Europeanisation:

New Ways to Conceptualise

European Union Integration

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Abstract: *This paper intends to provide pragmatic, durable solutions, for the Europeanisation and European Union (EU) integration processes, to be maintained during the global financial crisis. There will be critical theoretical analysis of the policy transfer aspects of Europeanisation e.g. immigration policies (Lavanex and UcArer, 2004: 417). (See also administrative performance, cohesion policy, financial management and control, Bachtler et al, 2014: 744). This paper posits that the global financial crisis is ongoing, the effects of which have not yet fully manifest themselves in the EU. This paper seeks to inform the reader of the socio-historical causal factors, which influence how the nature of EU relations with non-EU countries have changed, due to the global financial crisis. The paper concludes with a critical overview, identifying new challenges and threats to Europeanisation and EU integration, which have emerged due to the crisis.*

Introduction

This paper is presented in 6 sections. The first section provides critical theory of the potential threat 'critical junctures' could have on Europeanisation and European Union (EU) integration, especially during future financial crises. Issues to consider include, should there be a re-positioning of the ethos of the EU project. Section two focusses upon 'quality of life', compared to its relationship with more formal, statistical measures of societal progress, such as Gross Domestic Product (GDP). The second section explores the importance of 'quality of life', when discussing Europeanisation and European integration, during the global financial crisis. Section two will identify which actors decide, which aspects of 'quality of life' should be considered, when evaluating the EU. Section three considers welfare provision, introducing the European social model (ESM), critically appraising key issues which have arisen during the financial crisis. Critical questions such as, what are the socio-political-economic costs of basic social protection; should the current level of provision be maintained; what affect would it have on Europeanisation and EU integration, if the value of social transfer payments were significantly reduced; are explored in section three. Section three examines Germany's pivotal role in Europe, as effectively the guarantor of European wide welfare provision. There will be discussion on how during the ongoing global financial crisis, Germany's role becomes more critical in providing the cohesive glue to bind Europe together, alongside the impetus for Europeanisation. The political economic tools of ordoliberalism and Outright Monetary

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Transactions are explained. Section four expands upon the third section, providing a critical theoretical perspective of the political economic landscape, on which various EU policy suggestions were either discussed or implemented. Included is discussion on Giddens' (2013) concept of 'social investment state'. Section 4 revisits ESM, critically analysing how different political definitions of this concept, could have far reaching consequences as regards whether ESM is maintained or not. Section five conceptualises Europeanisation and EU integration through a policy transfer lens. Section five critically theorises how neoliberal ideology, is inveigled onto EU citizens, current and in waiting. The dominant ideology is transferred, mainly in the form of complying with neoliberal norms and values, metamorphosed as EU rules and regulations. This paper concludes with a critical overview, conceptualising what the EU project intended to deliver, critically theorising comparatively, how Europeanisation and EU integration has developed in practice. The paper closes with a delayed critique, warning EU policy makers of the potential dangers of not delivering key issues.

The effect of 'critical junctures' on Europeanisation and EU integration during the global financial crisis

There have been national differences in how the EU integration process affects different member states (Schimmelfennig, 2014: 682; Hall, 2013: 26). Initially from the 1950s, upto the mid-1990s, this hardly produced a murmur from EU countries (Archick, 2014: 1). However from 2008, a 'critical juncture' was reached (Pierson, 2004: 3). Here, an opportunity for major institutional reform presented itself. One causal factor which creates a critical juncture, is the occurrence of some form of big, fiscal, exogenous shock, which affects the institution (Pierson, 2004, p135). In our discussion, critical junctures have appeared, due to the global financial crisis (Blyth, 2013: 296), and the sovereign debt crisis (Schmidt, 2013: 2), which struck the EU. At this point, different member states began to question various facets of Europeanisation (Soyaltin, 2013; Ladi, 2012: 2). Member states, where there was an economic intervention via the Memoranda of Understanding EU policy, such as Greece and Ireland, experienced substantive changes to their employment levels, rights, pension credits, due to the Europeanisation impetus of integration. This led to a major cut in public employees, wage levels and social security due to the adaptation, or for some member states, imposition of EU structural adjustment policies, which incorporate a reduction in welfare payments (Hermann, 2013a: 88). There was also the effect of the Stability and Growth Pact, which limits national deficits to 3% and national debt to 60% of GDP (Hall, 2013: 25).

Historical institutionalism (Braun, 2013: 3; Ladi, 2012: 3), has a key role to play in analysing the social, political and economic conditions, which give impetus to the Europeanisation and the European integration process. 'Critical junctures', which are part of an historic analysis of any country's development, can be defined as an event in time which, '…place institutional arrangements on paths or trajectories, which are then very difficult to alter' (Pierson, 2004: 135, cited in Braun, 2013: 3). There's an important contribution to the 'critical juncture' theoretical discussion to consider. Capoccia and Kelemen

(2007) define 'critical juncture' as '…a situation in which the structural … influences on political action are significantly relaxed for a relatively short period of time.' Relatively short in this context means, 'brief relative to the process that it initiates' (Capoccia and Kelemen, 2007: 347 and 350, cited in Braun, 2013: 3).

The workings of 'critical juncture', 'path dependent' and 'increasing returns', come into sharp focus, when looking at European integration and the effect on Greece during the global financial crisis. In May 2010, Greece signed a Memorandum to access, initially European Financial Stability Mechanism (EFSM), and subsequently European Financial Stability Facility (EFSF) funding, from the EC and the ECB (Fabbrini, 2013: 3). The International Monetary Fund (IMF) were also present, forming a three agency Troika, to assist Greece during its financial difficulties.

Hall (2012) is critical of the Troika intervention in Greece, arguing that the Greek people are paying too high a price for the EFSM and the EFSF funding, which has been 'imposed disproportionately on the GIIPS' (Hall, 2012: 363). 'As a result more than two-thirds of the bailout funds from the EFSF and the IMF are being used to pay interest on the existing debt, while barely a third flows into the government's coffers' (Hall, 2012: 364). Hall's (2012) critique serves to demonstrate that EU policy management of Europeanisation and European integration, need to pay careful attention to the source of historical debt problems in various EU member states. This is because numerous observers perceive socio-historical EU policies to be the cause of the Eurozone financial crisis (Krugman, 2013a; Stiglitz, 2013).

The 'critical juncture' section of this paper illuminates the role 'increasing returns' can play in the interaction between the financial crisis and European integration. Levi (1997) explains that for a country to change its current political economic path to that of another, high economic and social costs are often involved. According to Pierson (2004), the effect of 'increasing returns', acts to make the cost of changing paths significantly lower, than if the county's governing structure chooses a different path (Levi, 1997: 28; Pierson, 2004, cited in Ladi, 2012: 3). The significance of 'path dependence' (Hermann, 2013a: 92) becomes acute, when the decision is taken out of a country's governments hands dramatically, e.g. by a sudden natural disaster like an earthquake or a tsunami. Or the choice of path dependence becomes compromised on a fait accompli basis, as was the situation with Greece. In practice this is Kingdon's (2011) 'policy window' theory. Here a causal factor e.g. the salient matter is no longer present, or there is no other alternative, occurs. The 'policy window' factor, forces a certain path to be chosen, regardless of democratisation issues such as lack of informed consent (Etzioni, 2013: 315; Glencross, 2013: 4) or the socio-political-economic costs (Hefftler and Wessels, 2013: 3). The opportunity has arisen due to the presence of a causal factor, policy change has occurred, via the 'policy window' (Kingdon, 2011: 169-170, cited in Bache, 2013: 23). The Greek economic structure was rendered useless by the global financial crisis. Greece had no choice but to sign the Memorandum in 2010, due in the main, to an earlier decision to join the ERM. The ERM facet of EU integration policy, meant that the Greek Parliament could not devalue their currency, in the event of a financial crisis (Eichengreen et al, 2013: 19).

The effect of Europeanisation and EU integration on quality of life during the global financial crisis

From the early introduction of GDP into the discussion, we can see some of the negative effects of Europeanisation. Bache (2013) argues the emphasis on measuring societal success in terms of GDP, bears little resemblance to accurately assessing the quality of life for people (Bache, 2013: 21). There has been some recent recognition by the EU of addressing the issue of devising a mechanism, which more accurately measures a country's social as well as economic performance. In 2008, the French Government created an initiative called the Commission on the Measurement of Economic Performance and Social Progress (CMEPSP). The CMEPSP was led by Nobel-winning economists Professor Joseph Stiglitz and Professor Amartya Sen (Bache, 2013: 26). The CMEPSP first met 23-24 April 2009, its remit is detailed below.

> *The Commission's aim have been to identify the limits of GDP as an indicator of economic performance and social progress, including the problems with its measurement; to consider what additional information might be required for the production of more relevant indicators of social progress; to assess the feasibility of more relevant assessment tools, and to discuss how to present the statistical information in an appropriate way.*
>
> (CMEPSP, Executive Summary, 2010: 7)

The CMEPSP initiative was short lived, delivering its final report 14 September 2009. One of the policy recommendations is telling. Describing the need for a 'shift of emphasis from a production-oriented measurement system to one focussed on the well-being of current and future generations towards broader measures of social progress' (CMEPSP, 2010: 10). These are the types of social indicators that paint a true picture of people's quality of life, in the country where they live. The CMEPSP extensive 2010 report, fully explains how many issues such as education, health, the environment, social protection, civil defence, are critical in the measurement of societal progress. Not only now, but having the peace of mind of knowing that future generations will have the social infrastructure in place to protect their lifestyles, is also a quality of life issue. EU policy failure manifests itself in the form of a lack of an equivalent CMEPSP-type initiative from the EU, with little in the way of a similar type of project in view, to act as a replacement.

The EU have however recognised that GDP figures do not measure societal progress, such as people's perception of wellbeing. In 2009, the European Commission (EC) issued its own report to the European Council and the European Parliament (EP), called 'GDP and Beyond: Measuring progress in a changing world' (European Commission, 2009: 1). This report included a roadmap, which explained how the EC intended to achieve an improvement in the EU's indicators of societal progress, via a five point action plan, in a manner that had a close fit to EU citizen's priorities. In this sense, the EC 2009 report would be much more inclusive of social indicators, than GDP statistics presented alone (Bache, 2013: 27). The EC 2009 report, informs us of its rationale and GDP reinterpreting remit.

> *GDP has also come to be regarded as a proxy indicator for overall societal development and progress in general. However, by design and purpose, it cannot be relied upon to form policy debates and issues. Critically, GDP does not measure environmental sustainability or social inclusion and these limitations need to be taken into account when using it in policy analysis and debates.*
> (European Commission, 2009: 2)

Progress on establishing which quality of life indicators can be used, during the five year period since 'GDP and Beyond' (2009) has been well intentioned but piecemeal. The EC have published a follow up report, 'Progress on 'GDP and Beyond' actions' (European Commission, 2013a). This report details there remains an overreliance on GDP as the main measure of societal progress. However the self-same report recognises that environmental factors have to be factored into wellbeing assessments (European Commission, 2013a: 4-5). Well intentioned, manifest itself in the EC 2013a report genuine attempts, to consult with and involve all stakeholders. Piecemeal manifests itself in the reports failure, to take a big enough sample of its 500 million population, often enough. Similarly, the report recognises but failed to address until 2013, that it was using statistical information, more than 12 months old, by which to give its quality of life evaluations (European Commission, 2013a: 19). The report does make a contribution towards Europeanisation, due to the actions it has taken on the 5 key priority areas identified in the EC (2009) roadmap. The EC aims '...to increase the timeliness of environmental and social data to better inform policy makers all across the EU' (European Commission, 2013a: 17). This aim, acts as a practical implementation policy driver, whereby all EU member states regularly collect large amounts of social, political, economic and cultural data from its citizens. There is a clear duality of purpose in the EC (2013a) progress report. On the one hand enacting EC (2009) report, whilst on the other, facilitating compliance with Article 3 of the Lisbon Treaty, with its emphasis on 'wellbeing'.

The EP latest response to EC 2009 is Regulation (EU) 549/2013. Here the EP, emphasise the timely collecting of economic data, 'to monitor the structure and the development of the economic situation of each member state or region' (European Parliament, 549/2013: para1). This acts as precursor to the subsidiarity and policy harmonisation required for economic and monetary union (EMU), European integration issues which this reports clearly wants to address. In keeping with the EC (2013a) 'Progress on 'GDP and Beyond' actions' report, EP Regulation 549/2013 also has the best of intentions, and also fails to hit the mark. 'User-oriented approach to publishing data should be adopted, thus providing accessible and useful information to Union citizens and other stakeholders' (Ibid: para13). The discourse in the preceding quote articulates the EP's intention on informing Europe. However the 'consultation' is of a fait accompli, rubber stamp variety. EP 549/2013 confirms that the revised European System of Accounts (ESA 2010), must be used wherever possible, when collecting and transmitting national and regional accounts. This acts as a policy lever, forcing European countries to provide the same economic data for 'budgetary calculations' (Ibid: para4), and for '...member states in fulfilling their obligations relating to the EMU' (Ibid: para2). The reader is now informed that the EP has been collecting the statistical and economic data it needs for EMU, even though some EU member states have not agreed to EMU, or a single currency.

Further EP similarities with the EC are demonstrated, by both using real-time and automated data collection. Both reports acknowledge the importance of environmental, social accounting, alongside the need to evaluate wellbeing and societal progress. Both uses assessment methods which standardise economic and social data, for comparative purposes (EC 2013a: 15; EP 549/2013: para9). The EP national and region report, is much more forthright in its work, '…particularly with regard to monitoring economic convergence and achieving close coordination of the Member States' economic policies' (EP 549/2013: para12). The EP report's strong focus upon fiscal harmonisation, policy convergence and EMU, demonstrates its importance in Europeanisation and EU integration process.

The European Economic and Social Committee (EESC) held a conference on 10 June 2014 called 'Let's Talk Happiness – beyond GDP'. This event demonstrates how the content of the European Commission' 2009 'GDP and Beyond' report resonates today. One of the main 'Let's Talk Happiness' conference aims, was to gauge the level of political commitment to the ethos of the continuation of wellbeing indicators, when evaluating societal progress. In practice, the 'Let's Talk Happiness' event provided a critical overview; '…demonstrating the importance and urgency of reconsidering wealth indicators as a means to reframing the current debate on economic policy' ('Let's Talk Happiness' Event Information, 2014). The conference underscored Europeanisation, as a legitimate political economic process, provided that quality of life and wellbeing indicators, form part of decision making.

Europeanisation, European integration and the European Social Model

The paper now turns its attention to the welfare provision aspects of EU policies, analysing the issues that have arisen, due to the global financial crisis. We need to conceptualise what affect the crisis will have on Europeanisation and the European integration process, in terms of quality of life issues, analysed earlier in this text. There needs to be consideration that EU may have to change its welfare provision polices to acceding countries in waiting, as the political economic climate has changed due to the financial crisis. There might be a similar discussion for existing EU member states.

The European Social Model, highlights the importance of social investments, contemporised in the form of redistributive policies, which include social protection payments. Mario Draghi, President of the European Central Bank (ECB) comment in February 2012, that the European Social Model is 'gone', rang alarm bells (Hermann, 2013b: 1). Noam Chomsky, (2012) articulated his concern of Draghi's comment by paraphrasing the word 'gone' with "under attack" (Chomsky, 2012). Vanhercke (2013) is similarly concerned, saying Mario Draghi's interview '…raised serious doubts about the traditional social contract' (Vanhercke, 2013: 92). Moreover, Draghi's subsequent indication that European Social Model doesn't exist anymore, identified a significant actor in the Europeanisation and European integration problem constellation, at that time. The possibility of the European Social Model having to take a backseat to 'authoritarian neoliberalism' (Bruff, 2012: 114), thinly disguised as EU imposed austerity measures, raise early concerns. The policy transfer implications of such comments, are explored more fully later in this text. Moreover, the comments serve to demonstrate that the ECB send mixed messages, regarding how their policies will be implemented in practice.

The paper presents a quick analysis of Germany at this juncture, the rationale will become apparent shortly, as the discussion develops. Germany is perceived to be the major player in European integration and Europeanisation (Beck, 2013:3; Fabbrini, 2013: 23; Hall, 2013: 25). This observation, albeit begrudgingly, is supported by The Institute for Employment Research (Walwei, 2014: 7). The UK and France are equally begrudging, in their own way, keeping a diplomatic silence, barely acknowledging Germany's key role in Europe (The Ditchley Foundation, 2013). Other members of the epistemic community are noticeably less reticent, commenting that Germany might have more economic influence in Europe, but not on issues such as soft skills or culture (Wehn, also Winder, cited in Jeffries, The Guardian Online, March 31, 2013). The discourse in most International Labour Organisation (ILO) literature, acts to demonstrate, that the ILO view Germany as the most significant nation state in Europe (Steedman, 2014: 10). Sustainable Governance Indicators (SGI), a Non-governmental organisation (NGO), also indicate that Germany is the key state within Europe, from a social policy perspective (SGI, German Social Policies, 2014). One area that reinforces Germany's exalted position is the history of the European Stability Mechanism (ESM) policy. Due to some political wrangling increasing the possibility of the European integration project being derailed, the legislature located the ESM outside of the jurisdiction of the EU legal framework. This happened on the basis of a European Council (EC) decision made 25 March 2011. Germany has 271,461 keys under Qualified Majority Voting (QMV). In political economic practice, it is not possible to have a QMV vote against Germany on EU financial matters. 'In monetary affairs there is a German line that no member state can cross.' (Fabbrini, 2013: 24). Germany's power has a substantive influence on the trajectory of Europeanisation, European integration, the European Social Model and ordoliberalism, a concept which will be discussed in the next section.

There are a number of examples where austerity measures have delivered neoliberalism, or 'ordoliberalism' to European populations (Bonefeld, 2012: 141). 'Ordoliberalism' can be defined as a German hybrid between social liberalism and laissez-faire neoliberalism. Here the political economic landscape would be competitive, a market free from monopolies and cartels, with little state intervention. Ordoliberalism is public policy, supported if need be by the statutory instrument of legislation, to ensure economic conditions conducive to business and social welfare provision. Ordoliberalism is more commonly known as 'social market economy' (Wren-Lewis, 2014: online blog; Bonefeld, 2013: 107). Greece saw its minimum wage to under-25 year olds, cut by as much as 32% during austerity measures (Busch et al, 2013: 13). Stuckler and Basu (2013) argue that EU imposed austerity measures are creating a 'public health disaster' in Greece' health care system, to the extent that 'austerity kills' (Stuckler and Basu, 2013: 6). Greece's sovereign debt has been reduced, with a concordant reduction in public goods provision such as social protection payments and the health service. Noam Chomsky (2012) argues that austerity was imposed on Spain, increasing unemployment, reducing growth and ultimately, collective bargaining power (Chomsky, 2012). Austerity measures have acted as a policy transfer mechanism, heralding the return of neoliberalism to various European countries. Germany went through a selfimposed austerity programme some 20 years ago, with the German people having regular elections, which legitimated their austerity process (Jeffries, The Guardian, 2013). That is quite different to what has happened elsewhere in the EU since 2008. Troika austerity measures being imposed on some EU member states.

On 6 September 2012, Mario Draghi said, 'you have large parts of the euro area in a bad equilibrium in which you may have self-fulfilling expectations that feed on themselves.' (ECB Press Conference, 2012). This comment was made when the ECB formally announced its 'Outright Monetary Transactions' (OMT) policy. The OMT programme is a guarantee to buy unlimited sovereign bonds from EU member states, during global and sovereign debt crises. Given Draghi's comment in February 2012 as documented earlier, the ECB then demonstrated a case to intervene, in an inflationary, state-interventionist Keynesian manner. Draghi explained the rationale of this ECB repositioning by saying, '…to break these expectations, which (…) do not concern only the specific countries, but the euro area as a whole. And this would justify the intervention of the central bank' (ECB Press Conference, 2012).

Eichengreen et al (2013) argue that the OMT policy although welcome, is too little too late. Few institutions are buying the sovereign bonds covered by OMT, due in part by the threat of contagion, also by an inability to access credit. It's for those sort of reasons why Eichengreen et al (2013: 19), Fabbrini (2013: 3) and Hall (2012: 363), are of the view that the ECB and the Eurozone are at best, underachieving. The IMF and the USA Congress and Global Insight, indicate that the EU debt and deficit figures, to December 2013, are still too high, in comparative terms, to other global areas who have been through financial crises in the past (Hugh Pym, BBC NEWS, 2014; Archick, 2014: 5). For instance, Spain 1977, Norway 1987, Finland 1991, Sweden 1991 and Japan 1992 (Eichengreen et al, 2013: 19). These problems are caused by a number of complex factors, which include low private and public consumption, partly due to difficulties in accessing credit. Similarly, to the end of September 2013, there is weak export and investment performance throughout the EU, relative to its size.

> *Comparisons with Latin America after 1982 and East Asia after 1997-8, underscore the chronic nature of Europe's crisis and disappointing- indeed, so far non-existent-recovery. The Eurozone is underperforming even by the standards of Latin America's lost decade* (Eichengreen et al, 2013, p18)

Once again this is caused primarily by lack of credit. If people are unable to access finance, they will be unable to buy additional goods, only being able to fund essential purchases e.g. food, accommodation and heating. The lack of credit in the EU is especially acute for crisis countries e.g. Greece, who are in their third year of sharp, Troika controlled austerity measures (Pisani-Ferry et al, 2013: 67). The picture is not much better for EU member states, not in the Exchange Rate Mechanism (ERM), or under any supervision arrangement e.g. the UK (CBI, 2014). The UK since the last quarter of 2012, is seeing the benefits of austerity measures imposed due to the financial crisis, feed into the economy, in the form of increased labour market activity (BBC NEWS Online, 11 June 2014).

Busch et al (2013), Eichengreen et al (2013) and Hermann (2013b), are all critical of EU policy makers, for continuing to reduce public expenditure and access to credit. They argue, to varying degrees, that such action, especially during a financial crisis, acts to inhibit economic activity preventing growth. People do not have enough money, stable employment, or the access to credit they need in sufficient quantity, to stimulate the EU economies. This results, with a few notable exceptions e.g. the UK, in the second half of financial year 2013-2014, in at best flat EU member state economies, with no economic growth (Krugman, 2013a, p2). There is extensive literature which acknowledges that the approach to achieve the necessary aim of reducing budgetary deficits and debt overhang, is by getting people back into employment, so they have regular finances with which to purchase goods (Krugman, New York Times, 2013b: A29; European Economy, 2013: 13). This approach has the added benefit that EU public expenditure on welfare payments would be reduced. The rise in employment would mean fewer calls for social protection payments, alongside a growing economy.

Europeanisation, European integration and European Social Model – Revisited

Giddens (2013) argues there is a 'social investment state' (SIS). This principle reinforces the EU social model, explaining that SIS is not just about economic convergence and growth, there is a social side to Europeanisation. Giddens (2013) argues 'A lot of what occurs in a welfare system is relevant to economic productivity. This is true of education, for example, and it's also true of public health and many other areas.' (Giddens, 2013). Vaughan-Whitehead (2011) is equally supportive saying, 'The European Social Dialogue at EU level should […] be further strengthened, especially in periods of crisis, precisely to encourage better coordination and interaction of national responses' (Vaughan-Whitehead, 2011: 54, cited in Zahn, 2013: 21). The Social-Democratic Party (SPD) and the Alliance90/The Greens, the two main political opposition parties in the German Parliament, also support Giddens (2013) and Vaughan-Whitehead's (2011) argument (Ptociennik, 2013: 6). The German Opposition parties want to tackle inequality by a process that can be described as 'Social Redistribution Expanding' (Ptociennik, 2013: 5). This is essentially increasing taxation for those private companies and individuals on higher incomes, who enjoy capital revenue on accumulated savings (Ptociennik, 2013: 5). The SPD and the Alliance90/The Greens in their Bundestag (Germany) 2013 election manifestos, highlighted how important it is that state funding continues in education and infrastructure, in order to combat rising inequality (Alliance90/The Greens official website, 2014; SPD Manifesto 2013: 2). Giddens (2013) 'social investment state' and the main German Oppositions 'Social Redistribution Expanding' are politically and economically complimentary. The SPD in particular, support a return to 'globalsteuerung', which is a German hybrid version of Keynesian economic model (Ptociennik, 2013: 4).

A policy the EU has, which contributes towards reducing inequality, while pursuing Europeanisation and European integration, is the European Social Model (Zahn, 2013: 9). The European Council (EC) give the following functional description of European Social Model. The reference is from the Presidency Conclusions, European Council Meeting, Nice, 7-10 December 2000. The quotation below has some recognition in the literature, as being as close to an official EU Governance definition of European Social Model, as has been made available (Alber, 2010: 7).

> *'The European Social Model, characterised in particular by systems that offer a high level of social protection, by the importance of the social dialogue, and by services of general interest covering activities vital for social cohesion, is today based [...] on a common core of values (European Council, 2000: para11).*
> *[...] It now includes essential texts in numerous areas: free movement of workers, gender equality at work, health and safety of workers, workers and employment conditions, and, more recently, the fight against all forms of discrimination [...]*
> (European Council, 2000: para12)

Giddens (2005) informs us that European Social Model has a multitude of definitions, all with a common theme, of delivering economic prosperity, limiting inequality and redistribution. 'Hence there are many definitions of ESM around, although they all home in on the welfare state' (Giddens, 2005: 6). There is recent confirmation of Giddens' (2005) view. According to Busch et al (2013), the European Social Model has never been unambiguously defined. Its interpretation changes for member states within the EU, and in comparative analysis with other non-EU countries e.g. the United States, or Latin American countries such as Argentina (Busch et al, 2013: 5). Giddens (2005) and Busch et al (2013) views are useful, in demonstrating that the lack of specificity of the EU regarding European Social Model is beneficial. EU member states, current and in waiting, are at different stages of their development cycle, at differing distances from the EU ideal. This reinforces the narrative of the 'differentiation integration in the EU' discussion (Chopin, 2013: 10; Emmanouilidis, 2013: 65; Ondarza, 2013: 6). A vital subject which itself is underdeveloped and under-theorised (Schimmelfennig, 2014: 681). Holzinger and Schimmelfennig' (2012) observation, encapsulates the view that the operational mechanics of Europeanisation and European integration process, differ between EU member states. 'The concept of a 'Two- or Multiple-speed Europe' is closest to the current EU' (Holzinger and Schimmelfennig, 2012: 294). We can now see how the lack of a recognised definition of European Social Model is advantageous. The flexibility afforded by such fluidity, enables the provision of European Social Model to be delivered in different ways, concordant to the assessed social needs of each individual EU member state. Busch et al' (2013) critique of the ambiguity in defining the European Social Model, although valid, is actually a good thing. Member states can tailor make their social protection responses for their citizens, not being trussed up in a rigid straitjacket of a preordained definition of European Social Model, which member states must adhere to. The ambiguity is also useful as a riposte to the anti-Europeanisation, anti-integration lobby.

Dangerous side effects of Europeanisation and European Integration:
Policy transfer of neoliberalism and other negative externalities

This paper is now going to provide a brief overview of some of the theoretical approaches the EU uses, as part of the Europeanisation process. Essentially, this is an analysis of the mechanisms and conditions, which provide the core components of effective Europeanisation. The EU applies two theoretical explanations, rationalist and sociological institutionalism, when implementing its policies, which themselves facilitate European integration (Sedelmeier, 2011: 11; Jenson and Merand, 2010: 76). In this discussion, rationalist institutionalism can be defined as the EU using qualifying criteria, which they themselves have devised, which nation states must comply with, as a condition of gaining and maintaining their membership of the EU (Sedelemeier, 2011: 12; Jenson and Merand, 2010: 78). This could be described as a material-gained rationale (Bache et al, 2011:41). Sociological or constructivist institutionalism, when analysing Europeanisation and European integration, can be defined as the relationship between social actors, systems of meaning, norms and discourse, and their ability to learn from historical social experiences with different institutions (Jenson and Merand, 2010: 74-75). Checkel (2001) argues that essentially, '…state compliance results from social learning and deliberation that lead to preference change' (Checkel, 2001: 560). Of the two approaches, rationalist institutionalism is much more prevalent, when the EU interacts with non-EU countries. In the main, the policy transfer of neoliberalism, complete with the erosion of social protection payments takes place via rationalist institutionalism. In essence, rational institutionalism belongs in the socialisation approach to Europeanisation. This is achieved by the use of 'soft power' (European Commission, 2013b: 1), non-EU member states are encouraged to implement EU policies, having being taught the benefits of such action, via the socialisation approach. 'Socialisation subsumes intergovernmental "social learning", "constructive impact" and "communication' (Schimmelfennig, 2012: 8).

The EU has made a number of non-EU partners, in the course of its trajectory in becoming an increasingly influential, supranational organisation in the globalisation process (Archick, 2013: 1). Non-EU countries are more likely to adopt EU type policies, once they are convinced of the legitimacy and/or the cost/benefits in socio-political-economic terms, of living effectively as a quasi-EU member state. The transformative effect upon non-EU countries of EU-induced change, has resonance in a number of different policy fields (Soyaltin, 2013; Schimmelfennig, 2012: 11). Global challenges such as climate change and resource migration can be reduced, if more non-EU countries choose to collaborate by adopting EU type policies. EU policy transfer via the socialisation approach, via the Europeanisation process, has taken place on an intergovernmental and supranational basis (Fabbrini, 2013: 1; Holzinger and Schimmelfennig, 2012: 294).

Open Method of Coordination (OMC) involves the use of scrutiny of guidelines, benchmarking, best practice and compliance indicators towards agreed policy goals (Europa, 2014). In essence, OMC acts as a policy diffusion conduit, transferring neoliberal values, throughout all EU member states who participate. The OMC can be said to have a dichotomy of purpose. One aspect of OMC is that it helps to enhance trust between member states, as performance on agreed policy goals are subject to public scrutiny. Another branch of the OMC dichotomy is that it helps EU policy makers make a success of their reforms (Lelie and Vanhercke, 2013: 10). The results at a practical level underline the policy transfer aspects of European integration. EU member states granted protection to approximately 137,500 asylum seekers in 2013 (Eurostat News Release, 2014: 1). The broad, generic migration policies of the individual EU member states, although not harmonised, have acted to provide safe harbour to this large number of asylum seekers. Alternatively, EU policy transfer of neoliberalism can manifest itself differently, as regards for example the Kyoto Protocol. This is an issue which does not come under the auspices of the OMC. Here, EU member states can make their own individual choice to comply with the Kyoto Protocol, not comply, or devise a compromise they are happy with (Groen et al, 2013: 42). Once again, EU policy transfer of neoliberalism has taken place, by proxy, there being no real impetus to pay the costs of implementing the Kyoto Protocol. The Kyoto initiative has stalled.

As a compromise, in not implementing the Kyoto Protocol, the EU developed the European Emissions Trading Scheme (EU ETS). The main policy driver behind EU ETS is essentially neoliberal (Groen et al, 2013: 48). EU ETS, produces some form of 'material-gain', either as economic profit, or actors being seen to reduce CO^2 emissions in the local environment. The policy formulation process, whereby the EU came to this decision, is sociologically, constructivist institutionalism in nature. Social norms and practises being changed, mainly by the discourse from elite environmental experts (Paterson et al, 2014: 426). EU ETS, an adaptation of the ethos of the Kyoto Protocol, facilitates Europeanisation and European integration and proliferates neoliberal policy diffusion.

Estonia represents a typical example of the continuity of neoliberalism, due to EU policy transfer (Busch et al, 2013: 9; Hermann, 2013b: 2). Kmezic (2013) argues, regarding Central and Eastern Europe (CEE) and Southeast European (SEE) countries, '…the extension of the EU membership to these countries, is in fact a process of Europeanization, massive export of EU norms' (Kmezic, 2013: 6). Estonian policy makers introduced contractive, deflationary austerity measures policies, as part of Maastricht compliance and European Monetary Union accession criteria, advocated by the EC (Madariaga, 2013: 29). The Estonia example is mirrored in other CEE and Balkan states countries e.g. Latvia, Bulgaria and Kosovo. According to Tudgar (2013) '…, countries like Romania have pursued efforts to improve the educational and cultural restrictions on its Hungarian community' (Tudgar, 2013: 36-37). The Estonian and Romanian examples, demonstrate the positive and negative effects of conditionality-induced EU policy transfer. The impetus towards European integration has not been consistent. EU history has a number of examples, where EU member states have been non-compliant without penalty (ECFR Policy Brief 26, 2010: 3). This is a 'democratic deficit' critique, described by Cheneval and Schimmelfennig (2013). They argue that the EU is a 'demiocracy', a polity of multiple *demoi* (Cheneval and Schimmelfennig, 2013: 334).

Dereci (2013) has a different position, which demonstrates that the 'democratic deficit' perception of the EU is contested. EU membership is conditional upon fully complying with the Copenhagen (democratic conditionality) criteria, and with adopting the EU acquis communautaire[1] (acquis conditionality) (Dereci, 2013; Soyaltin, 2013). Dereci (2013) argues that EU political conditionality has had a transformative impact, forcing Turkey to adopt an enabling social landscape, which has allowed civil society organisations (CSO) to grow. However, Soyaltin (2013) is much more incisive and critical of the EU. Soyaltin' (2013) critique, acts to reinforce Cheneval and Schimmelfennig' (2013) 'demiocracy' theory. "Besides being selective, the Europeanization process also remained, to a great extent, shallow in Turkey." (Soyaltin, 2013). [2]There is similar underpinning knowledge from Tudgar (2013: 50).

The first Civil Society Organisation Monitoring Report for Turkey, from [3]TUSEV (2011), the Third Sector Foundation of Turkey, confirms numerous 'democratic deficit difficulties for Turkey in its development. The democratic participation socio-political landscape has not been transformed overnight, during Turkey's continuing endeavours to meet the Copenhagen criteria. The TUSEV (2011) report highlights how a political culture of participatory decision-making, conducive for the European integration process, is being impeded by the Statist tradition of Turkey. Dereci (2013) argues this problem is not just limited to Turkey, there is a lack of NGO representation throughout the EU as a whole. "The EU Progress Report 2013 states civil society participation in policy making cycle on an ad hoc basis since there are no participatory mechanisms defined in the legislation that allow permanent and structured consultation with CSOs." (Dereci, 2013).

The EU growing influence as a supranational social and economic actor on the global stage, is demonstrated when it has delivered policy transfer by creating 'global financial orders' (Drezner and McNamara, 2013: 155). The EU ETS discussed earlier in this text, can be said to belong in this category. Especially considering as regards the EU ETS that '…EU member states diminished the value of the contributions of US experts' (Paterson et al, 2014: 436). Drezner and McNamara (2013) explain that when 'political power' interacts with economic ideas, there is a framework that is used to create feedback between financial stakeholders and policy makers. This feedback includes a reinterpretation of existing information, the adaption of previously rejected policies and reprioritisation of resources, with which to alleviate the financial matter in hand. This process involves a repositioning by key political and financial social actors of previously held beliefs. In essence, there is a social construction of reality over time. That is the process by which global financial orders are created. Key social actors have to tackle competing ideas, finding like-minded financial allies to support their cause, in order to direct 'global financial orders', towards their preferred framework of policy solutions (Drezner and McNamara, 2013: 156).

Notes

[1]Acquiscommunitaire is a French term meaning, the rights and obligations that EU member states share.
[2]Tudgar (2013) is also similarly critical of the EU and how the Europeanisation process worked, when applied to the accession of Latvia to the EU in 2004.
[3]This TUSEV report is the first Civil Society Organisation Monitoring Report for Turkey.

International political economy academics and EU policy makers need to pay attention to Drezner and McNamara's (2013) 'global financial orders' theorem. Non-Governmental Organisations (NGO), civil society organisation (CSOs), and political activists alike, can use the ever present threat of financial contagion and/or online activism, to further their own malevolent or benevolent ends. Global financial orders can be formed from the most unexpected allegiances. This can include anti-neoliberalism, anti-capitalism, Occupy Wall Street movement type groups, supported by various EU member states minority political parties. There is a small but distinct possibility that such a group, could coalesce to the extent that they become a significant social actor. The formation of such an organisation, once stabilised, although likely to be a minority group, would still be significant. The newly formed group would become members of the epistemic community. This would enable them to some extent, to influence the timing, shape and nature of the Europeanisation and European integration process. The European Social Model, under attack on all fronts, is battle weary and broken. The ESM would benefit from re-inventing itself, becoming a more inclusive model, involving a broader spectrum of actors who can help. In sum, Drezner and McNamara's (2013) 'global financial orders' theory should not be taken lightly. Online activism could take political activism in a very different direction. For internet articulate people, it's not a giant leap for 'global financial orders' to become 'global political economics orders'. There could easily be an 'Arab Spring' type revolution, changing the very landscape under which the Europeanisation and European integration process develops.

Hall's (2013) concluding remarks in his Harvard Magazine article, are in one sense quite chilling. '..., we know that democratic politics is an inefficient process, and Europe has a postwar record of reinventing itself that suggest the task is not impossible.' (Hall, 2013: 27). On the one hand, Hall's (2013) remark can be interpreted as saying, it would be feasible to reinvent Europe's social care agenda. Alternatively, Hall's argument could be construed, that EU policy makers can legitimately take the position, that loss of people's democratic participation and representation is unimportant. Furthermore, Hall's comment could be understood to mean that democratic deficit would be an acceptable price to pay for the Europeanisation and the EU integration process, to rebalance itself and get back on track. A repeated warning is justified, currently the election of the EP, resembles a Papal ceremony, being oligarchical in character (Innerarity, 2014: 4). Continuation of such an ethos by EU policy makers, could be disastrous. In all likelihood, it would fuel the Eurosceptic sentiment to such an extent, that they become the legitimate majority within the EU.

Conclusion

This paper concludes with some cautionary tales and policy advice. The rhetoric of the pro-Europeans and the euro-sceptics sounds remarkably similar. Both say they want a free market Europe without borders (to trade), with no social, democratic, or environmental barriers (to varying degrees). Therein lies the source of some of the EU's problems. Consensus has not been reached on what direction the EU project should go in, or on fundamental issues like the retention of the European Social Model (ESM).

There is growing realisation that to save the EU mission, sooner rather than later EU member states will have to agree to greater EU harmonisation and subsidiarity. Being partly in and partly out, simply does our EU citizens a disservice in the long run. For the Europeanisation and EU integration process to reach its full term, the EU policy makers need to "expand the European Monetary Union into a Political Union" (Habermas, 2013). Habermas' (2013) comment can be construed as introducing the view that greater fiscal integration is required, as part of European integration, for the EU to succeed in its mission. Francine Mestrum (2013) of Global Social Justice and Tsoukala (2013), have made similar observations of EU's position, as a critique. Habermas' approach (2013) would deliver the neoliberal economics requirement of calming the financial markets, along with the social justice and the inclusive policy-making elements, which underpin OMC and the ESM (Tsoukala, 2013: 36). It would appear that some form of ordoliberalism, would satisfy both pro and anti- Europeans alike (Bonefeld, 2012: 141).

In the event that the EU is unable to resolve its debt crisis soon, we are five full years into EU driven austerity measures (2009), people will become impatient (Busch et al, 2013: 3/4; Leventi et al, 2010: 5/6). For countries such as Greece, Ireland, Portugal and Cyprus, the Troika consisting of the EC, the ECB, and the IMF, have applied fiscal constraints to their economies (Sapir et al, 2014: 7). Calls will increase, for radical changes in the way people are governed by the EU. There is a genuine possibility that people won't accept the real cuts in living standards, the constant attack on the European Social Model, alongside not having a real say in critical issues such as resource allocation, for much longer (Schmidt, 2013: p13). There is a real political economic danger to the EU, if the central ground of EU political landscape becomes occupied by a majority of anti-European parties. There is growing discontent against the mainstream political parties, in many EU member states. This is an impetus which is best addressed by the provision of good news stories, demonstrating that EU policies do work, delivering a tangible, better quality of life to people. The news that at 31 December 2013, Ireland was no longer the subject of Troika austerity measures is welcomed (Sapir et al, 2014: 2). However progress to that point has been painfully slow. If more good news does not arrive quickly, there is a real possibility that the Europeanisation and the EU integration process could unravel altogether.

The death of the EU project could happen in one of two ways. The EU could go quietly, sinking into a social malaise quicksand of disenchanted, disillusioned EU citizens, who are apathetic, no longer supportive of the EU ideal. Meanwhile, European Social Model welfare provisions, have been silently melted away by EU policy changes, which constantly reduce the value of social protection payments. Alternatively, the end for the EU could be much more dramatic. The workings of 'global financial orders', with a different twist, transmuted into 'global political economy orders', could be the order of the day. Here, the EU project would disintegrate rapidly, being swept aside, perhaps in a few short days, on an 'Arab Spring-type' anti-EU integration, political revolution basis. How long the EU project has got, no one can quite tell. Either way, EU policy makers need to devise and implement policies that deal with the 'democratic deficit' critique. This is critically important to the EU, citizens need to have a sense of ownership of issues that affect their daily lives. The other equally critical issue that EU policy makers need to address in the near future, is being seen to give visible support to the European Social Model.

Social protection payments must not be sacrificed on an altar of the ideology, that we must reduce EU debt levels, at all costs (Bongardt and Torres, 2013: 72; Giddens, 2013; Hermann 2013b: 1; Ptociennik, 2013: 6).

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