



THE EUROPEAN SOCIAL MODEL: ON THE WAY FROM AN INTERNAL MARKET TO A EUROPE FOR THE CITIZENS ?

Declaration of the EUCDW on the 50th anniversary of the Treaty of Rome

Brussels, 25th of March 2007

On the occasion of the 50th birthday of the European Unification Process the board of the European Union of Christian Democratic Workers (EUCDW) has adopted the following declaration:

The EUCDW would like to see at the occasion of its anniversary remarkable progress with regard to the [European Constitution](#).

With its fundamental values and objectives (a social market economy, full employment, social protection) and above all with the Charter of Fundamental Rights (including 20 fundamental social rights) the constitution could represent true progress, not least in terms of a social Europe. **If adopted unchanged in content we could speak with full justification of a political union, of a union of values.**

The EUCDW makes a stand:

- **against a European Union that sees itself primarily as an economic union** and that regards social, ecological and cultural issues as no more than a accessory necessary to keep the single market running
- **against the argument that globalisation and increasing international trade demands greater flexibility at all levels**; it points out that these increases in flexibility commonly translate into disadvantages for dependent employees and the abolishment of employee rights that were painstakingly fought for
- **against the abolishment of democracy in the form of an abolishment of employee's right to co-determination by introducing new forms of employment**; which, ultimately, signify the end of the concept of the motivated employee and employees entitlement and capability of sharing in decisions and responsibilities, the end of the concept of social equality and a return of the concept of class struggle

On the contrary the EUCDW demands:

- that a macro-economic political approach will be developed to guarantee that higher levels of productivity do not necessarily cause job losses.
- that Social policies will have to be linked to these economic and financial policies in order to provide the employees with guaranteed **high levels of protection** (salaries and working conditions, safety and health at work etc.) and the European Union continues **to improve and complete the legal framework to provide high levels of employment and social protection**. This will involve:
 - European minimum standards for new forms of safety and security regulations at work and the correct application of current European laws including the non-retraction clause
 - More rights for employees: the provision of a better and more complete framework for information, consultation and workers' co-determination
 - Improved European protection by monitoring and completing European laws in respect of working conditions
- that Member state policies to promote the employment of so-called 'risk groups' must not be inhibited or obstructed by European (competition) regulations (since they are directly derived from the fundamental values and basic objectives of the Union)
- that we focus on **"full and high-quality employment"** all over Europe. This principle must be integrated into the European Constitution and also realized within the framework of the European Employment Strategy, **on equal terms with the economic and financial strategy**:
- that Europe takes better care **of the poor and the sick in our societies**. We want to see more binding policy guidelines, built around the hard core of a European Directive (Poverty Standard) which would also provide the basis for a European Minimum Wage (making sure that the economic circumstances of the different member states are sufficiently taken into account). Furthermore it must be assured that each European policy decision requires an analysis of its impact on poverty.
- that **Challenges in the field of social security** (health, pensions) will be seen as social challenges with an economic (financial) dimension rather than as economic (financial) challenges with a social dimension. In other words: European social policies must have priority, not economic and financial policies.
- that the European Union in relation to pensions and health insurance in the member states supports a primary, statutory system that is stable and guarantees a minimum standard of living. **Everyone must be able to enjoy a certain quality of life; this is a basic social right**. Pensions must be inflation-proof. In practice, they should be linked to purchasing power (at least keeping pace with inflation). With this primary pillar of welfare provision, European policy must help member states to guarantee this right for their citizens.

Given the risk that citizens who cannot afford additional insurance may become marginalized, the second pillar (collective insurance) and the third (personal insurance) should only be seen as supplements to primary provision. European policy should be further developed on this basis.

- that the Member States with regards to social security systems we ask to remove remaining obstacles in view of free movement and take up initiatives for strengthened collaboration.
- that the state does not impose more taxes than absolutely necessary. What we need is a social consensus about the tasks of the state (taking into account price stability, growth and employment). Tax policies are an instrument to ensure the state's capability of meeting its responsibilities (**tax policies are subordinate to and follow the definition of state responsibilities, not the other way round**).
- that Europe will define certain responsibilities and duties of the **public services**, preserving their essential aspects such as their provision of general access (to basic services), quality guarantees, social tariffs for the poor etc.
- that the European Union ensures that the **WTO** will extend its ideological base from the intention of achieving unchecked liberalisation of global trade and removing all so-called trade obstacles to a programme that also reflects **legitimate social and ecological interest**. Such interests must be linked with and integrated into the global trade agenda.
- that the European Union is able to link the access to the global trade network with demands for fundamental social rights, providing the possibility - in analogy to the powers of the International Labour Organization - of issuing sanctions against countries which violate these rights (this must not be served to provide or be misconstrued as an argument in favour of protectionist practices).

Fear of the effects of globalisation and a continuing high level of unemployment together with a negative demographic evolution have led to increasing scepticism among the general population as to whether the European Social Model can continue to fulfil its purpose, a population which also fears for its social safety net in the event of sickness, old age, unemployment and poverty and which deems reductions in the standard of living to be unacceptable.

The essence of the European Social Model lies in the integration of free market economic forces in a regulatory framework intended not only to prevent abuses but also to guarantee provision of basic social needs and social security, combining freedom and equality of rights for all citizens with social justice, solidarity and equilibrium. It therefore differs considerably both from the liberal model based on the market economy and the rule of law, i.e. the Anglo-American 'welfare market' model, in that it accepts the obligation and legitimacy of the State intervening in social relations, and from the social-democratic government model, i.e. the Scandinavian model of 'welfare government', in that it guarantees legal protection for private ownership of means of production and the principle of the entrepreneurial independence and thus does not call for a State policy on wages and egalitarian basic social security provision for all, at the highest possible level, financed through taxation.

The European Social Model has its roots in Christian social teachings and is based in equal measure on personal responsibility for oneself (personality) and social justice and security, on competition and solidarity as well as subsidiarity.

In this model, **social security** is not a matter for the State alone, nor a purely private matter for responsible citizens who are able to make provision for themselves as they see fit by means of free health and insurance markets. Instead, social security first and foremost is based following the principle of subsidiarity on contributions paid by employees and employers into social insurance schemes jointly administered by them, with contributions being based according to ability to pay without there being any automatic entitlement to a commensurate level of benefits or services (solidarity).

Similarly, the State does not intervene in the **setting of wages**. Instead, there is free collective bargaining and the State acts rather as a secondary moderator and supervisor of potentially conflictive welfare production processes which take place

independently of it, intervening only to guarantee a basic level of security for those people who are left at a disadvantage. Furthermore it guarantees access to high-quality and affordable **services of general interest**, deemed vital for the development of a just society.

Central concerns of guaranteeing social welfare cannot be left exclusively to the free market mechanisms of supply and demand and the concomitant uncertainties of the liberal welfare-market. Tied to this is the principle of personal responsibility as well as of the help to help yourself. In order to avoid a statist/tax-based or an individualistic/market-economy based regulation of the increasing standard of living, great importance is set on the personal responsibility of individuals, shaping society's definition of welfare through their personal involvement and work (personality).

These values, which lie at the base of the European Social Model, are subject to constant change, are interpreted according to individual perceptions and are in direct and fundamental political and moral conflict with the exclusively market and competition-based liberal model, and it is as yet by no means clear which model will prevail at a European level.