

RETHINKING SOCIAL AND WELL-BEING POLICIES IN THE EUROPE (POST-) 2020 STRATEGY

Iain Begg

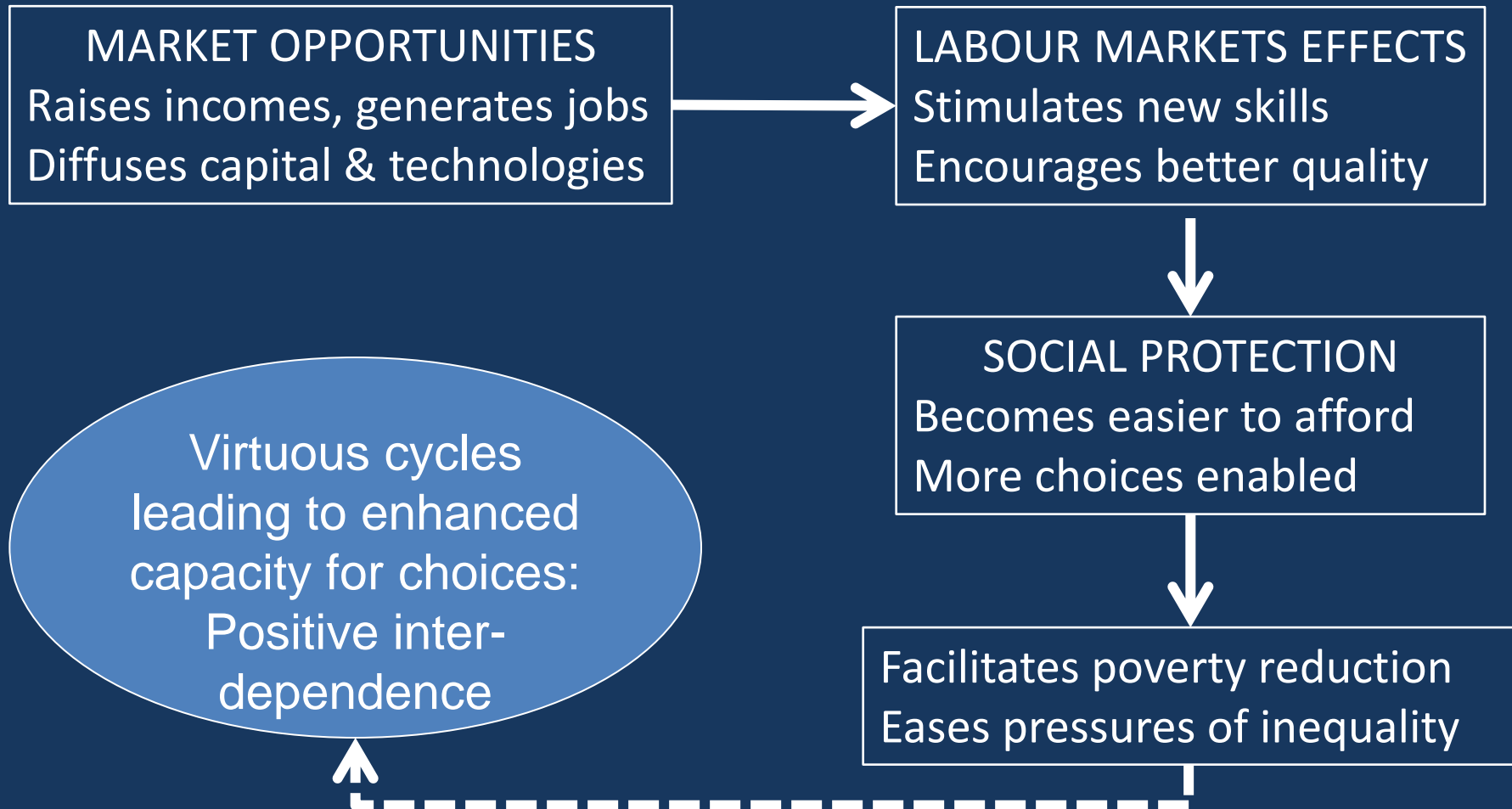
European Institute, London School of Economics

EESC Europe 2020 Steering Committee, 1st June 2016

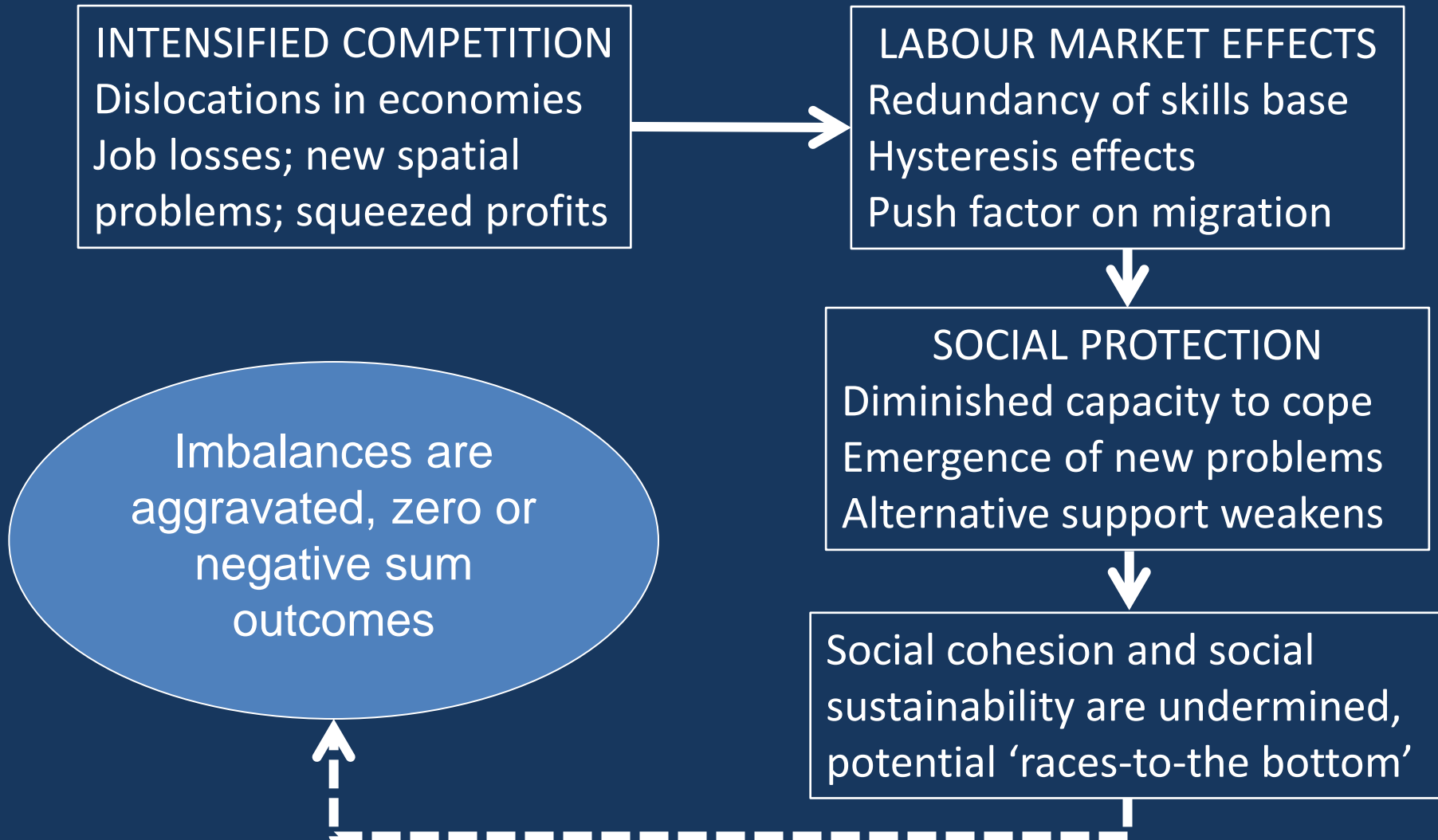
MANY BASIC FACTS CLEAR

- The absence of growth & its labour market effects
- Widening of income inequalities
 - Both within and between EU Member States
 - Link to household propensity to work crucial
- New risks from aftermath of crisis
 - Overall capacity for growth diminished
 - Upsurge in migration from under-performing regions
 - Could weaken medium-term growth potential
- Specific challenges, such as:
 - Lower education spending in some countries
 - But changing: more on tertiary, and in some, on LLL

BENIGN ECONOMY SCENARIO



MALIGN ECONOMIC SCENARIO



- The Reframing of EU Social Policy: The Case of the **Europe 2020** Poverty Target
- A distance-to-target weighting method for **Europe 2020**
- A wind of change? Reforms of Tax Systems since the launch of **Europe 2020**
- Economic governance in **Europe 2020**: socialising the European Semester against the odds?
- Prospective analysis of the flows of certain rare earths in **Europe** at the **2020** horizon

EUROPE 2020 IN ECONOMIC GOVERNANCE

SEMESTER
AND CSRs

ENERGY

TTIP

FIVE PRESIDENTS'
AGENDA FOR EMU

JUNCKER
PLAN: EFSI

COP 21 &
FOLLOW-UP

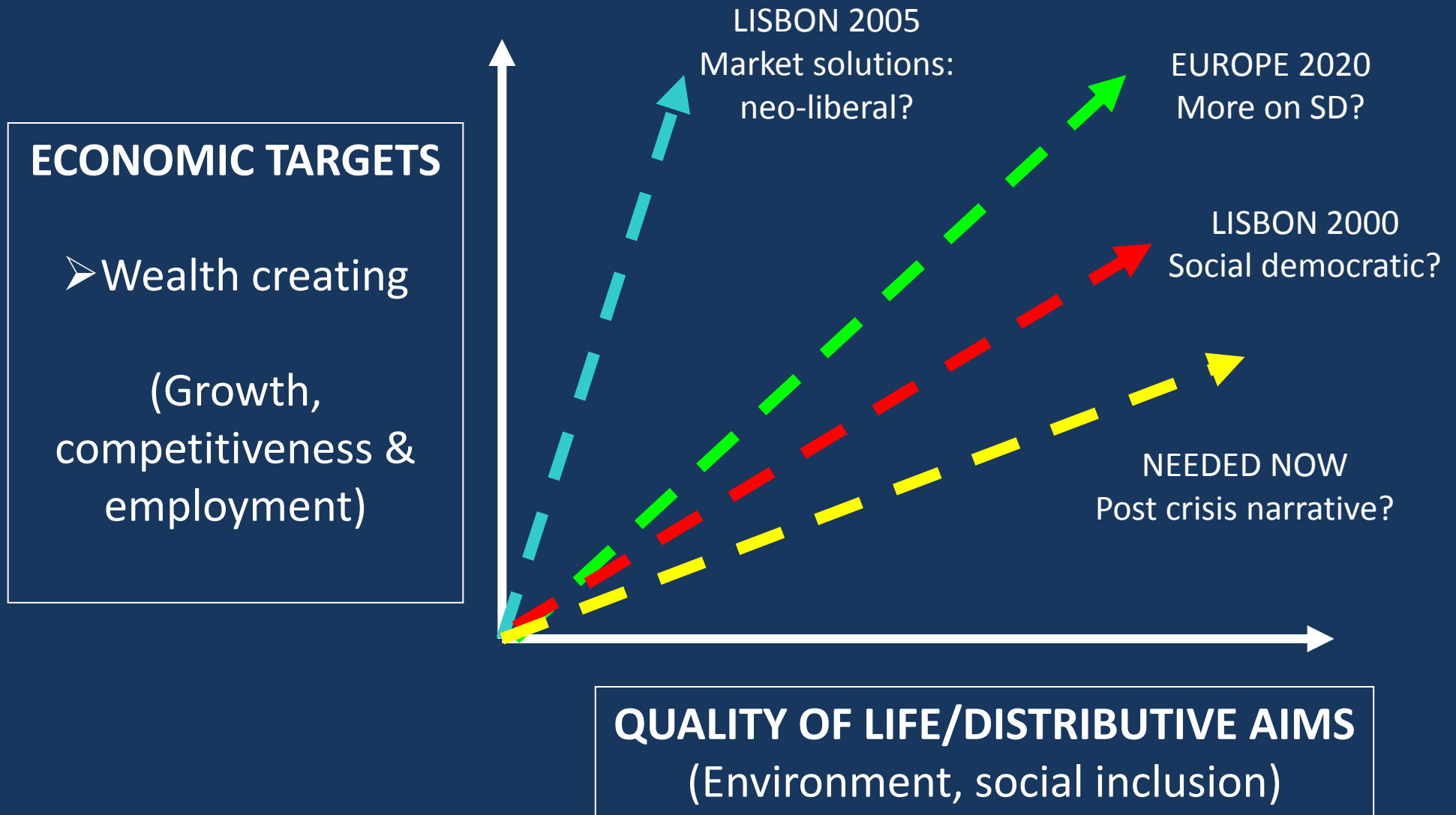
DIGITAL SINGLE
MARKET

EUROPE 2020: MISSING IN ACTION; PRESUMED...?

APPROACH TO COORDINATION

- Efficacy of the governance model
 - Guidelines > plans > recommendations formula
 - Do governments take note?
 - Does it make any difference to policies adopted?
- Ascendancy of the semester process
 - Shifts focus to shorter term and macroeconomics
 - Yet even here, how useful are CSRs?
- The risk that process overshadows content
 - Compliance and appropriateness can be in conflict

AIMS OF CO-ORDINATION



FOUNDATIONS FOR A RESPONSE

- Reconciliation of equity and efficiency goals
 - A familiar dichotomy, but rarely settled
- The four objectives of ILO decent work agenda
 - Promoting employment
 - Enhanced social protection
 - Social dialogue
 - Rights – of workers, but perhaps extend the notion
- Sustainability in its various forms
 - Ecological, but also social, fiscal and macroeconomic
 - Suitable metrics of well-being – beyond GDP

SOCIAL INVESTMENT AS AN ANSWER?

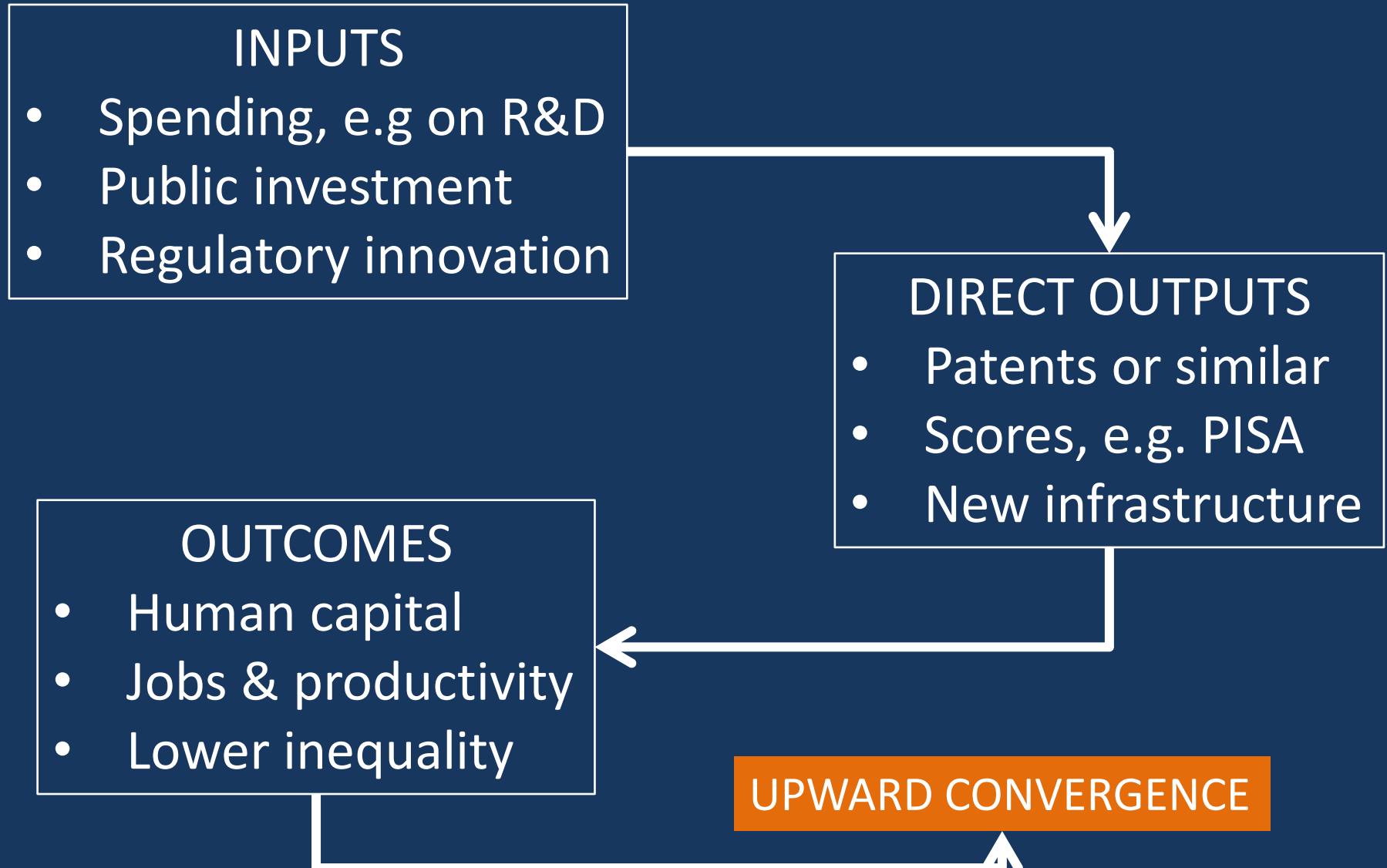
- Increasingly visible in EU welfare state
 - Though not always using this term
- Links to Sen's notion of capabilities
 - Targeted at human and social capital
- Key element is early intervention
 - Future difficulties forestalled
- Empowerment through activation
 - The example of child-care
- Criticised for cost, poor targeting & crowding-out

THE HARD REALITIES OF 'STRATEGIES'

A 'RIO' FORMULA

- **R**elevance and how to instil it
 - Propensity to state the obvious
 - Also the unrealistic: remember the 'Lisbon' aspiration...
- **I**mplementation
 - Administrative and managerial imperatives
 - Too often neglected, yet critical for implementation
 - The persistent challenges of achieving 'ownership'
- **O**utcomes have to be tangible and 'SMART'
 - Specific, measurable, attainable, relevant and timely

EVALUATING POLICY INTERVENTIONS



CONCLUDING REFLECTIONS

- Lack of growth having a debilitating effect
 - But social conditions will take time to improve
 - Accentuating political risks, including ‘reform fatigue’
- New economic governance framework
 - Emphasises stability over solidarity
 - Lacks EU cross-border commitment
 - Stresses compliance, but neglects appropriateness
- An underlying narrative will be needed
 - Will determine future logic(s) of intervention
 - What are the most pressing concerns of policy-makers?

“For every problem there is a solution
which is simple, obvious...and wrong”

Attributed to Albert Einstein