

WHITHER SOCIAL RIGHTS IN (POST-) BREXIT EUROPE?

OPPORTUNITIES AND CHALLENGES

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THE RISING INVISIBLE MAJORITY IN NEED OF NEW SOCIAL RIGHTS

EMANUELE FERRAGINA AND ALESSANDRO ARRIGONI

Only 15 years ago it would have been difficult to envisage the current European political landscape: the decline of mainstream political parties, the rise of new challengers on the right and left, the crisis of European Union institutions in the wake of austerity policies and centrifugal tendencies such as Brexit. The consequences of the 2008 financial crisis have strongly affected the continent and are often invoked to explain the challenges traversing Europe at the political and social levels. Despite the relevance of this crisis, however, one has also to examine the long-term challenges posed by the transformation of European societies.

To do so, we have developed the notion of the ‘rising invisible majority’ to explore the interconnections between the political economy and the changing composition of society. This concept charts a similar—if differently paced—transformation across Europe throughout the neoliberal phase of capitalism. We suggest that this transformation can

affect the political and social context (for a more detailed analysis, see Ferragina *et al.*, 2020).

Deregulation and retrenchment

The neoliberal agenda became influential from the early 1970s and affected the European integration process. The demise of the Bretton Woods agreement prompted the creation of the European Monetary System, which became a monetary straitjacket for the continent and conditioned institutional dynamics across countries. Labour-market deregulation and welfare-state retrenchment redefined the connections between the political economy, the composition of society and citizens' social rights. Wages and welfare-state benefits constitute on average three-quarters of household income in Europe and their prominence illustrates how labour-market and welfare-state transformations are likely to affect the material and social basis of society.

The material basis of what we define as 'invisibility' manifests itself in a structural increase of unemployment, labour market precarisation and poverty. Such 'invisibility' makes growing segments of the population less likely to participate in the institutions that regulate social life and defend/expand their social rights, while mainstream parties and trade unions do not represent them adequately in the public arena. We suggest this trend goes well beyond the conjunctural effect of the 2008 crisis and will concern a majority of the population, unless the neoliberal mechanisms of regulation are slowed or reversed.

The transformation of the social composition which we capture with the 'rising invisible majority' concept is a complex phenomenon which needs to be evaluated in the long-run and therefore any measurement at one point is by definition incomplete. We consider invisibles those

who are unemployed, in atypical contracts, at risk of poverty and inactive, and we limit the analysis to the working-age population (16-65). In Europe we witness an overall rise in the share of invisibles, with the cross-country average going from 35 per cent in 2002 to 49 per cent in 2016 (Table 1).

Table 1: the rise of the invisible majority in Europe

Country	2016	2002	Difference 2002-2016
Austria	35.0	32.2	2.8
Belgium	46.3	35.2	11.1
Denmark	35.4	27.7	7.7
Finland	44.9	29.2	15.7
France	51.1	30.6	20.5
Germany	43.2	36.1	7.1
Greece	67.9	46.1	21.8
Ireland	69.2	38.2	31.0
Italy	46.7	38.3	8.4
Netherlands	49.6	41.7	7.9
Portugal	59.2	37.7	21.5
Spain	59.5	48.9	10.6
Sweden	32.6	22.0	10.6
United Kingdom	46.9	35.1	11.8

Source: European Social Survey (2002, 2004, 2012, 2016 iterations)

Cross-country variation in the share of invisibles and its increase however invites caution. Austria (35 per cent), Denmark (35.4 per cent) and Sweden (32.6 per cent) display the smallest share. Austria has witnessed also the lowest increase since 2002 in the country sample (2.8 percentage points), while the rise in Denmark (7.7) and especially in Sweden (10.6) is more pronounced. Excluding these countries, the share of invisibles is always above 40 per cent of the working-age population. Even countries which have led the pack in terms of economic growth in recent decades, such as Germany (43.2 per cent) and Finland (44.9 per cent), have observed a considerable increase in the share of invisibles in 2016 (7.1 and 15.7 percentage points respectively).

With still higher shares stand Belgium (46.3 per cent, an increase of 11.8), Italy (46.7 per cent, +8.4), the UK (46.9 per cent, +11.8) and the Netherlands (49.6 per cent, +7.9). Finally, France (51.1 per cent, +20.5), Ireland (69.2 per cent, +31), Greece (67.6 per cent, +21.8), Portugal (59.2 per cent, +21.5) and Spain (59.5 per cent, +10.6) have crossed the 50 per cent threshold.

Although suggesting a common trend, these aggregate data hide the fact that in certain countries (such as the Mediterranean countries and Ireland), material hardship is more intense than in others (France and the Netherlands, for example), as the share of people experiencing simultaneously poverty and precarious labour-market conditions varies considerably. Being a temporary worker, having a part-time contract and being unemployed and/or poor can also entail different degrees of hardship across countries. This relates to income levels but also to social rights and welfare entitlements, which, despite overall welfare-state retrenchment, vary greatly.

Lower confidence

The invisibles are less likely to vote or be members of trade unions. They have less confidence than the rest of the population in the political system's ability to enable participation in political life and grant social rights, and they are less inclined to express their opinion on government decisions. This lower confidence is displayed also when they reflect on their individual capacity to participate in the political process and their ability to take an active role in a political group.

Overall the invisibles are less trusting than the rest of the population, but trust differences are smaller when it comes to party politics and the political system and several countries do not display any differences at

all. This pattern is striking in France (also partially in Germany and the UK) where there is almost no difference between the invisibles and the rest of the population, and where absolute levels of trust are the lowest in Europe—perhaps a large majority of the population feels highly threatened by change in the political economy, beyond their own objective material conditions.

Political volatility

The pattern of social and political participation of the invisibles can be further explored by looking at recent electoral dynamics. Rising political volatility across Europe is leading to a decline of mainstream parties and the rise of political challengers.

Taking Italy as an example, the centre-left and centre-right mainstream parties are much in retreat. The Democratic Party (PD) and the People of Freedom (PdL/FI), which together polled 70.6 per cent of the vote in 2008, secured only 32.8 per cent in 2018 (a loss of 15 million votes over ten years). By then, the PD could be considered a party for ‘insiders’, receiving only 14 per cent of precarious workers’ preferences and 8 per cent of those of the unemployed (the PD obtained 18.7 per cent of preferences across the entire population).

We can observe similar trends across Europe, where there is a connection between non-standard employment and a vote against mainstream parties. In Spain the People’s Party (PP) and the Socialist Party (PSOE) gathered between them 84 per cent of the votes in 2008 but only 49 per cent in 2018. In France the vote hoarded by the centre-right, centre and centre-left parties—the Union for a Popular Movement (UMP), the Republicans (LR), France Arise (DLF), the Union for French Democracy (UDF), the Democratic Movement (MoDem), Forward (EM) and

the Socialist Party (PS)—declined from 75 per cent in 2007 to 55 per cent in 2017. In Germany the vote secured by the CDU-CSU conservative union, the Socialist Party of Germany (SPD) and the Free Democratic Party (FDP) went down from 79 per cent combined in 2005 to 64 per cent in 2017.

The rise of new political challengers has mirrored the decline of the mainstream parties. In the 2013 Italian elections, the Five Stars Movement (5SM) received 25.5 per cent of the vote; it ranked as the first party of choice among the unemployed (34.8 per cent) and atypical workers (52.6 per cent). In the 2018 electoral campaign, concerns for the labour market and attitudes toward migration played prominent roles and this favoured the 5SM (which proposed a universal income support) and the emergent (Northern) League (which sublimated its anti-southern Italian rhetoric into an anti-immigration policy). The 5SM obtained 32.7 per cent of the popular vote and performed well in areas with high unemployment and also in the south, where it attained 43.4 per cent of the vote. The League witnessed a dramatic increase in its vote share, from 4.1 per cent in 2013 to 17.4 per cent, with a strong performance in areas with higher immigration; the party accrued electoral support also among the economically vulnerable. Together, the 5SM and the League obtained 58 per cent of atypical workers votes and 66 per cent of those of the unemployed. This dwarfed the mainstream parties' share (PD and FI), comprising 25 per cent of the atypical vote tally and 18 per cent of that of the unemployed.

Elsewhere in Europe, challenger parties—including the radical left, the far right, populists and other non-mainstream parties—have increased their electoral support, with anti-euro, anti-austerity and/or anti-immigration policies. In Spain, *Unidas Podemos* and *Vox* have entered the political arena, gathering 28 per cent of the votes in 2018 (13 and 15 per

cent respectively). In France, the *Insoumisés* and the *Rassemblement National* reached in 2017 almost 40 per cent of the vote at the first round of the presidential election (19.6 and 21.3 per cent respectively) and in Germany in 2017 the Alternative for Germany (AfD) entered the parliament with 12.6 per cent. In the UK, we have witnessed polarisation *within* the main parties—a partial exception in comparison with other major European countries, connected to the nature of the political system—through the rise (and decline) of ‘Corbynism’ within Labour and the growth of Euroscepticism among the Conservatives, which progressively led to Brexit.

Mainstream parties’ dilemma

Increasingly, the ‘invisibles’ seems to vote much less for mainstream parties than the rest of the population. Therefore, a continuous increase in their share of the total could further delegitimise traditional political forces. The leaders of mainstream parties thus face a dilemma, which had for some time been partially offset by financialisation and the acquisition of debt to sustain consumption. How political parties across Europe conceive the future of social rights, and more broadly social protection, will determine how they address this dilemma.

Governing parties can continue to expand the arena of market mechanisms, yet this would further commodify and impoverish the rising invisible majority, whose distrust in the system is then heightened.

Financialisation promised to integrate future income through private pensions funds and offered easy access to assets in the property market—a ‘privatised Keynesianism’, as Colin Crouch (2009) put it. The 2008 crisis however showed the negative consequences of such a strategy, including for the weakest segments of the population. The ‘quantitative

easing' put in place by the European Central Bank seems to follow the same logic, as it further contributes to increased house prices and has the potential to add to inflation without contributing to real wages. Credit expansion cannot replace collective welfare provision nor compensate for stagnant household income stemming from labour-market precarisation.

If mainstream parties sought to take into account the economic malaise of the rising invisible majority, they might enact protective measures, partially or radically, to constrain self-adjusting market mechanisms. By doing so, however, they could jeopardise the position of their country, in an international political economy context characterised by neoliberal rules, and upset the international actors who advanced the neoliberal turn. Moreover, we can only speculate about the potential effects of the recession following the Covid-19 crisis.

While this dilemma has constrained mainstream parties, some political forces and social movements have taken advantage of the electoral feedback cast by the invisibles. However, these political challengers face the difficult task of appealing to a broader section of the population, elaborating long-term political projects and addressing the shortcomings of neoliberal governance.

The rising invisible majority is not a passive by-product of the shift to neoliberalism; nor is it a revolutionary social force ready to turn the political economy upside-down. This is rather a holistic concept which helps us to chart a common transformation across Europe, throughout the neoliberal phase of capitalism, and to examine the challenges it poses to the political system, as well as to the future of social rights and social protection.

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