

# Political Issues and Social Policy in the E.U.

*Professor John Wilton*

## **Lecture 5**

**Employment  
and unemployment policy**

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## Lecture 5

### ***Additional sources:***

Copeland, P. and Haar, B. 'A toothless bite? The effectiveness of the European Employment Strategy as a governance tool', in *Journal of European Social Policy*, Vol. 23 no.1, Feb. 2013, pp.21-36.

Talani, L.S. *European Political Economy*. Political Science Perspectives, Ashgate, Aldershot, 2004 (Revised 2013), Ch.6 and Ch.7

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### ***CONTEXTUAL ANALYTICAL FRAMEWORK***

1. The historical context of E.U. employment policy and labour mobility;
2. the theoretical perspective;
3. employment policy within the context of the defining characteristics and underlying principles of E.U. social policy

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Is the growth of E.U. social policy a  
positive development?

- 2 possible answers:

(i) from the 'right' of the political  
spectrum – 'free market liberals'

(ii) from the 'left' of the political  
spectrum – social democrats

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(i) from the 'right' of the political spectrum  
– 'free market liberals'

- development of E.U. social policy  
counterproductive (dangerous!)
- constitutes a constraint on the  
functioning of the free-market
- plus = one element in growth of E.U.  
'superstate' and large bureaucracy

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(ii) from the 'left' of the political spectrum – social democrats

- development of E.U. social policy is a positive and necessary development
- needed to protect E.U. citizens from worst excesses of free-market
- plus, has economic gains for the market as assists in production of highly skilled, well-trained, well educated workforce

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E.U. labour and employment policy

a) the ‘acceptable core’

- i.e. health and safety, training,  
and ‘free movement of labour’  
(until relatively recently)

b) the ‘disputed extended areas’

i.e. working conditions, employment  
rights

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### ‘Free movement of labour’

- Art. 48 to 51 Treaty of Rome, 1957 established right of freedom of mobility for workers (excluded public sector workers)

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1974 to 1976 Social Action Programme:

- encouraged creation of common vocational training, and employment and social protection policies
- plus a social action programme for migrant workers and their families (for EEC and non-EEC nationals)

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- 1985 White Paper on Completing the Single Market
- 1987 Single European Act
- 1988 Social Dimension initiative of the E.C. Commission
  - all moved policy on 'freedom of movement of labour' forward

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‘Social Dimension of the Internal Market’

‘ Social policy must, above all, contribute to the setting up of a “single labour market” by doing away with the barriers which still restrict the effective exercise of two basic freedoms: the freedom of movement of persons and the freedom of establishment.’

(European Commission, 1988, p.2-3)

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### 1989 Social Charter

- freedom of movement (first ‘social right’)
- encouraged harmonisation of conditions of residence
- encouraged mutual recognition of occupational qualifications
- included requirement of improvement of living and working conditions of immigrant workers

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## 1997 Treaty of Amsterdam

- Art.62 demanded that within 5 years the E.U. Council of Ministers should adopt “measures with a view to ensuring ... the absence of any controls on persons, be they citizens of the Union or nationals of third countries, when crossing internal borders”.

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Since May 2004 application of founding principle of EEC in 1957 Treaty of Rome has been varied:

- a) between Member states (different approaches, different application of regulations);
- b) within policy areas/sectors

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Phases in the political consequences of E.U. employment policy:

Phase 1 – 1950s ‘recovery’ – ‘economic’ concerns dominant – ‘social’ policy subordinate

Phase 2 – late 1950s/1960s ‘boom’ – ‘economic’ and ‘political’ concerns dominant – ‘social’ policy concerns expedient (only to support market)

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Phases in the political consequences of E.U. employment policy:

Phase 3 – ‘recession’ 1970s/mid 1980s – ‘economic’/ ‘political’/‘cultural’ concerns dominant – ‘social’ policy concerns subordinate

Phase 4 – ‘boom’ mid 1980s/mid 1990s – ‘economic’/‘political’/‘social’ concerns expedient (for needs of the market)

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Phases in the political consequences of E.U. employment policy:

Phase 5 – ‘uncertainty’ late 1990s/2007 – ‘political’/‘social’/‘cultural’ concerns dominant (particularly with 2004 expansion) – ‘economic’ concerns subordinate?

Phase 6 – ‘uncertainty’, 2008 financial crisis and economic recession, political dominant (nationalist?) reaction?

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### *E.U. European Employment Strategy*

<http://ec.europa.eu/social/main.jsp?catId=101&langId=en>

- ‘soft law’ mechanism (part of OMC) designed to co-ordinate employment policies of Member States.
- based on ‘*Europe 2020 growth strategy*’

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### *E.U. European Employment Strategy*

- produced by the Commission, includes:

- 1) Employment guidelines
- 2) Joint employment report
- 3) National Reform Programmes
- 4) Country-specific recommendations

- Linked to ‘Social Agenda 35 –  
Employment and Social Innovation’