

| The dynamics of the conflict that emerged in the European Parliament debate have unveiled the political barriers that prevent a full implementation of the EPSR.

## NUMEROUS TENSIONS STAND IN THE WAY OF AGREEMENT ON THE EUROPEAN SOCIAL PILLAR

by Francesco Corti & Patrik Vesan

A look at the parliamentary debate on the European Pillar of Social Rights (EPSR) may help to unveil the political barriers, which are preventing full implementation of the Pillar and the dynamics of the conflict that define the room for manoeuvre that policymakers have for setting out social policy proposals within the EU. Drawing on the framework put forward by Maurizio Ferrera, one may identify at least four areas of conflict that will shape decision-making in the European Parliament.

n particular, it is worth noting the explicit tension between Euro-social and Euro-liberal (Left vs Right) political groups, which has emerged within the official pro-European grand coalition that supported the EPSR in opposition to the far-right Eurosceptic parties: the European, Conservatives and Reformists groups (ECR), the Europe of Freedom and Direct Democracy (EFDD) and the Europe of Nations and Freedom (ENF). This tension arises because of a clash on policy priorities and the overall mission of the Economic and Monetary Union (EMU). On the one hand, the Alliance of Liberals and Democrats for Europe (ALDE) and the European People's Party (EPP) support a more neo-liberal project centred on labour market deregulation and welfare retrenchment and monetary/fiscal stability. On the other hand, the Progressive Alliance of Socialists and Democrats (S&D), the Green/European Free Alliance (EFA) and the Confederal Group of the European United Left/ Nordic Green Left (GUE/NGL) are in favour of a growth/employment oriented project backed by public investment and accompanied by a stronger social dimension.

## Territorial lines of conflict

While the left-wing coalition, led by S&D, has shown robust party discipline and voted in favour of the resolution, the liberals and christian-democrats split into two sub-groups. The two sub-groups are the northern and eastern delegations, which defected from their group's official line. In detail, 83% of EPP and 100% of ALDE German MEPS, 96% of Polish and Hungarian EPP MEPS, 100% of the Czech, Danish, Estonian and Swedish ALDE and EPP MEPs and 100% of Dutch and Finnish ALDE MEPs chose not to follow the line of their groups.

On the one hand, liberal and christian-democrat northern delegations refused any proposal for new financial instruments (e.g. the Child Guarantee and the European unemployment insurance scheme) or revision of Europe's socio-economic governance (e.g. rebalancing the European Semester). On the other hand, eastern ones rejected any suggestion of the harmonisation of standards (e.g. a European framework for the minimum wage), which could imply an increase in labour costs. In general, both ALDE and EPP northern and eastern MEPs sought to delete any reference to the "binding" nature of the EPSR, often justifying this position with Robert Gilpin's famous motto "Smith abroad. Kevnes at home".

## Division among liberals and conservatives sent a bad signal

The internal fragmentation of ALDE and EPP reflects two other significant tensions identified by Maurizio Ferrera. The first has to do with the issue of cross-national institutional redistribution and fiscal discipline, according to which EU Member States are divided into two conflicting sub-groups: creditors (northern countries, Germany in primis), and debtors (southern countries). The second regards intra-EU "system competition" between high-wage and welfare EU Member States (west) and low wage and welfare Member States (east).

The dynamics of the conflict (Left vs Right, Pro- vs Against- EU integration, North vs South and East vs West) that has emerged within the parliamentary debate shows the complexity of finding a path towards a European Pillar of Social Rights that areconciles economic and social policies in the EU. The tensions that have emerged shed light on the boundaries of the ongoing debate on the EPSR. The European Parliament gave its broad support to the Rodrigues report (396 in favour, 180 against and 68 abstentions) on a series of policies, which could be included in the Pillar, such as the Child Guarantee, the Youth Guarantee, the extension of social protection for non-standard workers and self-employed and the directive on work-life balance. This strong mandate is the only concrete area where consensus can be found on social issues.

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