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# **The Europeanisation of Social Integration in the Eurozone Crisis: A Conceptual Framework**

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*Abstract*<sup>1</sup>: The recent sovereign debt crisis in Europe increases not only the demands for, but also actual practices of, social integration in Europe. This article proposes a conceptual framework for the analysis of the contested emergence of transnational social bonds in Europe. This framework emphasises the role of European institutions and policies besides individual practices and perceptions. In a neo-Simmelian, conflict-theoretical perspective, it distinguishes regulatory, redistributive, relational and cognitive dimensions of transnational social integration and illustrates this by a discussion of four fields of social integration in Europe. Particularly important for social integration in Europe are EU employment and social policy (regulation), the policy measures and economic reforms in the course of the sovereign debt crisis (redistribution), the cross-border mobility of European citizens (relations), and their perceptions of solidarity and inequality (reference groups). These four “pillars” of transnational social integration are based on different social mechanisms that address different sources of social integration: Procedural justice and mutual learning, respect for mutually agreed rules, trust-based and direct interactions and experiences, and a wider cognitive frame. These mechanisms may open the way for translating social conflicts and divergent orientations between nationally embedded actors into ‘divisible’ conflicts that allow for compromises and hence the emergence of a sustainable European social order.

**Keywords:** Social integration, transnational solidarity, sovereign debt crisis, horizontal Europeanisation, social conflicts.

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The process of European integration is increasingly confronted with the need to ensure the social integration of Europe's citizens. Until the 1980s, the crises afflicting the European integration project mainly concerned the relationship between sovereign nation-states and supranational institutions or policies. By contrast, during the more recent crises, the relationship between European citizens and both national and European elites have become central. The long-standing permissive consensus among Europeans, which for decades enabled the deepening and enlargement of the European Union (EU) in an expertocratic, elite-driven way, is gradually eroding (Hooghe and Marks 2009). The EU is evolving from an intergovernmental arena into a social space characterised by closer interdependencies among European citizens. Also the impact of European political institutions, processes and decisions on the living conditions of citizens is acknowledged and followed closely by the European public. Social integration among citizens has thus become a core issue of the EU, which also explains why the integration crises since the 1990s were experienced as so far-reaching and conflictual. Thus, conflicts surrounded the Maastricht Treaty (1993), the European Constitutional Treaty that was rejected by the French and Dutch populations in 2005, and the current financial, economic and sovereign debt crisis that has led to an unprecedented erosion of trust in the EU institutions and other EU member states. However, this does not mean that Europe is falling apart. On the contrary, inspired by the surprising stability of the Eurozone even during the sovereign debt crisis, this paper starts from the somewhat paradoxical assumption that these crises indicate increasing demands for, and emerging patterns and policies of, European social integration. Such patterns can be analysed both from a "top-down" institutional perspective and a "bottom-up" individual perspective.

At first glance, the thesis of emerging patterns of transnational social integration in Europe seems a bold or even a nonsensical thesis in the light of the current social crisis especially in Southern Europe that is characterised by increasing poverty, exclusion and unemployment, conflicts on the regulation of the Euro area, the erosion of trust in EU institutions, the rise of Eurosceptic and populist parties in many European countries, and the Grexit and Brexit debates. However, conflicts and crises are not necessarily indicative of anomy or disintegration. Instead, conflicts may also create the basis for the redefinition of social cleavages, for new compromises and new institutions, and hence for social integration. This is the essential argument of the conflict-theoretical approach to social integration that will be explained in more detail below (section 1). In the next step, we propose our own approach on the basis of the Europeanisation concept that analyses social integration as an outcome of both institutional dynamics ("vertical Europeanisation") and individual experiences ("horizontal Europeanisation") (section 2). The remaining sections discuss the potential contribution of four social fields to the emergence of transnational patterns of social integration in Europe: European social and employment policies (section 3); the redistributive dimension of European eco-

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conomic and monetary policy, especially in the sovereign debt crisis (section 4); transnational social practices and their potential impact on declared solidarity (section 5); and the transnational dimension of perceived inequalities and well-being (section 6). The paper concludes with a short summary and perspectives for future research on transnational social integration in Europe (section 7).

## **1. National and Transnational Social Integration: Theoretical Contributions**

Social integration refers to the social bonds that hold a society together. When sociology as a scientific discipline emerged in the 19<sup>th</sup> century, its first question addressed the nature of these bonds. This question reflected an essential challenge facing the emerging modern, industrial and capitalist society that was characterised by the erosion of traditional patterns of solidarity, domination and social integration. Increased social mobility, more varied individual options and emerging class conflicts in a globalising, technology-based society made new forms of social integration necessary. Especially Durkheim (1893) dealt with this problem and proposed the concept of “organic solidarity” as a basis for solidarity among mutually interdependent and complementary individuals in modern, functionally differentiated societies. Inquiring about the bases of organic solidarity in a new tension-ridden social order characterised by a global division of labour and increased individual autonomy, Durkheim pointed to the modern state and occupational groups on the one hand, and the “cult of the individual” as the moral basis of modern individualism on the other hand. From this analysis, two aspects of social order can be derived that refer to its individual and its institutional dimension (Gerhards and Lengfeld 2015). According to Lockwood (1964), social integration refers to “the orderly or conflictual relationships between the actors”, i.e. the individual or agency dimension of social order, while system integration refers to compatible or incompatible/contradictory relationships between “the parts of the social system”, reflecting the institutional dimension of social order. In this functionalist tradition, T. Parsons conceived social integration as the result of shared common values with generally accepted normative obligations. However, the assumption of a consistent and stable normative order has been heavily criticised – for example by A. Giddens and J. Habermas who stressed the processual dimension of social integration and the role of communicative action as a basis for consensus.

In contrast to the functionalist tradition founded by E. Durkheim and T. Parsons, a conflict-theoretical perspective was proposed by G. Simmel who underlined that competition can also form a basis of social integration. On these grounds, Coser (1956) showed that social conflict can contribute to social integration by inducing the emergence of new, institutionalised ways of dealing with conflicting interests. Social conflicts are thus not necessarily indicators of disintegration and anomy. Even conflicts can strengthen the solidarity and social integration of a

society when they contribute to new, institutionalised ways of conflict regulation. In this perspective, the understanding of social integration by D. Lockwood is also too narrow because institutions are objectivised, durable compromises between conflicting ideas and interests and may hence form a solid basis for social (not only systemic) integration. Instead of juxtaposing systemic and social integration, it might thus be more useful to distinguish between institutionalised and interaction-based forms of social integration.

Historically, a crucial answer to challenges of social integration in a functionally differentiated, pluralist society was the nation-state. The distinction of divisible and non-divisible conflicts<sup>2</sup> can be used for distinguishing different ways of handling conflicts in nation-states: the nation-states of the 19<sup>th</sup> century succeeded in translating two non-divisible conflicts (i.e. conflicts between different regions with distinct cultural identities, and conflicts between the privileged and working classes) into divisible conflicts. This became possible by establishing civic, political and social rights that translated regional and class conflicts into individualised conflicts about higher or lower wages and social benefits (Heidenreich 2003). From a Rokkanian perspective, this reframing of social cleavages had to rely both on external closure and internal restructuring, i.e. on the strengthening of borders against threats of separatist movements, and on the creation of institutions for structuring and regulating internal conflicts (Flora 2000). Ferrera (2003) describes four stages of institutional development by which the modern state succeeded in regulating territorial and class conflicts: "State building, nation building, mass democracy, and redistribution are the four ingredients and at the same time the four time phases of territorial system building in modern Europe" (Ferrera 2003: 615-6). These institutions rely on different mechanisms of social integration: Coercion, identification, participation and solidarity.

This raises the question whether a transnational societal space such as the European one can develop comparable forms of social integration. An answer to this question requires a definition of the concept of social integration. On the basis of the previously discussed conflict-theoretical tradition, we propose to define *social integration in Europe as the shared assumption and experience among Europeans that the process of European integration and their home countries' membership in the EU contributes to increased life chances and opportunities, which justifies institutionalised forms of redistribution as long as commonly agreed rules are respected*. Transnational social integration in Europe is hence seen as the result of either conflictual or co-operative interactions between social actors both at the level of Euro-

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2 In order to answer the question which conflicts strengthen or threaten the social integration of a society, Hirschman (1994: 212) proposed a distinction between divisible and non-divisible conflicts: While divisible conflicts are conflicts "over more or less" that are open for compromise and thus allow for a peaceful management of heterogeneous interests, non-divisible conflicts are "characteristic of societies split along rival ethnic, linguistic, or religious lines", making compromises and an involvement of antagonistic interests in common governance structures difficult.

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pean and domestic institutions and policies, and at the level of daily practices and taken-for-granted assumptions among the European population.

In the Rokkanian conception of the nation-state, the national space is the primary focus of social integration while cross-border relations are seen as the domain of interest-driven economic, diplomatic and military relations, which were however assumed to function without efforts towards social integration. In the first decades of European integration, this separation between a politicised, socially integrated national space and a de-politicised European international arena reflected the situation in Europe. European integration was considered to be the responsibility of foreign policy and supranational agencies. The EU and its predecessors were not generally seen as a threat to established living conditions. Although supranational market integration is always confronted with the interests and veto powers of groups that fear losses in this process (Rodrik 1998), such conflicting preferences could be satisfied at the national level and via residual redistributive programs at the European level, especially in the fields of agricultural and regional policy.

Since the 1990s, the permissive consensus of the European population has reached its limits both at the national and the European level. At the national level, the mismatch between demands and opportunities for social protection is growing (especially in heavily indebted states), as cleavages and inequalities between domestic groups are increasing and formerly settled conflicts between the elites and the population are re-emerging (OECD 2015). In the international arena, the debates on the Treaty of Maastricht (1992/3), the fifth EU enlargement (2005/7), the development and failure of the European constitution (2001-5), and the sovereign debt crisis have shown that the course of European integration can no longer rely on the previous separation of politicised national arenas and depoliticised transnational arenas. The contestation of the Troika and austerity policies especially in Southern Europe show that heterogeneous social conditions are increasingly transformed into social inequalities due to the emergence of transnational standards of equality and solidarity (Blyth 2013). The nation-state is no longer the exclusive frame of reference for the evaluation of living conditions. The economic and monetary integration of the EU has opened up previously closed national spaces of solidarity and equality standards.

In political science, this has been discussed as a politicisation process (Hooghe and Marks 2009). However, the debate on a horizontal Europeanisation shows that the impact of the transnationalisation of social spaces in Europe is not limited to the political sphere. Also the integration of the transnational societal space in Europe poses a challenge to EU policies, as the erosion of trust in EU institutions and fellow European countries shows (cf. Crespy and Menz 2015).

The thesis that patterns of transnational social integration are emerging in Europe has to overcome significant epistemological obstacles, as social integration is generally equated

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with national policies and especially with national social security agencies and redistributive policies. Such an equation impedes the analysis of social integration at the European level for five reasons: Firstly, the EU is not officially recognised as a solidaristic political actor. The principle of subsidiarity (Art 5(3) TEU) implies that responsibility for the redistribution of resources is situated at the national or lower levels. Secondly, the beneficiaries of EU-wide coordinated redistribution – such as farmers, disadvantaged regions, indebted Euro-zone member states and banks – are not the usual target groups of social benefits. Thirdly, social policies at the EU level rely less on redistribution and more on regulation, non-discrimination and mutual learning. Fourthly, no collective actor comparable to the working class and its organisations in the 19th century is currently fighting for new patterns of social integration in Europe. Fifthly, the expectations of citizens towards the EU are closely linked with citizens' expectations towards the nation-state. Rather than replacing national patterns of social integration, EU-wide patterns of social integration are closely intertwined with national ones. Analysing European practices, perceptions and institutional dynamics of social integration “beyond the nation-state” is thus a major theoretical challenge because they will be significantly different from national ones. In the following, we will propose a conceptual framework for the analysis of transnational social integration in Europe.

## **2. Transnational Social Integration between Vertical and Horizontal Europeanisation**

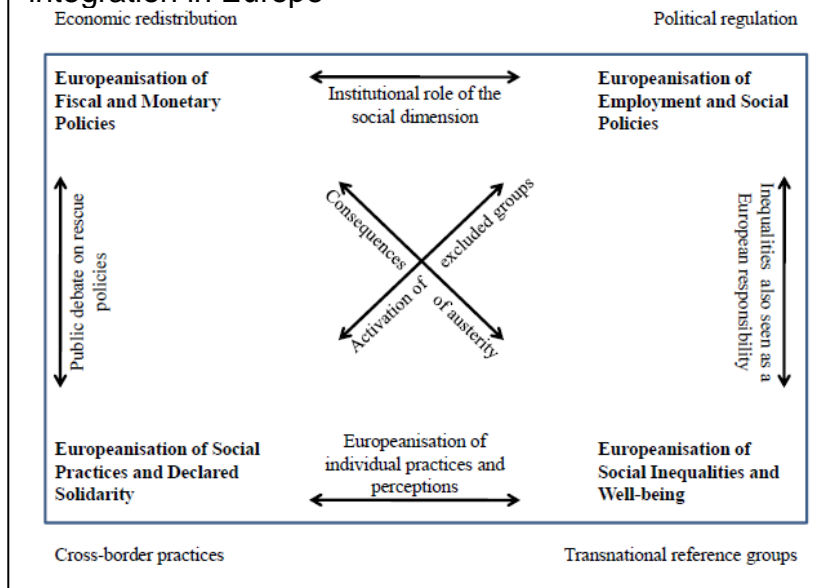
For Habermas (2012), a European constitution and the European Parliament are essential pillars of social integration in Europe. An empirically based understanding of the social bonds of Europeans in a supranationally regulated, transnational European space can be developed starting from the distinction of a “top-down” institutional perspective and a “bottom-up” individual perspective. In the Europeanisation debate, these two perspectives are discussed as vertical and horizontal Europeanisation (Beck and Grande 2007). The concept of vertical Europeanisation refers to the interaction between European and national discourses, political structures and public policies (Radaelli 2003: 30) while horizontal Europeanisation refers to the transnationalisation of social life in Europe, i.e. to “patterns and dynamics of interpersonal interaction, relationships, and forms of mobility across national borders” (Mau and Mewes 2012: 7). Thus, on the one hand, social integration in Europe can be regarded as a potential outcome of EU institutions and policies. Certain aspects of the European Central Bank's (ECB's) monetary policy, the EU-wide coordination of fiscal policies, the banking union, European rescue funds or the coordinated fiscal stimulation of the European economies might hence contribute to social integration in Europe by reducing uncertainty, unemployment and exclusion risks. On the other hand, transnational forms of mobility, communication and ex-



change might contribute to transnational forms of social integration and solidarity. The conflict-ridden and contested evolution towards transnational forms of social integration in Europe must therefore be analysed both at the level of EU institutions and policies and their influence on the national

situation, and at the level of the transnational practices of Europeans such as migration and mobility, communication and contacts. In other words, the problem of what holds a society together must be analysed on the macro-level of institutions and on the micro-level of individual practices and sense-making. An analysis of transnational social inte-

Figure 1: Regulatory, redistributive, relational, and cognitive dimensions of transnational patterns of social integration in Europe



gration has to be based on the duality of institutional and individual dynamics.

In both cases, the relations between national and supranational/transnational actors and interests are crucial. Theories on European integration processes explain the institutional evolution of the EU as the outcome of bargaining relations between national and supranational actors. In addition, the analysis of horizontal Europeanisation processes has shown that the nationalist-transnationalist cleavage is also important for explaining cross-border mobility, solidaristic attitudes, political cleavages and social conflicts (Kriesi et al. 2006). Taken together, the two perspectives imply that transnational patterns of social integration are likely to emerge from bargaining and exchange relations or even disputes and conflicts between actors with a local, regional or national orientation on the one hand, and actors with a European or cosmopolitan orientation on the other hand. Conflicts between nationalists and transnationalists are likely to strengthen European patterns of social integration if exit options are ruled out, i.e. if the existing European borders remain stable; and second, if the conflict between national and transnational orientations gives rise to new institutions that translate formerly non-divisible controversies into divisible ones, thereby regulating the cleavages between Europeanisation winners and losers (Flora 2000).

This raises the question which social fields and phenomena are most important for social integration in Europe. Empirically, four different domains seem to be especially important (Figure 1): The European social and employment policy, fiscal and monetary policies and

their redistributive aspects, cross-border practices, and perceived inequality and well-being in a transnational space. First, since its beginnings, the EU and its predecessors were charged with responsibilities in the field of employment and social policies – although the national welfare state was always the principal actor in this field. Second, the process of European economic and monetary integration pertains to decisions on the cross-border redistribution of resources – e.g. for farmers (agricultural policy), for Southern and Eastern European regions (structural and cohesion funds) or for banks and indebted countries. This Europeanisation of redistributive measures in the domains of monetary and fiscal policy is not generally considered as related to challenges of social integration. However, its economic function is partly to compensate the potential or real losers of transnational processes of market and monetary integration. Third, a critical basis for the Europeanisation of social bonds and solidarity is the transnationalisation of the social space in which Europeans live, study, work and communicate. While in the post-war period, daily life took place primarily in the local and national context, the opening of national social spaces has fostered increasing cross-border everyday practices, interactions, networks, exchanges and attitudes (Mau and Mewes 2012). Fourth, a major outcome of cross-border practices, opportunities and perceptions is the evolution of transnational frames of reference, as evinced by the perceived Europeanisation of social inequalities and well-being (Heidenreich and Wunder 2008). European policies and decisions are increasingly perceived as influencing the distribution of scarce and desired goods, positions and economic insecurity, thus shaping the life chances, social identities, interests and values of individuals and social groups.

On a more general level, these four “pillars” of transnational social integration are based on different social mechanisms that address different sources of social integration: Mutual learning and non-discrimination as an expression of a process-based understanding of fairness; the respect of mutually agreed rules as a basis of institutionalised solidarity; interpersonal solidarity based on cross-border activities and experiences, and transnational standards of equality as the basis of a broader understanding of solidarity.

In sum, the challenges of social integration in Europe are increasing. Especially during the recent sovereign debt crisis, demands for and patterns of social integration have gained prominence also at the European level because political actors must increasingly take into account the perspectives and interests of the population, and because the Europeanisation and transnationalisation of social practices and communication has fuelled the emergence of a self-perceived European public. In order to analyse these challenges “from above” and “from below”, we propose to analyse selected political and economic dynamics, social practices and perceptions in relation to patterns of social integration in Europe. More specifically, in the following we discuss firstly, the contested relationship between European and national social and employment policies, and the former’s impact on social integration especially dur-

ing the Eurozone crisis since 2010; secondly, the underlying justifications of cross-border redistribution especially in the fields of fiscal and monetary policy; thirdly, the potential impact of increased levels of cross-border interactions on declared solidarity between European countries and citizens; and fourthly, the Europeanisation of perceived social inequality and well-being as an indicator of the cognitive Europeanisation of frames of reference. In this way, we will discuss the potential impact of institutional and individual determinants of trans-national social integration both “from above” and “from below”.

### **3. EU Social and Employment Policies as Expressions of a Procedural Understanding of Justice**

Already in the Treaty of Rome (1957) – the founding Act of the predecessor organisation of the EU – social objectives and especially the principle of equal pay for men and women were put forward. Later, EU-wide health and safety regulations and social rights for workers and their representatives were agreed upon. However, in general, the European integration process has been characterised by a strong priority of economic and monetary integration. Agreements on stronger social rights at the European level have been prevented by national prerogatives, limited financial resources at the EU level, an extraordinary diversity of national systems of social protection, significant economic differences between wealthier and poorer EU countries, and ideological objections (Scharpf 1999). Instead of redistributive policies that only play a role in the fields of agricultural and regional policy, social policies in the EU are thus based mostly on regulations and the provision of rights (Majone 1997). This implies that they do not aim at equal results via resource redistribution, but at procedural justice, i.e. at fairness.

In turn, this implies that social and employment policies at the EU level aim less at the protection of social status and more at the creation of equal opportunities especially for women, foreigners, disabled, unskilled, younger and elderly persons regarding access to the labour market and to social protection schemes. Hence, European social policy and the relevant case law of the Court of Justice of the EU (EJEU) focus mainly on non-discriminatory access to national labour and product markets and national systems of social welfare, on the harmonisation of social security for employees and third-country migrants as well as on workers’ protection and equal treatment.

Since the 1990s, also the coordinated modernisation of national employment and social systems plays an important role. The European Employment Strategy and the European anti-poverty and social inclusion policies aim at a better inclusion into the labour market via the Open Method of Coordination (OMC). In contrast to binding legal standards, this method has been based on the voluntary participation of the EU member states which are to agree

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on common objectives, translate those objectives into national regulations, and jointly assess the results obtained. This method has been used in particular for the coordinated modernisation of European social policies through cooperation, mutual learning and the involvement of regional and non-state actors (cf. Heidenreich and Bischoff 2008). EU social and employment policies are not governed by the rule of law but by soft regulations.

Since 2011, European social and employment policies have been integrated into the “European Semester”, an annual cycle of economic policy analysis and surveillance that leads to policy recommendations on the fiscal and structural reform policies of EU member states. According to Rhodes (2015: 308), this reorganisation and the institutional weakness of the OMC in comparison to the classic, legally-grounded Community method have led to the quasi-disappearance of the OMC, while EU legislation, case law and collective agreements in the context of the social dialogue have survived. Also the strong position of economically oriented Directorates General (such as ECOFIN) within the European Commission lead to an emphasis on fiscal consolidation but a weakened role of social policies (for an opposing view, see Zeitlin and Vanhercke 2014).

In sum, in the fields of gender equality, occupational health and safety, workers’ rights and non-discrimination, the EU has been a regulatory forerunner. This reflects a specific vision of transnational social integration that is based less on the redistribution of resources as the dominant way of achieving equality, but on the vision of procedural justice (“fairness”). Via the OMC, the EU has developed supranational social and employment policies that support the supranational modernisation of national employment and social protection systems via the harmonisation of regulatory frameworks and the voluntary coordination of relevant national reform projects (Heidenreich and Bischoff 2008). More recently, European social and employment policies have been integrated with macroeconomic policy coordination (the so-called “European Semester”), which may reflect a lower importance of supranational attempts of organising inclusive labour markets and welfare provisions.

#### **4. Redistributive European Policies in the Sovereign Debt Crisis**

The global Great Recession which began in 2008 with the collapse of the US investment bank Lehman Brothers and quickly spread to the EU has been the longest and steepest economic downturn of the recent decades. In Europe, due to the deficient institutionalisation of the monetary union (De Grauwe 2014), the initial financial crisis became a sovereign debt and economic crisis in 2010. Since then, the European governments, the IMF, the ECB, the Commission and other EU bodies have had to deal with the consequences of the deficient institutionalisation of the monetary union of currently 19 countries that is not accompanied by a political and fiscal union. However, the emergent strategies for dealing with the Euro-zone

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crisis have put the monetary union on an institutionally more solid basis and enabled a significant Europeanisation of national financial and economic policies beside a hitherto unknown financial redistribution in the Euro-zone (Schimmelfennig 2014). This Europeanisation has taken place in an incremental and fragmented way (Heidenreich 2014), which Hodson (2015: 167) describes as a “high-stakes experiment in new modes of EU policy-making insofar as the governance of the Euro area relies on alternatives to the traditional Community method, including policy coordination, intensive transgovernmentalism, and delegation to *de novo* bodies”.

The outcome of this process has been the creation of a *de-facto* fiscal union on one and a half of three dimensions that relate to the challenges of heavily indebted states, heavily indebted banks, and cyclical downturns. Firstly, the Euro area countries succeeded in creating the conditions for a better coordination of national fiscal policies and a European back-up for heavily indebted states. The no-bailout clause (Art 125 TFEU), which precluded any responsibility for the liabilities of other member states and which previously formed the core of the monetary union, has been incrementally transformed into a common responsibility for public debts at least in cases when the solvency of a state is in jeopardy, threatening the stability of the currency union. This implies that after the successful blackmailing of nation-states by fragile financial/banking systems and banks that were deemed “too big to fail”, fragile countries can put other countries of the Euro-zone under pressure. Thus, bilateral loans, IMF funds and two newly created bailout funds – the European Financial Stability Facility (EFSF) and subsequently the European Stability Mechanism (ESM) have been used for Greece (2010, 2011/12), Ireland (2010), Portugal (2011), Spain (2012) and Cyprus (2013). In addition, the ECB announced in 2012 that it would act as lender of last resort (“whatever it takes”). Including the Target2-balances of the ECB, the IFO Institute estimates that the financial assistance resulting from the bailout measures for Euro countries currently amounts to € 1.6 trillion in total (cf. [www.ifo.de](http://www.ifo.de); accessed 05/08/2015). In the public discussion on the legitimacy of those (potential) transfers, two bases of justification have been used. First, the principle of self-interested help: Financial assistance was granted in order to stabilise the Euro-zone in exchange for the acceptance of IMF-type Economic Adjustment Programmes that require structural reforms. These rescue mechanisms are an expression of institutionalised solidarity among Eurozone member states.

Another major challenge facing the Euro area that triggered fiscal institutionalisation processes during the crisis consists in unsustainable private debts that threaten the capacity of banks to hand out credits to investors. Before the crisis, the member states were singly responsible for banking supervision and also for the rescue or closure of over-indebted banks. In order to break up the vicious circle of over-indebted banks and states, the EU in 2014 created the conditions for a joint regulation, supervision and resolution of systemically relevant

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banks, the so-called banking union (Howarth and Quaglia 2014; Hellwig 2014). Also on this sub-dimension of a full-fledged fiscal union, the ECB became a crucial actor for the supervision of bigger banks (De Rynck 2015), although the member states' fiscal responsibility for banks was officially maintained, which is why we speak of a 'demi'-creation of a banking union. However, due to the essential role of the ECB in the Single Supervisory Mechanism, a larger financial responsibility of the ECB is not unlikely in the future. Hellwig (2014: 26) even sees the danger "that the ECB is drawn even more deeply into being responsible for financial stability and therefore the indirect access to the printing press becomes even easier".

In contrast to the two fields where a Europeanisation of financial responsibility, redistribution and solidarity has at least partly been achieved, neither an institutional nor a financial responsibility of the European level could be established in the area of a coordinated, anti-cyclical economic policy (with the exception of the vaguely announced € 315 bn investment package of the new Commission). In contrast to the European Economic Recovery Plan of 2009 that enabled the EU member states to quickly overcome the economic downturn after the Great Recession by huge and globally coordinated expenditure programs, counter-cyclical fiscal stimulus programs could not be agreed upon in the following years. Instead, the EU member states decided to strengthen the Stability and Growth Pact once again (by the Fiscal Pact and the so-called two-pack and six-packs) in order to avoid unsustainable public deficits and maintain their own ability to react to asymmetric shocks by their own means (for example by using automatic stabilisers such as social benefits). However, even the IMF has convincingly demonstrated the limits of such austerity policies (Blanchard and Leigh 2013). Pisani-Ferry et al. (2013) discuss four possible ways of establishing an anti-cyclical European fiscal policy: (1) a common budget for the Euro zone; (2) automatic transfers from a European unemployment insurance; (3) treasury bonds whose value is linked to GDP growth; (4) joint bonds of the Euro countries. However, Pisani-Ferry et al. regard none of these options as realistic as long as fiscal policy remains the core competency of nation-states.

Anti-cyclical economic policies at the EU level would legally not be possible within the current EU framework. The same applies to the above-mentioned financial stability measures. The EFSF was therefore established as an autonomous non-EU intergovernmental organisation under public international law. And the ECB had to defend itself against the allegation of illegal monetary financing of public budgets. This raises the question how the related international redistribution of resources has been justified at the domestic level. A stronger role for international financial transfers can be justified either by a shared responsibility for the Euro, which is also in the national economic interest, or by an expression of solidarity with other European countries. Empirically, solidaristic arguments seem to play a minor role (Closa and Maatsch 2014).

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In sum: The Europeanisation of redistributive policies in the course of the sovereign debt crisis has hitherto taken place in an incremental and fragmented way (Heidenreich 2014). Nevertheless, measures such as debt relief, further financial support, Eurobonds, a joint unemployment insurance or other elements of an anti-cyclical fiscal policy are regularly mentioned in public debates as necessary steps towards a stabilisation of the monetary union. Despite the EU's formal insistence on the no-bailout clause in the Maastricht Treaty (Art. 125 TFEU), the creation of European rescue mechanisms (EFSF, EFSM, ESM), the banking union, the redefinition of the ECB's role through unconventional monetary policies, and the incremental, fragmented and ad-hoc Europeanisation of redistributive fiscal policies can be interpreted as institutionalised solidarity and thus as an important dimension of European social integration. Publicly, this is generally justified as an attempt to counter systemic risks and even a Euro-zone collapse, i.e. as self-interested help, and not as an expression of transnational European solidarity.

## **5. The Horizontal Europeanisation of Social Practices in the EU: A Basis for Transnational Solidarity?**

A major finding of the emerging sociology of European integration (Favell and Guiraudon 2011) is that Europe is not becoming a closed social space comparable to a nation-state: The Europe of the future will not be characterised by closed European borders for citizens, goods, services, capital, communication and regulations, and Europe will not develop a strong ethnicity-based identity as many European nation-states. The EU will thus not become an "imagined political community" similar to the nation that according to Anderson (1991: 7) "is always conceived as a deep, horizontal comradeship". Instead, the EU is evolving into a social space characterised by transnational social, political, administrative and economic relations that are denser than in other supranational spaces. Previous studies have demonstrated the significance of transnational interconnections between Europeans, such as cross-border practices (Díez Medrano et al. 2013; Favell 2008; Guiraudon 2011), communication and mobility (Mau and Mewes 2012).

Fligstein (2008) has shown that these horizontal Europeanisation processes display a clear class bias. He describes a division between transnationally mobile Europeans who feel highly attached to Europe, and other Europeans who are locally or nationally embedded, less mobile and critical towards Europe (cf. also Favell 2008). Also Recchi et al. (2014: 20) observe different types of transnational mobility in their comprehensive study on the cross-border practices of nearly 6,000 Europeans, distinguishing locals, returnees, tourists, visitors, virtual transnationals and transnationals. Their study furthermore demonstrates a clear class bias of transnational mobility: "Transnationals, and to a lesser extent tourists and visitors, are

not only better educated on average, but also more likely to be found in the upper social strata". Contrariwise, locals are often older, female, lower educated and overrepresented in Southern Europe. Nevertheless, the impression that "mobility is for the winners and immobility for the losers of Europeanisation" is relativized by the fact that two thirds of the interviewed Europeans rely on diverse combinations of mobility practices (Recchi et al. 2014: 28). Taken together, these findings suggest that a class bias of transnational mobility exists in Europe, but it does not completely overlap with the national class position of the respondents.

Mau et al. (2008) have shown that the transnationalisation of social practices (i.e. migration, mobility, communication and contacts) also affects the attitudes and values of Europeans. Thus, it can be expected that the transnationalisation of social practices contributes to a higher level of transnational solidarity, i.e. to a higher preparedness to trust and support persons from other countries. According to Gerhards and Lengfeld (2015), EU citizens agree with the principle that all EU citizens should have equal economic, political and social rights. Bechtel et al. (2014) have observed that public opinion on bailouts is divided not only among domestic winners and losers but also between nationalist sentiments and cosmopolitanism. Therefore, it can be expected that during the current sovereign debt crisis, the legitimacy of institutionalised solidarity between the Eurozone members is generally high and that public support for financial transfers to other Eurozone member states is considerable.

In sum, the transnationalisation of the social space in which Europeans live, study, work and communicate is a critical basis for the Europeanisation of social bonds and solidarity. While in the post-war period, daily life took place primarily in the local and national context, the opening of national social spaces has fostered increasing cross-border everyday practices, interactions, networks, exchanges and attitudes (Mau and Mewes 2012). This horizontal Europeanisation of daily practices opens up new social opportunities for Europeans. However, these opportunities are not equally distributed among all Europeans but are accompanied by the emergence of new cleavages *between nationally-bound and transnationally mobile groups that will superimpose classic cleavages* between better-educated persons with a high income and privileged occupational position, and other groups. The differential use of the new transnational opportunities for occupational, educational or professional mobility and tourism might also shape attitudes towards financial support for other EU countries.

## **6. The Europeanisation of Perceived Social Inequality: An Expression of Transnational Social Standards?**

To date, social inequalities have been analysed almost exclusively in the national context or from an internationally comparative perspective (OECD 2015). There are compelling reasons



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for such a national frame of reference. Nation-states are the largest known entities in which norms of equality and solidarity are effectively institutionalised. Social security benefits and taxes, unions and wage bargaining systems, education and training, public systems of inter-regional redistribution – all these institutions are mainly institutionalised at the national level. However, despite the predominantly national framework of inequality research, it is well known that supra-national developments also shape the distribution of income and people's life opportunities. Increasing income inequalities have been explained by the globalisation of goods, services, labour and capital markets and by skill-biased technological change. In addition to these global trends, the EU has also become an essential unit for the generation and regulation of income inequalities via the economic, monetary, and legislative integration of the European societies (Beckfield 2006), which became particularly clear during the Euro-zone crisis (Giddens 2014). Thus, it is not surprising that Europeans evaluate their life chances, opportunities and risks not only in relation to their compatriots, but increasingly also in relation to other Europeans (Beckfield 2009).

Two understandings of such a perceived Europeanisation of social inequalities can be distinguished. In its weaker form, Europeanisation can be understood as the result of the growing importance of Europe for the analysis and comparison of national inequalities. This implies a common European “standard relating to an acceptable level of participation in one's own society [that] emerges as a consequence of knowledge of conditions in other societies” (Whelan and Maître 2009: 118). In a second perspective, Europe is conceived as a transnational social space that brings about increasingly Europeanised frames of reference (Delhey and Kohler 2006, Kangas and Ritakallio 2007, Fahey 2007). This latter Europeanisation concept implies “that people perceive themselves as part of a larger European stratification system. Furthermore, the perception of being advantaged or disadvantaged within this system would have to play an important role in individuals' evaluations of their own life circumstances” (Whelan and Maître 2009: 118). A variant of this strong Europeanisation concept is the perceived impact of EU policies such as the common market (“liberalisation”), the common currency and the recently strengthened Euro-zone-wide coordination of national economic policies (“austerity”) on standards of living in Europe (Blyth 2013). A key challenge for the sociology of European integration is therefore the investigation of multiple and especially European frames of reference for the evaluation of social inequalities.

In sum, European policies and cross-border practices seems to have contributed to the emergence of European frames of reference for the perception of social inequalities (Whelan and Maître 2009), which is an indicator of a secular transformation: For centuries, culturally homogeneous democratic welfare states have been the primary focus of requests for civil, democratic and social rights (Rokkan 1999, Ferrera 2003). Now, perceptions of inequality and well-being are interpreted also in transnational, mostly European terms. This undermines

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the formerly perceived exclusive responsibility of nation-states for the social situation of their population. The process of European integration can therefore no longer be decoupled from requests for identification, democratic legitimation and social protection (Hooghe and Marks 2009).

## **7. Summary and Outlook**

A better understanding of social integration in Europe requires an analysis of both institutionalised and individual forms of solidarity. In contrast to the nation-state in which social welfare formed the most important basis for solidarity, the evolution of social integration in the new European “imagined political community” is shaped by four hitherto largely disconnected fields. First, the question of transnational social integration has so far been raised largely in relation to European social and employment policies. It has been stressed that these policies rely more on regulation than on redistribution, which indicates that procedural fairness (“non-discrimination”) instead of equal results forms the underlying concept of justice. However, it remains open whether these policies will be able to play a strong independent role after their integration into the macroeconomic coordination process of the “European Semester”. Second, the sovereign debt crisis is not only a challenge for transnational governance and the cause of a grave social crisis especially in Southern Europe, but also the source of an incremental, ad-hoc and highly contested process of transnational redistribution which until now has been analysed mostly in economic terms, but which also implies major (potential) financial transfers between the Eurozone member states. This redistribution in turn is an expression of institutionalised, self-interested solidarity which requires respecting the mutually accepted rules. Third, from a bottom-up perspective, transnational social integration is also the result of cross-border interactions, networks and attitudes. Dense cross-border interactions might be a strong basis for the surprisingly high level of declared solidarity in Europe (Gerhards and Lengfeld 2015). Fourth, an indicator of the cognitive dimension of transnational social integration is the Europeanisation of reference groups. The living conditions in other European states are an important context for the evaluation of personal living conditions, which might reflect a Europeanisation of equality and fairness standards.

The objective of this paper has been to draw a comprehensive picture of the emerging and heterogeneous patterns of social integration in Europe. However, the debate on transnational patterns of social integration is just getting started. On the basis of the above-presented evidence, it can be expected that social integration in Europe will be based on procedural justice and mutual learning, respect for mutually agreed rules in exchange for international financial support, trust-based and direct interactions and experiences, and a perceived interdependency of living conditions as a consequence of a wider cognitive frame.

Since the analysis of transnational patterns of social integration in Europe is a new field of research, questions about their particularities and range cannot be answered with certainty. However, it seems that social bonds in Europe are remarkably stable because in spite of the deep and regular crises of European integration, an increasing divergence between core and peripheral countries, and increasing social inequalities within the EU member states (OECD 2015), the EU and the Euro-zone have not yet fallen apart. Perhaps, the social and not only the economic, political, legal and administrative foundations of the EU are already so stable that national politicians cannot advance exclusively national agendas anymore. In any case, a better understanding of the multidimensional nature of transnational social integration will be an important challenge for the emerging sociology of European integration.

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