Chapter 1
The European Social Union: how to piece it together

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Introduction[1]

Over the last decade, 'Social Europe' has followed a U-shaped trajectory. In 2009, the Lisbon Treaty assigned clear and ambitious objectives to the Union: social progress, full employment, a high level of protection, inclusion and non-discrimination, social justice, equality between women and men as well as solidarity between generations and the protection of children's rights (Art. 3 TEU). Economic, social and territorial cohesion and solidarity among Member States were also explicitly referred to. Not all national constitutions are so explicit and exigent. Many observers in fact welcomed the Lisbon Treaty as the culmination of (and at the same time as a springboard for further strengthening) the long process of mutual opening up and convergence between Member States: an economically beneficial and at the same time socially and politically sustainable 'coming together' of European state-peoples.

The financial crisis and the ensuing great recession brusquely halted this 'conciliatory' trajectory, resurrecting the logic of 'socially frigid economism' which had characterized earlier phases of European integration (Mancini 1988). Fiscal stability and market conformity have become the top priorities, underpinned by a new institutional framework based on strict supranational surveillance, discipline, conditionality and the threat of financial sanctions. Socio-economic convergence has given way to new divergences and antagonisms, opening a fault line between the creditor countries of the North (core Europe) and the debtor countries of the South (the so-called periphery). In the wake of the Eastern enlargements, growing tensions have emerged around the issue of free movement: more specifically, access to domestic labour markets and welfare benefits for other European Union (EU) nationals (not to speak of third country nationals). It was mainly due to this aspect that the integration process witnessed its first dramatic reversal: Brexit.

As the economic crisis started to subside, the developmental curve of Social Europe veered gradually upwards again. Over the last few years, supranational institutions and some national leaders (French President Emmanuel Macron especially) have inaugurated a new socially-friendly discourse. Some practical steps of reconciliatory politics and policy have been undertaken, for example through the Juncker Investment

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Plan (including the social realm), as well as greater 'flexibility' in the application of fiscal rules. The Commission has revamped its social agenda, culminating in November 2017 with the official proclamation of the European Pillar of Social Rights (EPSR) at the Gothenburg Summit (see Sabato and Corti, this volume).

In this chapter I argue that, building on what is already in place, the time is ripe for seriously considering the establishment of a fully-fledged European Social Union (ESU). Section 1 briefly introduces this notion, its main mission and its internal structure. Section 2 discusses the possible role of the EPSR within an ESU, while Section 3 argues in favour of a strengthening of EU social citizenship, taking advantage of the EPSR. Section 4 addresses the thorny issue of how to strengthen pan-European solidarity. The Conclusion wraps up and outlines some possible scenarios for the future.

1.   The European Social Union: what's in a name?

Contrary to the famous maxim of Roman emperor Justinian (*nomina sunt consequentia rerum:* names follow from the essence of things), contemporary social sciences argue that institutions are the product of an original act of naming, 'creating' novel collective meanings, symbols, goals, commitments and organizational forms (Douglas 1986; Searle 2010; March and Olsen 1989). Only after a name has been coined can the process of institutional development and differentiation run its full course. The new 'entity' is provided with clear empirical referents (e.g. a target group, a set of policy tools, an organizational and legal scaffolding) and with practical resources to impact on social reality. Apart from their names, few elements of new institutions are entirely 'new' at the time of birth. What typically happens is a gradual and creative re-assemblage of diverse institutional pieces already available in the pertinent context. Such creative re-assemblage changes the *Gestalt* (the form of perception and representation) of the pre-existing elements and the logic of their functioning, setting them on a new synergic course.

By re-naming the European Community a European Union and declaring the birth of the Economic and Monetary Union, the Maastricht Treaty, in the early 1990s, kick-started a quantum leap in the process of political and economic integration which is still under way. Social policy issues were however for the most part relegated to a Social Protocol, while the public debate continued to use the rather ambiguous term 'Social Europe', a term unfortunately not designating a definite institutional entity – as is also the case with the similarly vague notion of the European Social Model. These 'names' are not fit for purpose, as they lump together the horizontal dimension ('*le social dans l'Europe*') and the vertical dimension ('*l'Europe dans le social*') of social protection without clarifying their mutual connection and interdependence, their division of labour and potential synergies and, last but not least, without outlining a comprehensive system of governance. The reconciliation of the economic and social aspects of European integration must involve a far-sighted initiative of linguistic and symbolic innovation as a precondition for institution-building. We have an Economic and Monetary Union. We must pronounce the birth of a fully-fledged institutional counterpart: a European Social Union (ESU). The year 2017 sealed the adoption of the European Pillar of Social Rights

(EPSR), an important and valuable step forward, but not enough. We need an ESU as a wider container, certainly comprising the EPSR, but not coterminous with it.

In the intellectual realm, the ESU already 'exists'. The name was originally launched by Frank Vandenbroucke (2013) and its substance was further detailed in the context of the High-Level Group set up by Friends of Europe (Vandenbroucke with Vanhercke 2014). In recent years, the notion of an ESU has become the subject of a vibrant intellectual debate (Vandenbroucke *et al.* 2017), acquiring the status of a unifying policy concept encompassing the earlier and more limited concept of social investment (Hemerijck and Vandenbroucke 2012). It is now time to fill this expression with recognizable empirical contents. I suggest that we already have a sufficient set of ingredients to start the re-assembling process and thus move from the symbolic to the policy realm.

Here is a tentative list of such ingredients:

— the ensemble of social protection systems of the Member States, all based on the common traditions of a 'social market economy' and 'social dialogue', but characterized by notable differences in their specific schemes and institutions, in their logics of market-correcting, and the ranges of risks covered. National systems are also internally differentiated, as revealed by the growing profusion of social initiatives and programmes at regional and local levels (Halvorsen and Hvinden 2016). Since their key feature – in the context of our discussion – is the close link between social protection institutions and domestic territories and jurisdictions, we can define this component as the *National Social Spaces*;

— the ensemble of social schemes and policies characterized by a cross-border element. Most of these initiatives involve regions, under the legal umbrella of European territorial cooperation. But another interesting development on this front is the creation (mainly by the social partners) of cross-border occupational insurance schemes for pensions and health care benefits. This component may be called *Transnational Social Spaces*;

— the novel membership space – coterminous with the EU external borders – within which all bearers of EU citizenship enjoy a common 'title' bestowed upon them by the Union in order to access the benefits and services of the place in which they choose to settle. From the 1970s onwards, the EU has had a structured legal framework for the coordination of Member State social security systems, and since 2011 a directive regulates the cross-border mobility of patients in the field of healthcare. Let us define this component as the *EU Mobility Space*;

— the ensemble of those supranational policies with an explicit social purpose, be they of a regulative or (re)distributive nature, directly funded by the EU budget (if they imply spending) and based on either hard or soft law. This component is the *EU Social Policy* in its proper sense;

— the set of objectives of a social nature contained in the Lisbon Treaty, including those that allocate responsibilities between levels of government and define

decision-making procedures in this field. Given the supremacy of EU law over national law, such objectives and rules constitute the general framework guiding the other four components. We can call this component the *EU fundamental social principles.*

The five components are all in place and in flux. They obviously are not on an equal standing, and national social spaces will keep their predominant role for a long time to come. We know however that integration has made their boundaries more porous and flexible, their policies more adaptive to interaction and coordination dynamics, more plastic at the margins of innovation and experimentation. Prior to the crisis, an overall process of mutual hybridization and at least partial convergence was clearly under way – slow-moving, but likely to have a systemic impact (Hemerijck 2013). The current decade has largely reversed this trend (Andor 2017; Palier *et al.* 2018). Thus, the challenge today is to rescue convergence by enhancing overall steering capacities, so that the five components can be made to work in sync, with mutual reinforcements. Addressing this challenge also implies rethinking the relationship between an ESU and the Economic and Monetary Union (EMU), in order to limit reciprocal negative externalities. If this process is to be steered according to EU fundamental social principles, then we need to devise a broad ESU template capable of sustaining two different types of solidarity: a pan-European solidarity between countries (and all individual EU citizens *as such*) centred on supranational institutions, and more traditional forms of national solidarity centred on domestic (and regional/local) institutions.

An ESU would be something very different from a federal welfare state as found in the so-called historical federations (such as the United States and Switzerland) (Obinger *et al.* 2005), in which the process of bottom-up unification took place at a time when the constituent units had barely started to address social problems. Although with some delay compared to unitary states, central authorities were thus able to standardize and/or establish *ex novo* federal social schemes and programmes. The construction of a European Social Union would take place within an entirely different developmental context, i.e. against the backdrop of extensive nation-based welfare states. This historical fact sets objective limits to ambitious forms of supra-nationalization, as already predicted by Stein Rokkan many years ago (Ferrera 2019). Thus, an ESU would represent an unprecedented 'coming-together' process involving already existing welfare states, allowed to maintain their 'legitimate diversity' (Scharpf 2002), but (i) committed to mutual adaptation based on jointly defined criteria and (ii) open to engage to a certain extent in risk-pooling. The fact that the EU has its own budget, fed by semi-automatic contributions and 'own resources' already sets it apart from any other type of multi-state regional organization, implicitly signalling the presence of a modicum of social federalism – based on inter-territorial transfers – within its institutional architecture. But compared to the historical federations, ESU-building will be a novel adventure of large-scale institutional experimentation.

Anton Hemerijck has dubbed ESU a 'holding environment' (Hemerijck 2013), i.e. 'a zone of resilience based on shared values and a common purpose, matched by competent institutions, in times of painful adaptation. The function of a "holding environment" is to mitigate stress and thereby uphold the integrity of national welfare

states, but also to maintain pressure to mobilize rather than overwhelm domestic reforms with only disciplinary intrusion'. Stemming from child neuro-psychiatry (Wincott 1964), the 'holding environment' concept has been subsequently elaborated by management sciences. For the latter, a holding environment is 'a social system that serves to keep people engaged with one another in spite of the divisive forces generated by adaptive work' (Heifetz *et al.* 2009: 305). Resting on a mix of collective safety and mutual collaboration, on the one hand, but also systemic pressures to engage with policy problems and institutional recalibration, the 'holding environment' concept has indeed high analytical and symbolic potential in the context of our ESU discussion. The challenge is how to fill it with empirical content, building – as I propose – on those institutional components which are already available.

The word 'environment' evokes a notion already used above: 'space'. An ESU would be a political and institutional space (more precisely, a meta-space), in two senses. First, and obviously, it would be a territorial space, including all Member States and their citizens/residents, and with an outer border coterminous with the EU frontiers. Territorial closure is a necessary feature for organized collective sharing and solidarity: defining a 'who' comes prior to any discussion about 'whats' and 'hows' (Ferrera 2005). Second, an ESU would be a membership space, tying its participants to the respect of common values, the pursuit of common objectives and compliance with rights and obligations in a wide sense. As with the EMU, without prejudice to the fundamental social principles, the rules of mobility and the social acquis, an ESU could provide for some margins of membership differentiation, based on opt-in and opt-out clauses. Each Member State would preserve the core elements of its social protection tradition and design, taking advantage of the opportunities offered by those EU social measures for which it qualifies, engaging in EU-supported/regulated transnational social initiatives and, last but not least, sharing the burdens of ESU membership.

By providing a new institutional assemblage and a new *Gestalt*, ESU could overcome the ambiguities of Social Europe. In the first place, it would clarify once and for all (hopefully) that an integrative European social protection (and the underlying normative objectives of 'solidarity' and 'social justice') has at least three distinct dimensions: national, transnational and supranational. While these dimensions have the potential to clash with each other, this is not inevitable, provided they are properly recognized as such and deliberately reconciled. Secondly, and as a consequence of this, an ESU would be based on the premise that social protection must move towards a multi-level architecture, allowing for a network (rather than a hierarchy) of links among the five components and favouring synergies and mutual adjustments. While the internal interlinkages of an ESU is obviously key to its success, its construction must not lose sight of inter-institutional relations, so to speak. As mentioned, if an ESU is to become the counterpart of the EMU within the overall EU framework, the two Unions must gradually come to terms with each other, in a logic of 'institutional complementarity'.

In what direction should the creative re-assemblage of the five components proceed? Answering this question requires demanding exercises of political and institutional imagination. What is needed are both grand visions and circumstantial policy ideas to serve as seeds or wedges for change. It took about two decades – the 1970s and 1980s – to

generate, by trial and error, a detailed and consensual blueprint for the EMU. The design of this blueprint ran parallel with policy experimentations and incremental innovations (e.g. the monetary 'snake' of the Seventies, followed by the European Monetary System in 1979). Even though we have a 'name' which is fit for purpose, ESU construction has just made its first steps in the intellectual realm – yet only as a general aspiration. Even a brief inventory of the potential building blocks currently available would fall way beyond the scope of this chapter. Let me however make some remarks about two components which are of special interest for this volume: EU social policy and the EU mobility space. In 2017 the former witnessed, as noted, a highly significant institutional innovation: the EPSR. In the wake of Brexit, the latter has in turn become a highly contested issue. It thus seems more than reasonable to start from here.

2. The European Pillar of Social Rights: an operational arm of fundamental social principles?

Architectural metaphors have accompanied European integration since its very beginning. Already in 1948, the West European Union was described as a 'cornerstone' for post-war reconstruction. The pillar metaphor made its appearance in the 1980s – again in reference to defence cooperation – and then became a semi-official symbol for illustrating the reformed 'three-pillar' structure of the EU after Maastricht. European Commission President Juncker spoke of an EPSR for the first time in his State of the Union speech of 2015. In April 2017, the Pillar was the subject of a Commission Recommendation, later jointly signed by the European Parliament, the Council and the Commission.

What role can the EPSR play within the context of a wider European Social Union? The key ingredient (and also the most politically appealing) of the new expression is that of 'European rights'. The legal status of the EPSR is, however, ambiguous. The text speaks about 'principles and rights', specifying that the Pillar reaffirms some of the rights already present in the Union's *acquis* and that it also adds new principles, which however require dedicated measures or legislation in order to become legally enforceable. This ambiguity has led some commentators to consider the new initiative as mere phrase-mongering (see Sabato and Vanhercke 2017 for a review of positions). This judgement is however too hasty. To gauge the significance of the EPSR and its potential in respect of ESU, some conceptual clarifications are needed.

What exactly are 'rights'? Following the tradition of Max Weber, we can define rights as sources of power ('*Machtquellen*'). There are three distinct types of resources which back the actual exercise of any right. First, there are normative resources. Holding a right means having legitimate reason to claim compliance by others: horizontally from fellow citizens (e.g. non-discrimination in the workplace) and vertically from political authorities (e.g. fair treatment by social administrations). Secondly, there are enforcement resources: if compliance is not obtained, the right-holder can activate legal coercion. Thirdly, there are instrumental resources: the availability of practical conditions for the full exercise of a right. In the case of social entitlements, for example, the state sets up social insurance systems and networks of public services,

provides information, advice, procedures for accessing and delivering benefits and so on. While the second type of resources (enforcement) is what makes rights (and, by extension, citizenship) 'hard', in contemporary liberal-democratic societies we should not underestimate the importance of the other two types: normative and especially instrumental resources. The former operate at the ideational and motivational level, while the latter facilitate the actualization of rights. In addition, both may play a role in the process of rights adjudication in courts of law.

We know that even when it adopts binding norms that indirectly impinge on national citizenship, the EU cannot provide enforcement resources directly to citizens. The EU does however provide normative resources (if only through soft law) and, in particular, instrumental resources. I suggest that the main role of the EPSR in terms of citizen empowerment could and should result, initially, from its capacity to exploit in a coherent and systematic way its motivational and actualization potentials.

The EU already offers a wide array of programmes and services facilitating the exercise of social rights legislated by supranational, national and even subnational authorities. Many programmes underpin intra-EU mobility (e.g. EURES, ERASMUS and EHIC), while others make possible, complement and strengthen national initiatives, e.g. through the Structural and Cohesion Funds, some sector-specific funds – such as the European Globalisation Adjustment Fund (EGF)[2] or the Fund for Aid to Deprived People (FEAD)[3] – or dedicated initiatives such as the Youth Guarantee. The added value of the EPSR should be that it acts as a broad framework capable of linking, enhancing and expanding such types of initiatives as instruments for the actualization of the Pillar's rights, leveraging the ideational and motivational power of its normative principles. The recent proposal – explicitly linked to the EPSR – for a Regulation for the establishment of a European Labour Authority (ELA) is a good illustration of the way in which the Pillar can take on form at grass-roots level.

In the ESU context, the EPSR could thus be seen as a sort of intermediary between the EU fundamental social principles, on the one hand, and all the other ESU components, on the other. In its preamble, the Pillar makes explicit and detailed reference to the pertinent articles of the Treaties, with Art. 12 stating that:

> 'The aim of the European Pillar of Social Rights is to serve as a guide towards efficient employment and social outcomes when responding to current and future challenges which are directly aimed at fulfilling people's essential needs, and towards ensuring better enactment and implementation of social rights'.

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2. The European Globalisation Adjustment Fund was established in 2006 to provide support to people losing their jobs as a result of major structural changes in world trade patterns due to globalisation, e.g. when a large company shuts down or production is moved outside the EU, or as a result of the global economic and financial crisis.

3. The Fund for European Aid to the Most Deprived (FEAD) was established in 2014 to support Member State measures of material assistance to the most deprived, accompanied by social inclusion measures (Madama 2016).

In this formulation, the EPSR's 'guiding' purpose nicely relates to the above-mentioned ideational and motivational dimension, while the purpose of 'ensuring enactment and implementation' relates in turn to the facilitation and actualization dimension. In other words, if appropriately and strategically exploited and despite its soft character, the EPSR could play an important role within a future ESU. Even prior to that, it could already start to pave the way for its eventual establishment.

3.   Movers and stayers: reconfiguring EU citizenship

The reference to 'rights' explicitly connects the Pillar to the language of citizenship and social entitlements which has become so culturally and institutionally entrenched in the European tradition. In 1992 the Maastricht Treaty created an unprecedented form of supranational citizenship, transforming nationals into multi-level citizens whose rights, duties and political memberships are determined not only by their state, but also by a political union of which their state is a member (Bauböck 2017). EU citizenship has often been characterized as mere 'market citizenship' (Shuibhne 2010): the most visible and tangible rights (in the hard sense) are in fact those of free movement. As already mentioned, the crisis has brought to the fore a growing tension around the issue of free movement within the mobility space (for a debate: Ferrera and Bauböck 2017). In various Member States, Brexit has sparked harsh controversies about who should be entitled to access national labour markets and social protection systems. While the main targets of public debates have been refugees and, more generally, economic migrants from third countries, contention has also arisen over the rights of EU nationals when moving within the Union. The academic debate has shown that resentment against non-nationals is more widespread among the so-called 'stayers', i.e. citizens who do not take advantage of free movement. Instigated by right-wing populist parties, large segments of the latter now blame the EU for having forced Member States to surrender their prerogatives of border control and of giving precedence to nationals (Ferrera and Pellegata 2017). Since EU citizenship is precisely what entitles free entry into, and non-discrimination within the domestic labour market and welfare system of any Member State, it runs the risk of eliciting rancour and enmity instead of mutual bonds and recognition.

In principle, there are three strategies for responding to the growing tension between stayers and movers (Van Parijs 2017). The first can be dubbed as the 'all movers' strategy and would consist in converting as many stay-at-homes as possible into movers. Since total conversion would obviously be impossible, let us say that such a strategy would involve persuading the stayers to internalize the functional and normative rationales of mobility as a collective benefit. But, as mentioned, empirical evidence tells us that an increasing number of stayers do not (or no longer) buy into that view. Thus the 'all movers' strategy is no solution, but instead risks aggravating the political problem. The second strategy is 'retreat', i.e. curtailing those elements of free movement rights that cause the problem. There is certainly room for some steps in this direction: for example, some limits could be placed on the constantly increasing judicialisation of EU citizenship (Schmidt 2017). The mobility regime can be partially reconfigured to make it more restrictive through secondary legislation alone, i.e. without needing to change the Treaty. There is however a third strategy, which can be dubbed as 'Caring Europe' – a term first

submitted to EU leaders in exactly this wording by a group of scholars during the UK presidency of the EU in 2005 under Tony Blair (Giddens 2006). How exactly might this latter strategy be pursued in the present situation – and more generally in the context of the ESU project? In line with the reasoning proposed above, the starting point should be a creative reconfiguration of what is already in place. There is already a profusion of EU-related (sponsored, co-funded, directly managed by the EU) initiatives that cater mainly to the stayers. They are currently dispersed, not linked to a single symbolic umbrella, and often not even perceived as having a significant EU component. In the delivery process at local level, there is a risk of this component remaining hidden from the eyes of final users (Madama 2017).

The two above-mentioned EU funds already target stayers. The EGF was introduced precisely to compensate national/resident workers for the negative employment effects of economic 'opening'; in its turn, the FEAD was established to respond to the social shocks caused by the euro-crisis and the great recession. A substantial increase of resources for these two funds, accompanied by focused communication and popularization initiatives, would certainly be a move in the right direction. Another possibility could be to integrate into a single 'EU guarantee' scheme the Youth Guarantee scheme (never fully implemented: Andor and Vésely 2018) and two other schemes currently under discussion within the Commission: the Skills Guarantee and Child Guarantee (Council of the European Union 2016; European Commission 2017). Such a single guarantee scheme could operate by means of a voucher to be spent on services. The European Social Fund (ESF) has already experimented with similar schemes at local level, for example in the region of Lombardy where the EU co-funds an 'Employment Unified Endowment' ('Dote Unica Lavoro') consisting of a cash transfer and a voucher for training and re-insertion services. Lombard citizens seem aware of the fact that the EU is involved (ESF 2017). But more can certainly be done to enhance the visibility – and thus the legitimation – of such schemes, even in regions such as Lombardy which have gone some way to achieving this.

A recent ambitious proposal – the so-called Prodi-Sautter Plan – could even break new ground in empowering the stayers (Fransen *et al.* 2018). The plan outlines a broad roadmap for boosting investment in social infrastructure, under the coordination of the EU. The objective is to mobilize public and private resources to fill the investment gaps in fields such as education and training (childcare facilities, schools, universities, training establishments), health and long-term care (hospitals, medical technologies, elderly care) and affordable housing. The EU has traditionally promoted and supported vast economic infrastructures for transport, telecommunications and energy, upholding free movement and intra-EU trade. It is now time to provide equivalent support to infrastructures catering for the social needs of local territories and communities – i.e. where the stayers live. It is interesting (and refreshing) to note that the Prodi-Sautter Report clearly identifies not only the functional, but also the political mission of the plan, i.e. its capacity to make the EU more 'caring', with tangible benefits at the grassroots level.

In order to make all stayers aware of the broad (and hopefully increasing) set of EU-related support measures – including those potentially arising from the Prodi-Sautter initiative – a smart move would be to introduce a practical tool capable of making

citizens/residents more aware of (and also easing access to) such support. One idea is the introduction of an 'EU social card', available to all European citizens. This card could integrate into a single document all already-existing (or envisaged) cards: the EU Health Insurance Card (EHIC), the European Student Card and the EU Disability Card. A single card would become a tangible good, with a high symbolic potential, capable of fostering collective identities, we-feeling sentiments, and membership perceptions. This proposal goes beyond the planned introduction of a European Social Security Number, as it would include the 'stayers' and not only the 'movers'. In this regard, it is closer to the idea of an 'EU social security card', launched by the European Parliament. However, it would be even more ambitious, as it explicitly serves not only administrative purposes (i.e. informing citizens about their rights) but also political objectives (enhancing citizenship-mediated identity and legitimation).

The emphasis on instrumental resources facilitating the exercise of social rights may seem unambitious and low-key, but they have the advantage of being practical and can become operative without Treaty changes or major legislative innovations. Given the weighty legacy and inertia of national regimes, incrementalism is the most promising policy strategy for the EU today for achieving short- and medium-term results – and this holds true also for the implementation of the EPSR and the creation of ESU – provided that both remain firmly anchored in a broad and ambitious vision of the future.

4.   Pan-European solidarity: the hardest nut to crack

There is agreement in the ESU debate that it should rest on two types of solidarity, guided by different criteria: pan-European solidarity between countries and between individual EU citizens, centred on supranational institutions; and the more traditional forms of national solidarity, centred on domestic (and regional/local) institutions. Always very delicate, the issue of Pan-European solidarity has become even thornier in the wake of the crisis. Academic discussions on this topic have mainly concentrated and rested on either normative or functional arguments. The former defend (or reject) the principled desirability of cross-national solidarity, given the deep network of ties now linking the Member States. The latter try to establish whether the Monetary Union and the Single Market, in order to function properly (i.e. efficiently and effectively), require a number of 'social corollaries' implying some risk-pooling and the presence of some market-correcting and centralized 'visible hand' (Vandenbroucke 2017). Both types of arguments acknowledge the ultimate political nature of pan-EU solidarity by underlining the need for consensus and common will by national governments. But they fall short of spelling out which exactly are the political obstacles to institutional change and how they might be overcome. Even prior to this, normative and functional discussions skirt a more fundamental question: what would be the political implications of an ESU? Is it possible to outline a free-standing political justification of this proposal?

A tenet of political theory in all its variants is that a territorially organized collectivity cannot survive and prosper without the diffuse support of its members, i.e. a set of general and positive evaluative orientations towards the collectivity as such and its authority structure, providing diffuse support capable of motivating compliance

beyond self-interest. Historically, organized solidarity has played a key role in political legitimation by nurturing positive feelings about the effectiveness and fairness of the territorial government. Just like external security and internal peace, the welfare state has gradually established itself as a basic political good, i.e. an instrument serving the purpose of facilitating social cooperation, managing conflicts, sustaining generalized compliance and thus, ultimately, 'keeping the polity together'. There can be little doubt that the EU and the Monetary Union are currently suffering from a legitimacy crisis: populist parties are not just questioning EU policies but are challenging the EU polity as such – and Brexit is going to tear apart an important piece of the latter. To what extent can we conceive an ESU (and specifically, its pan-European solidarity component) as an instrument for re-legitimizing the EU and thus as an antidote against political centrifugation?

The answer must come in two steps. As mentioned above, legitimation does not hinge on specific support, i.e. interest-based approval of contingent functional performance, but on overall output performance. A basic social norm in contemporary democracies is that institutions and public policies must abide by a logic of instrumental effectiveness in respect of voters' needs and aspirations. In the eyes of a significant number of citizens and parties, the problem with the EU is, precisely, that 'it does not work', that it is out of sync with popular demands and needs. The functional justification for an ESU (specifically: the introduction of certain EU-level automatic stabilizers) is precisely that it is necessary for re-establishing the effective performance of the Monetary Union and the Single Market. An ESU's contribution to such re-establishment would thereby also operate *ipso facto* as a vehicle for politically re-legitimizing and re-stabilizing the EU polity. Though analytically distinct, the political justification for ESU would rest on the shoulders of functional performance.

Diffuse support rests however not only on effectiveness, but also on fairness. Citizens must feel that the territorial government abides by the general norm of somehow representing the collective interest, taking care of all sectors/strata of the population, however weak and peripheral. One of the arguments voiced by Eurosceptics is precisely that the Union does not represent collective interests and does not rule by norms of fairness. Note that, in the political argument, what matters are not general conceptions of the common good or distributive justice, but the empirical presence of widely shared beliefs that the government (the EU) is indeed credibly inspired by norms of fairness. The Caring Europe strategy illustrated above would aim precisely at (re)activating such beliefs by explicitly and deliberately implementing the fundamental EU social principles, enhancing EU social policies and making them more visible to citizens – whether movers or stayers. Alongside the fairness dimension, the political justification becomes free-standing in respect of both normative and functional arguments.

One possible objection is that in the current situation the proposal for (let alone the construction of) a more solidaristic EU would aggravate the legitimation problem rather than solving it. Any move towards a 'Transfer Union' would in fact increase and embitter existing political conflicts around the EU. To the extent that it is genuinely political (and not functional or normative in disguise), this objection must be broken down into two distinct propositions: 1) the EU lacks the cultural preconditions (in a

very broad sense) for a strategy of political legitimation involving any significant form of organized collective solidarity; 2) given the extant conflict constellation and the rise of Euroscepticism, no step in this direction is politically feasible. Both propositions rest more or less explicitly on the hypothesis that there has been a clear shift from 'permissive consensus' to 'constraining dissensus' within national public opinions, emblematically represented by the rise of Euroscepticism (Hooghe and Marks 2009). Though obviously empirically grounded, the constraining dissensus argument has two limits. First, by focusing on the public opinion side, it soft-pedals the role played by the elite (including mainstream elites) in having prepared a fertile terrain for the voters' dissensus. Second, it tends to overestimate the extent and depth of such dissensus. Both points are key for a realistic political justification. It may well be the case that the legitimation crisis has resulted from elite choices and mistakes, thus being largely self-inflected. And it might equally be the case that there might be more cultural predispositions for a Caring Europe than meet the critic's eyes.

An increasing body of empirical data seems to support the latter hypothesis. A mass survey conducted in autumn 2016 in the context of the EU-funded REScEU project (Ferrera and Pellegata 2017), shows that wide majorities of citizens would indeed favour steps in this direction, including in Germany. Popular support for a larger EU budget aimed at promoting economic and social investments, for helping people in severe poverty and for providing financial help to Member States experiencing a rise in unemployment has majority support in all of the six countries covered by the survey: Spain, France, Italy, Germany, Sweden and Poland. Results have been confirmed by a similar survey covering also Austria, Cyprus, Greece, Hungary, Ireland, the Netherlands, Portugal and Slovakia (Gerhards *et al.* 2018) and by a more recent YouGov survey (Genschel and Hemerijck 2018). Obviously, surveys must be treated with care, as they only provide snapshots of attitudes at one particular moment and we know that attitudes are volatile. Mover, they indicate citizens' preferences, but not necessarily their saliency in voting behaviour. Finally, responses are sensitive to the way in which issues are framed and formulated. For these reasons, surveys only register contingent 'value expressions', not necessarily indicative of genuine value judgements and of a stable and internalised collective moral order. But these limitations should not be overrated. The fact that attitudes may easily change means in fact that that they are plastic and thus amenable to cuing on the part of elites, through issue-framing and discourse. And it cannot be assumed *a priori* that value expressions are entirely devoid of internal and stable commitments.

On this basis, it can be suggested that a 'silent majority' seems to be potentially available for supporting a strategy of realignment between the deep *de facto* interdependences created by the EMU, on the one hand, and the EU's institutional and symbolic architecture, on the other. The absence of such a strategy represents a clear failure of European political elites. As mentioned above, elective (choice-based) partnerships based on forward-looking objectives turn onto fully-fledged families of nations to the extent that their leaders engage in some fraternal nudging. The exercise of 'socioemotional leadership', capable of developing a collective fraternal idioculture has become difficult in a world increasingly based on fluid social relationships, self-seeking behaviours and rational-legal authority (Brint 2001). But the EMU elite has made great steps in the opposite direction, emphasising difference and apartness between national

communities and their governments, denigrating – also symbolically – any mechanism of mutual support, promoting a historically unprecedented rule-based formalization of political authority: almost a deliberate recipe for undermining the conditions of polity maintenance.

I mentioned above that the EU cannot develop into a fully-fledged federal welfare state. But it must at least establish a 'holding environment' for the safe functioning and adaptive flourishing of national welfare states. In my view, such an environment should also serve a 'polity maintenance' function, i.e. conceived and pursued with a view to safeguarding the Union's survival and durability.

To some extent, the problem of forging and combining inter-territorial and inter-group solidarity was already addressed during the historical process of welfare state-building. National risk-pooling is the key pillar of institutionalized solidarity in the European tradition. The introduction of national (even if occupationally fragmented) compulsory social insurance is typically seen as the birth certificate of the welfare state as such (Alber 1982). In the historical federations, an important turning point was also the setting-up of federal mechanisms for 'equalizing' the fiscal resources of the various territorial units, initially, to ensure the local absorption of asymmetric shocks, later to compensate for geo-economic or socio-demographic disadvantages (Burgess 2005; Müller and Keil 2013). In both cases, polity-building motivations played a prominent role (Ferrera 1993). Outside the European context, one interesting experience is that of Canada – the only federal system which has explicitly created a 'Social Union' among its ten provinces (Fortin *et al.* 2003). As in the EU, the notion of a social union made its first appearance in intellectual and political debates during the second half of 20th century. To promote non-discrimination and equal opportunity and to safeguard mobility rights, the Canadian federation adopted a Charter of Rights and Freedoms in 1982 and then proceeded to (re)define national objectives and binding standards of service throughout the entire nation. In 1999, the provinces and the central government signed a Social Union Framework Agreement (SUFA). This not only confirmed and defined the rights and standards of all Canadians regardless of their residence (as does the EPSR), but also confirmed and re-regulated intergovernmental financial relations, including the co-financing by the central government of some provincially-administered social protection schemes as well as fiscal equalization measures. To some extent, the Canadian Social Union can be regarded, in other words, as a holding environment for 'welfare provinces' ('*le social dans le Canada*') on top of a certain number of pan-Canadian schemes and fiscal transfers run directly from Ottawa ('*le Canada dans le social*'). The implementation of SUFA – under changed macro-economic conditions - has experienced ups and downs, possibly providing political and institutional lessons for building ESU.

Several proposals to enhance cross-national economic solidarity are currently under discussion among EU leaders and institutions. Among the most ambitious are a common Eurozone budget to sustain economic and social convergence, possibly under the guidance of a dedicated EU Finance Minister, the expansion of the remit of the European Stability Fund – including the introduction of a dedicated credit line for asymmetric shocks – and an EU unemployment reinsurance fund. These innovations

are currently being discussed under the umbrella of EMU governance. By making the latter more transfer-oriented and socially friendly, they would create valuable institutional complementarities with an ESU, possibly even acting as bridges between the two. And with the passing of time, a strengthened ESU might be able to steer the functioning of these new instruments not only in accordance with a logic of economic effectiveness, but also of social fairness.

Conclusions

This chapter has argued strongly in favour of a fully-fledged European Social Union. Its formal establishment is of course merely presumptive and its functional and political effectiveness may well be disputable. Those who nurture more clamorous aspirations are likely to be disappointed, at least initially, as an ESU would not be much more than a formal re-assemblage of already-existing elements. But in politics a lot can be achieved through symbolic actions and small policy changes: a mere discourse about an ESU, an act of 'naming' and a smart packaging of its first measures could have a significant impact.

We should also remember that national welfare states did not come about through big bangs: with a few exceptions, their beginnings were quite modest and it took a long time to build momentum. Institution-building resulted from social and political conflict around redistributive issues. Conflict dynamics served both to cement horizontal alliances among the disadvantaged and to promote vertical exchanges between rulers and the ruled. Solidarity and political justice became irreversibly intertwined through the democratic process. In the historical federations, claims of social justice intersected with claims of territorial justice. In some critical historical contingencies (the New Deal in America, World War II in Switzerland), big leaps forward in terms of both interpersonal social and inter-territorial solidarity resulted not only from bottom-up pressure from the workers' movement, but also from a top-down logic, based on the interests/wishes of incumbent political authorities – local and federal – to preserve stability and consolidate polity in the face of acute functional challenges, social unrest or dire emergencies. One of the lessons from the above-mentioned Canadian Social Union experience is the key role played by central authorities and some provincial leaders in forging the political climate which made SUFA possible.

The topic of political leadership has slipped into the background of EU studies. But without responsible and far-sighted leaders, institution-building – and in particular the creation of novel institutions – has little chance of success. The most vocal players in Europe's political arenas seem now to be Eurosceptics and supporters of *souverainisme*. As mentioned, survey data reveals that there are large 'silent majorities' who still support EU membership and more integration, including more pan-European solidarity. It is to be hoped that such voters will be able to find suitable candidates in the run-up to the 2019 European Parliament elections. While the latter will not be the last opportunity for establishing an ESU, it would certainly be a pity to miss it – and probably a huge political mistake.

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