Towards a multi-level social citizenship space?  
A research project

Maurizio Ferrera* and Franca Maino‡

The theme

After the 2004 enlargement, the French, Dutch and Irish referendums, the issue of “Social Europe” has gained the centre stage in the debate about the future of the integration process. It is now widely acknowledged that the “social dimension” is a key component of the European project. But what is exactly the social dimension of the EU? How can it be enhanced?

In order to move beyond political controversies and impressionistic discussions, such questions need to be addressed from a broad perspective, discussing “systemic” developments and challenges now facing the integration process. Especially after the quantum leaps of the 1990s, European integration has embarked upon an ambitious attempt at “system-building”. In the language of political development theory, “system-building” refers to a process of institutional growth and differentiation of the EU qua distinctive territorial polity demarcated by its own increasingly recognizable external boundaries and by increasingly weaker internal boundaries (Bartolini 2005; Ferrera 2005). This process is extremely complex, but has already promoted some significant results: a new territorial centre has consolidated itself in the economic sphere and new voice channels have formed for the representation of interests, operating in a framework of “multi-level pluralism” and of “composite democracy” (Ansell and Di Palma 2004; Fabbrini 2004; Sbragia 2004). The EU has made much slower progress, however, in terms of identity generation. “We-feeling” attitudes among European citizens are forming at only a very low and oscillating pace, leaving little space for cross-national forms of social sharing (Mau 2005). To judge from this background, it would seem that the strengthening of Social Europe is bound to face virtually insurmountable barriers.

If we observe the situation from a dynamic perspective, however, other elements come to the fore, suggesting a less drastic prognosis. In its early phase the integration project rested on the assumption that it was not only possible but indeed desirable to separate market-making functions from social sharing ones, assigning the former to the supranational level and leaving the latter under the control of national governments. During the 1980s this division of labour ceased to be viable. The EC responded to the economic crisis by stepping up market-making and monetary unification, de facto inaugurating a subversive phase in respect of national welfare state institutions. Towards the end of the 1980s the idea of a “social dimension of the internal market” made its appearance in the wake of the SEA and some significant

* Maurizio Ferrera is Professor of Comparative Public Policy at the University of Milan. He is also the President of the Graduate School in Social, Economic and Political Sciences, and the director of the Research Unit on European Governance (URGE) of the Collegio Carlo Alberto Foundation in Moncalieri (Turin). Contact: maurizio.ferrera@unimi.it.

‡ Franca Maino is Assistant Professor of Political Science at the University of Milan, and the Scientific Coordinator of the Graduate School in Social, Economic and Political Sciences. Contact: franca.maino@unimi.it.
measures of positive integration were adopted in a number of spheres (health and safety at work, gender equality, contractual relationships and so on) (Hine and Kassim 1998; Rhodes 1998).

Since the late 1990s, the institutional architecture of the EU has in fact witnessed a number of changes which may now open a narrow but promising path for a strengthened role of the Union in the social sphere. In the second half of the decade the reconciliation of economic and social policy objectives at the EU level started to appear explicitly on the agenda. While remaining aloof from any suggestion of regulatory harmonization from above, the new approach inaugurated with the Amsterdam Treaty tries to embed national (and sub-national) systems of social protection within a two-pronged institutional framework: fundamental social rights and open method of coordination (Szyszczak 2001). The first element has supplied a positive list of enumerated social freedoms and entitlements recognized by the EU legal order. The second element has supplied both the procedures and a common set of policy goals capable of reconciling efficiency and social justice criteria. A third element has been the adoption of incentives and common frameworks for a) the development of trans-national and/or trans-regional experimentations in certain social policy areas and b) the establishment of some novel supranational schemes (such as the Global Adjustment Fund).

Thus behind the smoke of political controversies and despite the Constitutional stalemate (between 2005 and 2009) a new institutional architecture has been emerging, which is gradually “nesting” domestic welfare states in a wider, multi-level space (Fig. 1) within which the production of social protection is not (no longer) programmatically sacrificed to the advantage of market promotion and competition. What specific forms/modes of functioning will characterize this new institutional architecture? What can be said about its future evolution and of its novel component, i.e. the “multi-level social citizenship space” (MLSCS)? These are the broad starting question of our research project at the Department of Labour and Welfare Studies, University of Milan (part of a larger multi-university project funded by the Italian Ministry of Research and University).

Fig. 1. Nesting the nation-based welfare state within the EU architecture
The project goals

The object of our research project is the reconfiguration of social policy/social citizenship in the European Union: a process that we conceptualize as the emergence of a new “multi-level social citizenship space” (MLSCS). Building on our previous research\(^1\), we are interested in identifying more precisely the institutional components of this new architecture; trajectories of consolidation and diffusion of these components and their underlying actor constellations and political dynamics; their actual effects in terms of an increased legitimacy of the EU and “loyalty generation” among its citizens.

More in detail, the research project has three main goals:

1) A fact-finding, explorative goal. There is very little systematic information on the various components of the new MLSCS. What social policy areas have witnessed the emergence of trans-national, cross-border experimentations (labour market policy, health care and social assistance, supplementary pensions)? What is the degree of institutional consolidation of such experiences? How is the latest supranational scheme in the social sphere (the Global Adjustment Fund) actually operating? With what effects?

2) An hypothesis-generating goal. Is it possible to identify some factors that promote the emergence and consolidation of novel trans-national or cross-regional social sharing schemes? Policy innovation is typically linked with the formation of new “opportunity structures”, in the wake of politico-institutional change and/or socio-economic change. To what extent the various “open methods of coordination” (OMCs), or recent EU/national legislative reforms (e.g. the 2003 Pension Fund Directive or the proposal for a Directive on the application of patients’ right in cross-border healthcare in July 2008), or the operation of the structural funds have provided incentives and resources for the experimentation of new forms of social sharing? The generation of specific hypotheses about the emergence and consolidation of these new forms of social sharing, nested within the wider institutional architecture of social and economic Europe, will serve as a basis to define at a later stage an explanatory framework on the multi-level re-configuration of welfare provision.

3) A policy-prescriptive goal. One of the conclusions of our previous research has been that developments in the field of social sharing have far reaching implications for the overall legitimacy (in particular output legitimacy) of the integration process. What specific ingredients can be singled out for their legitimation potential and thus for prioritarian inclusion in the EU agenda of institutional reform (e.g. a EU minimum income guarantee, a childcare or lifelong learning guarantee? A EU baby bond?). To what extent and in what ways can the various and scattered elements already existing within the new MLSCS be

\(^1\) Miur project for 2003-2004 on “Governance as learning: emergent regional social models in a multi-level Union”; Miur project for 2005-2006 on “The impact of European integration on the boundaries of national welfare systems: pensions, health care and social assistance”.
more firmly integrated in a symbolic framework capable of better exploiting their "legitimation potential" (the “caring” dimension of Europe outlined at the Hampton Court Council in 2005)? In what measure the Youth Pact (2005), the Gender Equality Pact (2006) and the Alliance for Families (2007) must be considered simply as “cheap talk” as opposed to promising institutional seeds?

With these three broad objectives in mind the main strands of empirical research will be:

1) **Cross-regional cooperation** has been a key element in the European strategy for socio-economic cohesion since 1970 (Keating 1998; Federal and Regional Studies 2002). Nowadays cross-regional partnerships concern many policy areas, such as economic development, transport, cultural promotion, environmental sustainability and social policy. The development of cooperation in social policy can be considered an important stepping stone towards the emergence and consolidation of a MLSCS. At the present time, the main initiatives of cross-regional cooperation in social policy appear as experimental forms of “fusion” of welfare practices and infrastructures that try to give answer to similar needs and common interests of border regions. The most advanced experimentations on this front involve educational, training and labour market development on the one hand, and health care and social services, on the other hand (IDELE 2006; Bassi et al. 2001).

The purpose of this strand of research is threefold. First, given the lack of systematic studies on cross-border practices in the area of social policy, a review of the main activities and achievements of these experiences is needed. A special attention will be paid to the emergence of new instruments of governance of these practices, such as the European Grouping of Territorial Cooperation (EGTC), or other structured forms of cooperation, for example cross-border Territorial Employment Pacts (the pact of the Øresund or between Styria and Northern Slovenia). Second, it is important to identify the factors that lie behind the emergence and the diffusion of cross-border initiatives in social policy, in particular when such initiatives appear to be a promising step towards the creation of relatively enduring practices of social cooperation. Third, a question concerns the conditions and the obstacles that can promote or hamper the consolidation of cross-border initiatives.

b) **Long term care.** As argued by Streeck (1995) the establishment of social policy initiatives at the supranational level (and, we may add, the early Europeanization of new initiatives launched at the national level) is easier in those areas which deal with new risks, needs or concerns. Traditional areas are already crowded with entrenched national programs and traditions which limit the margins for manoeuvre of the EU. “Dependency” can be seen as a novel risk originating mounting problem pressure in all Member States (MS). The rise of elderly and very elderly people, the increase in the number of smaller and more unstable family structures, the rise of women labour force participation seriously undermine the ability of the family to provide care and support the frail elderly within the family network. Dependent people prefer long-term care in a
residential or community setting rather than institutional care, but in many countries institutional care still accounts for more than half of public expenditure (European Commission 2009). Additionally, there is a widespread consensus on the need to address the expected workforce shortages in the long-term care sector (formal care) as well as devising ways to support family or informal carers. Adequately recruiting, (re)training, and retaining long-term care workers remains a challenge for MS.

The mix of such trends is determining rising pressures on the public sector (Herrera and Wittenberg 2003) and in particular on the health care sphere (cf. Hervey 2008). Long term care policies for the elderly represent a major challenge both in terms of financing and as regards making the necessary adjustments on the supply side. Some MS, during the last fifteen years, reformed their social protection systems in order to meet this demand (i.e. Austria in 1993; Germany in 1995), many others, nevertheless, did it only very recently (Spain in 2006) or are still lagging behind (i.e. Italy and Hungary) (European Commission 2007; Jcobzone 1999; Pacolet et al. 2000). In this area the EU seems to have a high margin for manoeuvre to step in, possibly making long term care a key component of the new MLSCS. The growing attention paid to this policy area has been firstly formalised in 2001, through a Commission Communication on “The future of health care and care for the elderly” (COM(2001)723). Three years later, in 2004, the Commission presented a communication which proposed to extend the “open method of coordination” to the area of health and long term care (COM(2004)304). In 2008 the Commission presented a new communication proposing a renewed commitment to social Europe throughout the reinforcing of the OMC for social protection and social inclusion (COM(2008)418). In this recent communication, in order to make full use of the potential of the OMC in the social protection sphere (including the field of health care and long term care), the Commission has set out a number of measures that can improve, reinforce and further develop the method. These measures revolve around four objectives: first, increasing political commitment and the visibility of the process; second, strengthening the positive interaction with other EU policies; third, reinforcing the analytical tools underpinning the process, with a view to moving towards the definition of quantified targets and enhancing evidence-based policy-making; fourth, increasing ownership in MS, by boosting implementation and enhancing mutual learning (European Commission 2008). Of course some of the measures amount to a consolidation of existing practices while others (in particular target setting) imply more substantial changes and require consensus-building among MS and key stakeholders and a gradual approach to be discussed with MS and stakeholders.

Starting from this background, this research strand will investigate the Europeanization of long term care policies, in the framework of the Social OMC process. Our hypothesis is that this policy area, due to the relevance of the issue and the absence of pre-emption by the MS, is particularly well suited for the cross-national learning claimed by the OMC. The main questions driving our empirical analysis will be the following. Are there any empirical signs that the coordination process, through the establishment of a framework improving
actors’ knowledge of the possible reforms and allowing for the exchange of experience and best practices, is supporting MS in their reform efforts? Is there any evidence of convergence of objectives and policy approaches through MS? Our analysis will build on the already extensive literature that has explored the impact of the employment and inclusion OMCs on national policy systems (Zeitlin and Pochet 2005; Zeitlin 2008).

c) **Pensions** too are a core area of the nation based welfare state. Single-pillar pension systems have been only partially affected by free movement provisions and have been able to resist attempted inroads on the side of competition law. However two parallel trends have been recently opening up the possibility of multi-level reconfigurations. First, in many countries the architecture of pensions is moving towards a multi-pillar configuration, in particular through the development of market-based, funded, supplementary pension pillars. Second, this development may well be intercepted by EU interventions aimed at fostering, expanding and, above all, regulating the internal market (European Commission 1997). Such scenario seems to predict not only the strengthening of private actors in the field of pensions in the future, but also that the gradual erosion of single-pillar. Public pension systems may, therefore, pave the way for the emergence of a MLSCS and a novel role for both supranational and sub-national levels of government in this sector (Peterlini 2003; Ferrera 2005). This tendency seems to be validated by both the adoption of the European directive on supplementary pension funds (2003/41/CE) and the emergence, in some countries, of territorially based supplementary pension schemes.

The aim of this strand of research is thus twofold. First, we will try to figure out those factors that “push for” (or “play against”) the definition of shared norms for supplementary pensions at the EU level and the emergence of trans-national pension funds. Hence the focus will be posed on actors’ interests and strategies (EU bodies, pension funds, financial institutions, social partners, national governments), as well as on existing institutional configurations of this policy field. In particular, a comparative analysis of the regulations of supplementary retirement provisions in a number of MS will be carried out in order identify those institutional factors (governance, tax regimes, etc.) that favour/hamper the “Europeanisation” supplementary pensions. The second goal is more “explorative” and consists of: a) “mapping” territorially based, supplementary pension funds in a number of MS (e.g. in Italy, the funds set up in Trentino Alto-Adige and Valle d’Aosta); b) identifying likely plans for cross-regional pension schemes that rely on some innovative forms of cross-border cooperation (e.g. extension of the pension fund set up in Trentino-A.A. to the whole Tyrolean area).

In addition to these three strands of research, the project will monitor the implementation of the Global Adjustment Fund, the follow up of the Youth, Gender and Family “Pacts” mentioned in our introduction, as well as the wider policy debate on the EU social policy agenda.
Project organisation and deliverables

The project is articulated in three phases.

The first phase has been devoted to reviewing and analysing two strands of literature: the first focuses on the academic literature on the emergence, the diffusion and the impacts of new forms of social sharing developed at cross-regional, trans-national or European level; the second strand is constituted of existing reports and documents on the state of art in the area of labour market policy, supplementary pensions, long term care and health care cooperation (cross-border initiatives, supranational programs, etc.), produced by the European Commission and other EU bodies, the Council of Europe or some cross-regional associations.

The empirical part stretches over the second phase and it is based on both qualitative and quantitative analysis. This phase involves different lines of research: 

a) the reconstruction of practices of trans-national and cross-regional cooperation in social policy; 
b) the collection of information about the institutional structure and of data on beneficiaries, expenditures and other relevant quantitative data in order to evaluate the effectiveness of such practices; 
c) the identification of a few emblematic cases, to shed light on the perspectives of consolidation of MLSCS; 
d) a close investigation of the emergence of new legal instruments or agreements that may pave the way for the development of new forms of “social sharing”; 
e) an in depth investigation (based on documentary sources) of the new health OMC and other EU initiatives in the field of dependency and medical care. For research lines no. a) and c) a few interviews to key informants may be conducted, depending on funding.

The third phase will be dedicated to the drafting of a number of academic contributions (in Italian and English) presenting the general results of each strand of research and their implications for the MLSCS.

The research project is currently half way through. The box below lists the main publications generated so far.

The general purpose of our research is twofold. First, our project aims at contributing to the already well-developed academic debate on the relationship between European integration and the transformation of national welfare states. The specific goal on this front is to provide empirical evidence of forms of trans-national, cross-regional, supranational social sharing and to discuss their salience within the new MLSCS. Second, the project aims at capturing the overall logic of the new “nested” architecture which is gradually surrounding national welfare states and at gauging its political impact and implications, both for the EU polity and for national polities. On this front our project aims at offering an original analytical and theoretical contribution to the debate on the so-called social dimension of the integration process.
Main publications appeared in 2009


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