

CHANGING PARADIGMS

THE WELFARE STATE AND EU COHESION POLICY

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(Received 18 April 2012)

Abstract

The recent occupy movements protested against the unfair distribution of wealth, even if the EU cohesion policy is one of the most innovative, ambitious and visible instruments for redistribution and fighting inequality. We try to find out if and how this policy is connected to the domestic welfare policies. The supranational European policies are inspired from the national welfare state paradigms but they become incentives for the national policies, creating a virtuous circle. The previous crises were tackled by changing the underlying ideologies and paradigms, from neo-corporatism to neo-liberalism, and from social control to utilitarianism. The present crisis is provoking a new reform of the EU cohesion policy. We will analyse the interrelation between this reform and trends observed in the European welfare states, specifically, the transition to an anti-oppressive paradigm. Is the cohesion policy becoming more people-centred or it continues to subordinate the social dimension to the economic competitiveness?

Keywords: social control, utilitarianism, anti-oppressive policy, welfare state, cohesion policy

1. Introduction

Welfare State is a fascinating topic for scholars. One by one, the clichés related to this type of social policy were demolished and knowledge became deeper and more complex. For instance, the role of working class mobilisation, the rationality and the legitimacy of the Welfare State were contested over the years [1]. The creation of the European Union (EU) determined a new range of studies and debates. How the domestic welfare policies are related to the supranational EU policies? Is there a connection between their goals, visions and methods? This paper intends to search for answers to these questions with regard to one of the most impressive and creative EU policy, i.e., cohesion policy. We are interested in the underlying paradigms that sustain the policies. We understand by ‘paradigm’ the latent values and the operational goals of a policy.

Cohesion policy was studied by scholars especially from a ‘technical’ perspective: institutional analysis, structural-functionalist diagnosis, performance evaluation [2]. Another research direction is the interactionist one, represented by the multi-level governance [3] and policy network analysis. We

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propose in this paper a different approach, searching for invisible roots. Our assumption is that, beneath the explicit discourse, there is an implicit one; beneath the manifest content there is a latent one; beneath the visible goals there are the invisible ones. The most used method for revealing the latent structures of the official discourse is the content analysis [4]. We will use this method for analysing documents produced in crucial moments of the evolution of cohesion policy: before and after the recent economic crisis.

Paradigms are not immovable; they change because of endogenous and exogenous factors, economic crises and social conflicts, social structure and culture, finance and public expectations, zeitgeists and intellectual fashions.

Each crisis has determined important changes both at the national and EU levels. These changes are visible in the jargon used in the EU documents but they also reflect the efforts in reforming of the public policies. Considering the recent crisis, it is not just about growing difficulties in financing of the public policies; it is also about the change in public expectations and social culture: individualism, autonomy, diversity of lifestyles, and fragmentation of identities. We intend to investigate the significance of the changes induced by the crisis: is cohesion policy becoming more people-centred or it subordinates the social dimension to the economic competitiveness?

Our hypotheses are:

- The European Union policies are inspired from the national welfare state paradigms but they become incentives for the national policies, creating a virtuous circle. Therefore, in the first chapter we will explore the common grounds of the European welfare state and of the European cohesion policy and in the second one, the impact of cohesion policy on the domestic welfare policies.
- The other hypothesis - examined in the third chapter - sustains the emphasis put by the crisis on the economic dimension of cohesion policy, accentuating - in this way - the utilitarian paradigm and weakening the anti-oppressive one.

2. Similarities between the European welfare states and EU cohesion policy

In this chapter we intend to demonstrate the initial common grounds of the welfare state and of the EU cohesion policy. Both of them share the Promethean belief in progress and in the human capacity to control the social forces. Both of them share a common conception about the role of the public action in society: regulation, redistribution, and reducing of the inequality. Moreover, beside the principle of economic and social solidarity, all the national welfare states have a spatial development and planning dimension. These features of the Western welfare states were present even in the Eastern communist regimes (with distinct motivations, of course). For instance, Ceaușescu's Romania had quinquennial development plans and policies for reducing spatial disparities, the so-called rational distribution of the productive forces all over the national territory.

Still, the European Union is not a supranational welfare state and its cohesion policy is not just a mechanical translation from the national level to the supranational one.

Being a type of social policy, the welfare state is fully developed after the World War II, after a long prehistory of social and economic crises. Esping Andersen showed the diverse paths used by different nations, in order to build their specific welfare state in a specific social, political and historical context [5]. Therefore, even if sharing a common operational definition of the welfare state, the underlying paradigm could be very different.

The paradigms differ not only from one welfare state to another but, also, within the history of the same welfare state.

Our focus is the interplay between the national and supranational levels, producing a reciprocal changing of paradigms. Thus, the prehistory of cohesion policy shows its initial inspiration in the conservative configuration of the EU founding states. The dominant paradigm was the social control. The conservative welfare states intended to prevent conflicts and tensions and to weaken the influence of trade-unions and socialist movements. Similarly, the EU structural policy, initiated in 1958 with the European Social Fund, was meant to reduce the tensions induced by the deindustrialisation and plant closing, as well as the North/South disparities [6].

The Anglo-Saxon welfare states are based essentially on a utilitarian paradigm, which considers the welfare policies as incentives for the economic growth. Consequently, the policies are depersonalised and even dehumanised. In the official documents, they do not talk about people or persons but about social investment, human capital and human resources. The utilitarian paradigm becomes popular after the *trente glorieuses*, when Europe's competitiveness was challenged by more dynamic economies [7].

The successive enlargements break the relative coherence of the early European construction because Member States have no common welfare paradigm anymore. The United Kingdom brings even more utilitarian touches to the European perspective, while Sweden, Denmark and Finland impress by their generous Nordic welfare states. During the nineties, the Nordic social model supported a dynamic self-transformation to a pro-active, flexible, and anti-oppressive welfare. The 'Social Europe' owes very much to the innovations of the Nordic welfare state [8]. By the end of the 20th century, equal opportunities, non-discrimination, social inclusion, new social dialogue, affirmative action, awareness and empowerment are the new EU concepts reflecting a paradigm change, focused on the anti-oppressive policies [9]. This paradigm emphasises the human rights *per se*, the minorities and deprived people purely and simply having the right to enjoy the same status as the majority or the dominant groups, without any ulterior motive. The operational concept of human (and social) rights is essential to the anti-oppressive paradigm. From this perspective, the rationale behind cohesion policy is the undeniable right of the disadvantaged territorial and social categories to enjoy the same quality of life as the advantaged ones.

Even if we cannot deny the welfare state's role in creating a greater equality and in the melioration of the social conditions, this model of social policy is not appropriate anymore to the new public expectations and to the new context, in general. It was adjusted to a social division based upon social classes, to an industrial society and to the labour/capital dialogue. There is a vast literature concerning the ongoing welfare state's reforms [10]. The new social policies have a more pro-active and flexible approach, based not on equality (which begins to have a negative connotation) and homogeneity but on diversity, equity, equal opportunities and participation. The new social policies aim different target groups than before. Thus, if the poor and the inactive were the typical target groups for the social policy, now the policies change their focus to potentially active and creative groups: women, children, and young people [11]. Anthony Giddens also demonstrates the paradigm change, from corrective and restoring policies to active and positive policies [12].

The Habermasian idea of legitimation [13] could be also revealing for the policy paradigm. From this perspective, the wellbeing promoted by the welfare states secures not only the self-willed conformity to the system but, also, the trust in the superiority and humanity of the system.

From this viewpoint, cohesion policy is not just devised to cope with the economic, social or demographic challenges but, also, to legitimise European Union, as institution. European Union is not just a bureaucracy with simple instrumental roles; it is a symbolic construction and a cultural constellation of values and a fabric of latent messages. This symbolic dimension is meant to demonstrate and to persuade of the usefulness and the necessity of the European Union and, in the same time, to cover the political interests and negotiations involved in the redistribution of the EU financial resources.

3. The impact of the supranational cohesion policy on the national welfare states

The European Union, as a supranational actor, is favourable to the reduction of disparities and that influences the domestic welfare policy, through harmonisation, convergence and integration processes. Certain scholars consider that the EU influence transforms Member-States into 'semi-sovereign welfare states' [14]. Indeed, the EU has an important role in agenda-setting for the domestic policies, especially for the new Member-States. Still, regarding social policy, this influence is rather soft and not coercive. Among other European policies, cohesion policy is very effective in imposing its perspective regarding a certain model of society reflected in a specific jargon. As presented in the above chapter, the paradigm is changing but, roughly speaking, the main ideas are equalisation and reducing of economic and social disparities between countries, regions and local communities [15].

Disparities - measured by macro social statistical indicators - are officially bad because they could cause disruptive social conflicts (the social control paradigm), undermining the economic growth (the utilitarian paradigm), not to mention the humane and moral arguments (the anti-oppressive paradigm).

Analysing these ideas we can see their connection to certain intellectual fashions, such as the theory of systems, where cohesion is a property of the elements of a system. Therefore, the word *cohesion* is more neutral, 'scientific' and 'objective' than *solidarity*, which is more emotional and political, referring to disparities among people and social groups.

Despite its long prehistory, the EU cohesion policy is institutionalised only after the Southern enlargement [6] and completed in 1997 in all the three dimensions: economic, social and territorial. There are no unanimously accepted definitions regarding these dimensions, either in the official documents or in the scientific literature [15, p.85].

Even if criticised because of its weak impact on diminishing of the disparities, cohesion policy remains one of the most convincing argument in favour of the EU capacity in solving problems better than Member States [16].

Using powerful and expensive instruments, such as the structural funds, cohesion policy is very visible and influential, contributing in a decisive manner to the crystallisation of the supranational public policies and to 'Europeanization' of Member-States. This contribution was reinforced by the successive presidencies of Delors, Santander, Prodi and Barroso.

The Delors's legacy is the balance between the economic and social dimensions of the European Union and the mutual support between these two dimensions. After 2000, this balance tends to incline to the economic dimension, because of the tough international competition and, also, because of a neo-liberal zeitgeist. Cohesion policy has resisted to this zeitgeist but, slowly, it became permeable to it, through the concept of partnership [16].

Similarly to the retrenched welfare states, cohesion policy is less focused on needs; it doesn't support the persons and the groups who need more support, but the productive actors, who have know-how, social capital and the ability to design and implement projects. Redistribution is not anymore the main instrument of reducing inequality, stimulating local actors and local development are. People are encouraged to stay in their local communities and, despite the official EU discourse, the free movement is inhibited.

The concept of partnership is related to the policy networks, where the government is not anymore the main actor of the public policies; it is an actor among other equally relevant actors, such as: non-governmental organisations, unions, businesses, and local administration. Thus, the government eludes its responsibility concerning the public welfare.

The impact of EU cohesion policy on the domestic welfare is visible especially in adopting of a common general approach and methods because EU finances the projects corresponding to this vision.

Taking into consideration the actual results, the impact of the EU cohesion policy depends of many endogenous factors, such as: social capital, context and traditions, the informal sector, administrative culture etc. One of these factors is also, the model of welfare. Considering the territorial diversity of the European social models (Central, Southern, Anglo-Saxon, Nordic, Eastern), cohesion policy helped the developed countries to face the challenges of deindustrialisation (in regions like Lorraine, Ruhr, Lancashire, South Yorkshire) and reform their employment policies; cohesion policy contributed to a comprehensive modernisation of the welfare systems in the Southern countries (Greece, Spain, Portugal, Italy); it supported the Eastern countries in to their transition from a communist welfare to a market-oriented welfare. Cohesion policy seems to have a lesser impact on the Northern countries, where ‘economic crisis at the end of the 1980s led to outstanding growth performance and a revival of interest in the Nordic Social Model’ [R. Liddle and F. Lerais, *Europe Social Reality*, A consultation paper from the bureau of European policy advisers, p. 6, available at http://ec.europa.eu/citizens_agenda/social_reality_stocktaking/docs/background_document_en.pdf]. It confirms one more time that the reformed Nordic welfare state is a source of inspiration for the EU policies.

4. The influence of the economic crisis on the reform of cohesion policy

In 1989, Delors I Package sees the EU cohesion policy as an emancipation instrument, ‘giving people the tools to make their own future’ [17]; fighting poverty and utilisation of the endogenous potential were important goals.

Since 1989, cohesion policy witnessed several reforms, determined especially by the maturation of the European construction. The main axes for analysing these reforms are [16]:

- Budget: consolidation, or cuts;
- Rules for allocating funds: widespread distribution or concentration;
- Rules for governing spending: territorial partnership or divided responsibilities; supra-nationalisation or re-nationalisation of cohesion policy.

In a logical manner, the crisis should promote more austere budgets, a more concentrated allocation and a retrenchment of EU cohesion policy because of “neo-liberal preferences, national assertiveness, demands for greater policy effectiveness” [16, p. 462].

The draft legislative package for 2014-2020 intends to reform the EU cohesion policy: “Through Partnership Contracts agreed with the Commission, Member States will commit to focussing on fewer investment priorities in line with these objectives. The package also harmonises the rules related to different funds, including rural development and maritime and fisheries, to increase the coherence of EU action.” [18] The keywords are simplification, coherence, unification, and link with European economic governance. Consequently, is cohesion policy becoming more people-centred or it continues to subordinate the social dimension to the economic competitiveness? Our hypothesis is that the

crisis emphasizes the economic dimension of cohesion policy, in the detriment of the social one, and it accentuates the utilitarian paradigm.

We intend to answer the above issues mainly through a discourse analysis of EU territorial agendas in two crucial moments: before and after the crisis (2007 and 2011). We have selected the words having economic or social connotations and counted their occurrence; then, we have compared the number of occurrences in the two categories: economic and social. Finally, we have decided what dimension is prevalent in the discourse used by the respective documents.

Table 1. Economic vs. Social: *Territorial Agenda of the European Union. Towards a More Competitive and sustainable Europe of diverse Regions.*

The economic dimension	Number of occurrences	The social dimension	Number of occurrences
Develop(ment)	62	Actor, stakeholder, partner(ship), network, cooperation	46
Economic, economy	22	Assistance, help, support	16
Resources and energy	17	Culture, cultural	14
Sustainable	17	Needs	12
Entrepreneurship, business	4	Social	12
Competition	8	Ecological and demographic issues	11
Innovation	8	Health	9
Invest(ment)	6	Employed, employment, labour, job	7
Efficiency	6	Identity/diversity	6
Competitive(ness)	6	People, citizens	6
Growth	5	Solidarity	5
Performance	1	Access(ibility)	4
Budget	1	Integration	4
Invest(ment)	1	Public services	3
		Equal opportunities	3
		Living conditions, quality of life, wellbeing	3
		Mobility	3
		Communication	3
		Housing	1
		Education, training, learning	1
		Rights	1
		European Social Model	1
TOTAL	164	TOTAL	171

Source: <http://www.eu-territorial-agenda.eu/Reference%20Documents/Territorial-Agenda-of-the-European-Union-Agreed-on-25-May-2007.pdf>

The first analysed document is the Territorial Agenda 2007 (see Table 1).

As we can see, the balance between the economic dimension and the social one is very tight. The document emphasises the active and participative perspective (reflected in terms like: actor, stakeholder, partner(ship), citizen, education, training, learning, mobility, communication, employment) in the detriment of the passive and social-controlling one (reflected in terms like assistance, help, support).

Table 2. Economic vs. Social: *Territorial Agenda of the European Union. Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions.*

The economic dimension	Number of occurrences	The social dimension	Number of occurrences
Develop(ment)	86	Actor, stakeholder, partner(ship), network, cooperation	15
Sustainable	33	Assistance, help, support	27
Economic, economy	32	Culture, cultural	19
Resources and energy	24	Needs	13
Efficiency	10	Social	15
Capital	9	Ecological and demographic issues	36
Competitive(ness)	8	Health	1
Innovation	6	Employed, employment, labour, job	5
Performance	4	Identity/diversity	4
Growth	3	People, citizens	1
Entrepreneurship, business	3	Solidarity	2
Budget, finance	2	Access(ibility)	9
Invest(ment)	2	Integration	14
		Public services	7
		Equal opportunities	2
		Living conditions, quality of life, wellbeing	1
		Mobility	1
		Communication	2
		Housing	2
		Education, training, learning	1
TOTAL	222	TOTAL	178

Source: <http://www.eu2011.hu/files/bveu/documents/TA2020.pdf>

The figures show an important place to the anti-oppressive paradigm, as reflected by terms like: needs, people, wellbeing, access to public services, identity, diversity, equal opportunities, rights. These terms represent over 32% of the social dimension of the document. Strangely enough, the expression 'social inclusion' is missing.

Certain official or semi-official documents [19] - published after the beginning of the economic crisis - illustrate a significant paradigm change, from anti-oppressive policies to utilitarianism. The humane policies are justified only by economic reasons. Hence, the tolerance helps to retain and attract talent; the diversity stimulates the creativity; immigrants help the demographic balance and social security sustainability; social exclusion has negative effects on economy; gender policy encourages fertility and women employment; education is essential to growth etc.

The second analysed document is Territorial Agenda of the European Union 2020, agreed in 2011 (Table 2).

Even if the document does not mention the recent economic crisis, the prevalence of the economic dimension is obvious. The utilitarian paradigm is the core of this document. Investing in people seems to be the key-proposition, not *per se*, but in order to contribute to the economic recovery.

Concerning the social dimension, the social control perspective (passive and patronizing, reflected in terms like assistance, help, and support) competes with the participative perspective. It is reflected especially by the frequency of the references to jobs, labour and employment, learning, participation, actor, stakeholder, partner(ship).

Is the future EU cohesion policy more people-centred? In order to establish that, we searched for the same words with anti-oppressive connotations like for Territorial Agenda 2007. Their proportion is only 22% of the social dimension of this document. Compared to the first analysed document, some of these terms ('European Social Model' and 'rights') are absolutely missing.

In conclusion, the document illustrates the strengthening of the economic dimension of the cohesion policy; moreover, the dominant paradigm is the utilitarian one that considers people as a resource for the development. The anti-oppressive paradigm, which considers people as the main goal of the development, is less present.

5. Conclusions

The aim of this paper was to examine the significance of paradigm change during the interplay between the EU cohesion policy and domestic welfare policies. We discovered that there are many focal points of convergence and many reciprocal influences between the supranational and national levels of public policies, as referring to their latent values and approaches. The paradigms underlying cohesion policy were initially marked by the conservative model of welfare promoted by the EU founding states but, after the successive enlargements, the liberal Anglo-Saxon model and the humanitarian Nordic

model have decisively contributed to the present crystallisation of the cohesion policy. In this way, the initial paradigm of social control was completed by utilitarian and anti-oppressive approaches. The European Union, as a supranational actor, exercises different kind of pressures on Member-States, including through the structural funds, in order to impose its own paradigm regarding the welfare policies. This paradigm is mostly inspired by the innovations produced during the reform of the Nordic welfare states (1990-2000). The recent economic crisis disturbed this trend, as our discourse analysis has proved.

The economic dimension and the utilitarian values are emphasised in the detriment of the social and anti-oppressive ones. Growth is the main objective and social inclusion is neglected. This modified balance implies certain risks regarding the effectiveness of cohesion policy in fighting the causes and not only the effects of the disparities. Also, it could cause the alienation of the public towards the European policies.

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