Buffering national welfare states to strengthen EU social resilience: the politics of EU capacity-building in the social policy domain

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Traditionally, the EU influenced member states' social and labour market policy through regulation (Obinger et al. 2005). Since the Treaty of Rome and up to the Maastricht Treaty, European initiatives in the social sphere did not imply capacity-building at the EU level, but were focused on the coordination of national social security regimes (often via soft governance mechanisms) and regulatory measures in narrow policy areas – i.e., health and safety at work or gender equality (de la Porte and Madama 2022). The core redistributive function of welfare states remained in the national realm.

European welfare states, however, witnessed a gradual erosion of their capacity to protect citizens from fast-changing social risks (Taylor-Gooby 2004; Bonoli and Natali 2012; Hemerijck 2013). Especially after the launch of the Economic and Monetary Union (EMU), the deepening of EU market integration put further pressure on national welfare states, whose boundaries were blurred by the expansion of the Single Market. The Great Recession made a bad situation worse: the long-durée erosion of national welfare institutions morphed into acute 'social aftershocks' - skyrocketing poverty and unemployment in EU peripheries - while austerity further constrained the fiscal space available for welfare recalibration (Hemerijck 2013; Pavolini et al. 2015). After the Great Recession, the soft governance mechanisms introduced by Maastricht and Lisbon Treaties in 1992 and 2007 were progressively 'hardened', particularly when integrated with the fiscal governance of the EMU, ensuring stronger EU leverage in a greater number of policy areas. Equally important, the EU's long 'polycrisis' decade (Zeitlin et al. 2019) triggered EU responses in the form of new EU-level redistributive instruments with clear market-correcting rationales. Such developments towards capacity-building in social policy contradict well-established conventions in the literature on Social Europe, which argues that joint-decision traps, member states' prerogatives in the social policy domain, and institutional heterogeneity make the development of welfare functions at the EU-level an unlikely prospect (Obinger et al. 2005; Sharpf 2002; Streeck 2019).

The article revisits the creation and functioning of four instruments that best represent EU's direct capacity-building in the social policy domain: the European Globalisation

Adjustment Fund (EGF), the Youth Guarantee (YG), the Just Transition Fund (JTF) and the temporary Support to mitigate Unemployment Risks in an Emergency (SURE). By building on the distinction introduced by Seabrooke and Tsingou (2019) between slow and fast-burning crises and on recent literature on multilevel governance in the EU compound polity (Ferrera et al. 2022; Alexander-Shaw et al. 2022; Ferrera et al. 2023), we reconstruct the contextual and political conditions that brought to the adoption of the above-mentioned EU social policy instruments. We do that by triangulating evidence from legal documents, press coverage and elite interviews, which together allow us to detect when and by whom social problems were politicized at the EU level and how they reached their eventual adoption. We focus in particular on three main dimensions of multilevel EU social politics: (1) the dialectic of Commission entrepreneurship and intergovernmental negotiations; (2) the interaction of ideological versus territorial (i.e., member state) cleavages; (3) and the interplay between national and EU-level social politics.

We argue that, in the social policy field, the EU compound polity increasingly acts as a buffer mechanism supporting stressed member states in tasks they have problems to accomplish. Buffer mechanisms are often devised in reaction to systemic crises, to build up ‘social resilience’ while attempting to bolster the political legitimacy of the EU; they are backed by financial resources (e.g., ad hoc funds); and they provide institutional resources that insure national member states against unexpected challenges that threaten to unravel their welfare capacities, rather than substitute national welfare states (i.e., they act as re-insurance mechanisms). In last instance, EU buffer mechanisms serve us as a heuristic tool to operationalise the logic behind the European Social Union that has been recently advocated by EU scholars, i.e., an institutional complement to the EMU aimed at providing a ‘holding environment’ for national welfare states (Hemerijck 2013, 2019; Vandenbroucke et al. 2017).