , the lack of « politics » at EU level hampering the possibility to adjust as needed the polity (left too often to the inner development of a liberal juridicalisation trend).
- 3 examples of these shortcomings :
 - Expansionist juridical order of the EU (widening range of action of the ECJ constraining Member States policies)
 - Weakness of the European Parliament
 - Weakness (absence) of European political parties
- => proposal : launch accross MS a political process that would allow to modify the « polity » of the EU

Developing politics at the regional level

- First EU countries do share cultural traits, a cultural heritage that should not be neglected (see eurobarometer 2017) as a common basis in the assessments and representations of the dramatic events and disasters, traits that will help in the development of politics at a regional level.
- It appears strongly in the various networks that come to be developed presently . First is given by the mobilization of the youths. Second by the fabric of NGOs fighting for such and such causes. Third, cities rally also on various themes , be it water or air polutions..

How inequalities hamper the rise of a new social contract around sustainable development goals

SDGs

- Such local solidarities can overcome the depressing effects of inequalities , felt by now more as individualised stigmas than as consequences of social class status
- A major preliminary step: one has to overcome the fact that the balance between :
- *End of month, end of world*
- A Fair Transition is essential to overcome the growing division created along the past decade by continuously increasing income inequality.

A bottom up mobilisation

- We stressed that experiences of various threats at local levels
- are presently leading to strengthen new mobilization at the top, a bottom up process (see Latour on the reconstruction of territories)
- The COP 21 (Paris 2015) which for the first time mobilized all countries, developed or developing, against climate change and led afterwards to a global call in favour of 17 SDGs sustainable development goals showing a major framework to construct sustainable pathways we are looking for.
- The EU as a region , being a global player, open to a solidaristic approach in accordance with what the anthropocen requires, can obviously play a major role in the construction (in due time) of what could be considered as a new social (global) contract , .

A dramatic timing

- One can see along which lines a new EU contract could develop
- Still the timing of this socio political process remains relatively slow
- Given the speed of environmental changes and the disturbances
- Induced at the level of global governance
- Disasters and crises may in such uncertain environment favour the development of authoritarian regimes , all of which leading to split the EU and limit construction of a any new social political model.
- A key issue in this dynamic is the time it could take to set new norms and schemes of solidarity at local levels across member states , enabling people to adjust their ways of life to environment changes and market hazards.

Relevant policies to speed up the process

- The thing is that the new legitimacy of a broad, largely shared, compromise over sustainable development paths does not directly lead to specific goals that would mobilize / meet the needs felt at local levels.
- Macroeconomic policies could on the basis of such compromise lead to legitimate « green » investments reducing CO2 emissions, energy consumption, or implementation of stricter norms to get rid of various pollutions (from various kinds of pesticides or of plastics).
- The Maastricht criteria could thus be alleviated to favour green investments...and free trade restricted to impose new norms.

Relevant policies for new attractive and sustainable ways of life

- Still these broad commitments are not specific enough, not directly tied with ways of life to lead to cumulative processes through which a mobilisation on sustainable development could speed up.
- We are here in a kind of preliminary stage which effectively transform ways in which production and consumption modes are changing , but these changes do not ,by themselves , lead to attractive models of living that the local population could see as desirable.
- The parallel with the post WWII era still help to see the gap that policies and political actions have to filled.
- The post war compromise, as set in Philadelphia , sketched the status and prerogative of wage earners: entitling them to social welfare and fair jobs. ...which public social budgets and productivity sharing should provide.

Towards which societies in the search for sustainable pathways (1)

- It took some while to see how these conditions, harnessed with technologies and taylorian principles , would lead to the diffusion of an « american way of life « where cars, housing equipments , decent lodging and mass consumption would progressively become central features of the model (appropriately called the fordist model).
- In France for instance one has to wait till the mid 60s before one could notice the change in rural areas. ...and the 1968 movement is also linked with some conception of a turn towards a consumerist society to be tempered/managed.
- We tend to see that these times are gone , but what will replace and how the new societies at work will be defined remain unclear

Towards which societies in the search for sustainable pathways (2)

- The second phase of the process is effectively to see how these societies are taking shape and suit the conditions set by the bottom-up nature of the mobilization.
- A good exemple of the necessary « deconstruction » is given when the question is directly put on the political scene, as it is the case with the « citizen convention for the climate » whereby 150 citizens , drawn by chance question some experts to decide which structuring measures can be taken to push forward a society enjoying a sustainable development path
- See https://fr.wikipedia.org/wiki/Convention_citoyenne_pour_la_transition_%C3%A9cologique

Towards which societies in the search for sustainable pathways (3)

- Interestingly their work has been divided into 5 groups/functions
 - *feeding* (alimentation and agriculture)
 - *lodging* (housing and)
 - *Conditions of work and production* (employment and industry)
 - *Mobility* (urban planning and transports)
 - *Consuming* (ways of life and consumption).
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- The focus is on citizens and the various aspects of their lives...which will have some consequences when appreciated under specific local conditions

New social and political battle grounds

- This perspective is telling on new battle grounds .. with new actors like NGOs , and revised roles for trade unions and political parties.
- In such perspective the division of tasks is itself bound to change at all levels. ...between gender, generations, between paid and unpaid work,
- Similarly accesses to goods and services will be redefined with extension of free services, free goods, ...
- Returns of commons are also to be expected
- Local societies will share these redefinitions of boundaries but will retain their specificities

Still a capitalistic system

- Some local societies have already extensively developed these new forms of organisations
- Municipalism is an example of such transformation (new models)
- Marked by Reduction in working time, increase in voluntary work,
- basic income schemes, local monnies,
- It may not be the end of capitalism but very likely a shift towards a new form of « modern » capitalism , that can meet the environmental challenges in diffusing diverse arrangements of local solidarities.
- A new European social model would be one actively supporting such evolutions across the board of member statesa prerequisite for such achievements remains to strongly reduce inequalities , a goal that free access to services and basic income schemes help to meet

From wage earners societies to societies of full citizenship

- The citizen convention for the ecological transition is one case in point but not the only way to proceed in this second phase , shaping the societies of the transition era.
- Though it is interesting to note that a similar experience will be tempted in the UK!
- Many transformations of local policies are occurring which are part of the general transition under view.
- On the new green new deal in the EU : promoting actions of the first type with general objectives while at local levels reorganisations are occurring which can be fuelled by the EU GND
- A need to develop international solidarity , helping developing countries
- To adjust to SDGs

17 SDGs



SUSTAINABLE DEVELOPMENT GOALS

17 GOALS TO TRANSFORM OUR WORLD

