

Social Policy in the European Union: Genesis, Obstacles and Digital Future

David Ramiro Troitiño*

Sanja Ivić**

Ondrej Hamulák***

Alla Fedorova****

Summary: The European Union is a process, not an organization, started in the 50s by a groups of visioners who thought of a long term project. The idea of the fathers of Europe, as Jean Monnet, was gradually advance in the integration proves in order to achieve such a level that would make impossible another war between National States of Europe. Economic integration has achieved great results and next steps will be social and political in order to attract the loyalty of the citizens to the integration process. Consequently, this research focusses on the necessity of integration, to some extent, the diverse national social policies in the European level, analyzing the necessities and the obstacles. Finally, the research contributes with a deep understanding of the implementation of digital solutions to solve, or avoid, problems integrating social policies within the European Union. Therefore, digitalization and its possibilities to implement a coherent, and minimum cohesive, social policy in the European level. The research introduces a new instrument, still under development, in the debate about the convenience of a Social Europe within the EU.

Keywords: Social Europe, Digital EU, social digital solutions, EU digitalization, Digital social systems.

* David Ramiro Troitiño is a Jean Monnet Professor, Tallinn University of Technology, email: david.troitino@taltech.ee

** Sanja Ivić is a Research Fellow at the Institute for European Studies, Belgrade, Serbia, email: sanja_ivic1@yahoo.com

*** Ondrej Hamulák is a senior researcher at the Faculty of Law, Palacký University Olomouc, Czech Republic and adjunct professor at Tallinn University of Technology, email: ondrej.hamulak@upol.cz

**** Alla Fedorova is a MSCA4Ukraine postdoctoral fellow at the Faculty of Law, Palacký University Olomouc, Czech Republic under supervision of Ondrej Hamulák. She contributed to the research presented in this paper as part of the project titled “The Approximation of Ukrainian Social and Labour Legislation to EU Law” (ID number 1233330). We extend our gratitude to the European Commission and the Alexander von Humboldt Foundation for their invaluable support in conducting the research activities associated with this project. The views and opinions expressed in this paper are solely those of the authors and do not necessarily reflect the official policies or positions of the European Commission or the Alexander von Humboldt Foundation.

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1. Introduction. Genesis of social policies in Europe

Under the European sphere of influence, in the Old Testament there are numerous references to poverty, charity and relief of the needy. The Jews, as a Semitic people, are subject to the requirements of patriarchs, kings and prophets, and solidarity is a primary obligation. Hebrew Laws prescribe the orphans charity, condemn the exploitation of widows and orphans, humanize slavery through fraternal and fair treatment, and abhor the abuse of power¹. These were the same social approach in the Ancient Greece for the rights of the citizens, because the citizens had to serve during many years to the Polis mainly in the army, normally until they were 60. To be a citizen you had to belong to an ethnical, cultural and economic group. Just citizens could own land, a status of membership of the society. Roman law is the basis of international law of today. In Roman culture influence emanated humanistic principles, such as Seneca (man to man is sacred). This leaves out the slaves, women and children who are under authority of the paterfamilias wing, but the State provides numerous services to the citizens, with very different phases due the long centuries of roman rule. Nevertheless, within the last Roman period, Christianity changed the perception of social justice and common solidarity. As a contribution of early Christianity, are its teachings about the equality of men.² Christianity does not separate morality from religion. For the Hebrews, love your neighbor was limited to the „chosen people”, Israel, excluding foreigners, but for new believers, love was extended to all, including foreign infidels.³ Christianity was to influenced the development of the European Union and the concept of solidarity between its members was introduced by Christian democrats.⁴

¹ FALK, Z. W. Hebrew Law in Biblical Times: An Introduction. *Maxwell Institute Publications*. 2001, no. 41, pp. 1–144 [online]. Available at: <https://scholarsarchive.byu.edu/mi/41>

² HASKINS, Ch. I. Gender Bias in the Roman Catholic Church: Why Can't Women be Priests? *University of Maryland Law Journal of Race, Religion, Gender and Class*. 2003, vol. 3, no. 1, pp. 99–124 [online]. Available at: <http://digitalcommons.law.umaryland.edu/rregc/vol3/iss1/4>

³ AWTRY, J. D. Jews and the Sources of Religious Freedom in Early Pennsylvania. *LSU Doctoral Dissertations*: 2018, no. 4544, pp. 1–373 [online]. Available at: https://repository.lsu.edu/gradschool_dissertations/4544

⁴ STJERNØ, S. The idea of solidarity in Europe. *European Journal of Social Law*. 2011, no. 3, pp. 156–167 [online]. Available at: <https://soc.kuleuven.be/ceso/life-sciences-society-lab/files/stjerno-the-idea-of-solidarity-in-ejsl-2011-3-b.pdf>

The medieval times shaped Europe, defining its culture, folks and borders. The evolution of communal movement was slow, from the growth of the villages and the formation of guilds and unions.⁵ The strength of many guilds, allowed the implementation of various social and charitable services. So sick union members, charged a subsidy to sustain themselves and family. Nevertheless, there was a key moment in European history, the French revolution. It changed the whole perspective to social policies due the principles of liberty, equality, fraternity among the members of the society. There were many outstanding thinkers in this period, perhaps being Rousseau one of the most representative in this regard. Until Rousseau's time, the sovereign in any given society was regarded as the central authority in that society, responsible for enacting and enforcing all laws. Most often, the sovereign took the form of an authoritative monarch who possessed absolute dominion over his or her subjects. In Rousseau's work, however, sovereignty takes on a different meaning, as sovereignty is said to reside in all the people of the society as a collective.⁶ The people, as a sovereign entity, express their sovereignty through their general will and must never have their sovereignty abrogated by anyone or anything outside their collective self. In this regard, sovereignty is not identified with the government but is instead opposed against it. The government's function is thus only to enforce and respect the sovereign will of the people and in no way seek to repress or dominate the general will. It clearly opened the society to social protection of all its members with outstanding improvements in the following decades. A radical change in the economic model linked with the industrial revolution, changed the social paradigm as well.⁷ Previous traditional ways of solidarity could not be applied to industrial workers living in large cities, leaving unprotected a large part of the society. Therefore, the British government actuated consequently regulating the social protection of its workers, influencing the rest of the European states and the world. It expanded a social model that was implemented differently in each country of Europe according to their previous traditions. During XX century, a time of wars, depravation and unrest, the social policy became a central part of the European countries, and a pillar of the European society differentiating Europe from the rest of the world, as the USA where the solidarity is a private initiative rather than communal or public.⁸

⁵ HAFERKAMP, H. and SMELSER, N. J. (eds.). *Social Change and Modernity*. Berkeley: University of California Press, 1991.

⁶ ROUSSEAU, J. J. (1762). *The Social Contract or Principles of Political Right* (Translated by G. D. H. Cole). *Fæderis æquas Dicamus leges. Vergil, Æneid XI*, 1762, pp. 1–73 [online]. Available at: https://www.files.ethz.ch/isn/125486/5017_Rousseau_The_Social_Contract.pdf

⁷ TROITÑO, D. R. and KERIKMÄE, T. (eds.). *Pasado, presente y futuro de la Unión Europea*. Mc Graw Hill Interamericana S. L., 2014.

⁸ PONTUSSON, J. *Inequality and Prosperity: Social Europe vs Liberal America*. Ithaca, NY: Cornell University Press, 2005. <https://doi.org/10.7591/9781501713385>

2. Social Europe

European civilization is united in the concept of social protection, the welfare state. It is one of the notions that identify together the European states, as a contraposition to other parts of the world. The idea of the social protection of the state is commonly accepted by the whole society, and even in times of crisis, social policies are protected by the social actors of each European state.⁹ The social policies can be compared to those of the United States, a country in many senses similar to Europe, but with big differences, especially in this field.¹⁰ There are different social models in Western Europe, mainly divided into 4 main groups:¹¹

- Nordic model: (Denmark, Finland, Sweden, and Holland) High social protection, plus universal social services, plus bigger expenditure in active politics of employment and strong trade unions. It makes inequality of revenues very low.
- Anglo-Saxon model: (the UK and Ireland) it combines important social protection in the last instance, especially for people of working age. It is a system based on incentives to the activity and subsidies for those really looking for a job. This system plus weak trade unions make for bigger differences in salaries, and many workers have low salaries.
- Continental model: (Austria, Belgium, France, Germany, and Luxembourg) A system based on security for the unemployed or people who find no job and a system of retirement pensions. Trade unions have fewer numbers, but are still strong, and collective negotiation is respected.
- Mediterranean model: (Spain, Greece, Italy, and Portugal) Combines social expenditure in retirement pensions, wide assistance and huge incentives to early retirement, plus huge protection to jobs with high firing costs, and trade unions with fewer numbers but strong collective negotiation, which leads to low disparities in salaries.

These social models are looking for three main objectives: reduction of poverty and inequality of revenues, protection of the labor market, and participation in the labor market. According to these objectives, we see big differences between the four main social models of Europe:

1. Inequality of revenue: The following models reduced inequality in the following proportions:

⁹ ŠIŠKOVÁ, N. *Lidskoprávní mechanismy na úrovni EU a otázky související*. Praha: Wolters Kluwer ČR, 2021.

¹⁰ ALESINA, A., GLAESER, E. and SACERDOTE, B. Why Doesn't the United States Have a European-Style Welfare State? *Brookings Papers on Economic Activity*. 2001, no. 2, pp. 1–70 [online]. Available at: https://scholar.harvard.edu/files/alesina/files/423_0332-alesina11.pdf

¹¹ PÖDER, K., KEREM, K. „Social Models“ in a European Comparison. *Eastern European Economics*. 2011, vol. 49, no. 5, pp. 55–74, DOI: 10.2753/EEEE0012-8775490503.

- Nordic reduction of 42%
 - Continental reduction of 40%
 - Anglo-Saxon reduction of 39%
 - Mediterranean reduction of 35%
2. Reduction of poverty: People who live under 60% of the average income.
- Nordic 11%
 - Continental 13%
 - Anglo-Saxon 19%
 - Mediterranean 20%
3. There are two ways of protecting jobs: first protecting existing jobs with high firing costs; by doing so you elude paying big unemployment subsidies. Second, generous subsidies to unemployed people paid with taxes of workers. Again, it is an issue of outsiders versus insiders and the importance of the trade unions.
- The Mediterranean model has a high level of protection of existing jobs, less generous unemployment payments.
 - The Nordic model has more flexibility to fire workers (less cost) and bigger subsidies for the unemployed.
 - The Continental model has high protection of existing jobs and high subsidies.
 - The Anglo-Saxon system protects the existing jobs less but offers subsidies almost as high as the Nordic and Continental.
4. Participation in the labor market. Per cent of the population of working age doing any economic activity:
- Nordic 73%
 - Anglo-Saxon 70%
 - Continental 64%
 - Mediterranean 63%

The comparison of these social models in terms of efficiency and equality also shows big differences. Efficiency is the ability to create a high and stable employment rate, and equality is linked to keeping the poverty risk rate low¹². So, according to these two concepts, the European social models will rank as follows:

- Nordic model 1 efficiency, 1 equality
- Continental 3 efficiency, 2 equality (Exception of Austria)
- Anglo-Saxon 2 efficiency, 3 equality
- Mediterranean 4 efficiency, 4 equality

¹² LEIBFRIED, S. and PIERSON, P. (1992). Prospects for social Europe. *Politics & Society*. 1992, vol. 20, no. 3, pp. 333–366. DOI: <https://doi.org/10.1177/003232929202000305>.

The general rank according to the countries includes as the top states Denmark, the Netherlands, Sweden, Finland, and Austria, and the lower states are Greece, Italy, Spain, Ireland, and Portugal. The countries where the equality is higher are Sweden, Luxembourg, Finland, Denmark, the Netherlands, and France, and the countries with less equality are Greece and Ireland. On efficiency we see on the top Denmark, the Netherlands, Sweden and the UK, and on the bottom Italy and Greece.¹³ Efficiency is negative for a high level of protection of jobs because with lower protection the employment rate is higher, and the other way around, with higher protection the employment rate is lower. Generosity in subsidies is not so important in terms of efficiency because it has little influence on the employment level and provides adaptability to the work force to new situations, as globalization. The risk of poverty or equality is strongly linked with the level of education. The population between 25 and 64 years with secondary or higher studies is more unlikely to live in poverty. It means that the people with less education have a bigger risk of poverty. The population with these studies in the different models is:

- | | |
|-----------------|-----|
| ■ Nordic | 75% |
| ■ Continental | 67% |
| ■ Anglo-Saxon | 60% |
| ■ Mediterranean | 40% |

It clearly shows that the Nordic countries are less likely to increase their people living in poverty as their educational rate is higher than in the other models. It also shows the problems of the Mediterranean area, where just 40% of the population between 25 and 64 have an education that could keep them away from poverty.¹⁴

3. Obstacles and challenges

The analysis of the main European social models leads to different long-term possibilities accepting the following premises:

- If a model is not efficient it is not sustainable in the long term. There are no new revenues, or they are too expensive for the tax system. Sweden and Holland changed their models in the '70s. An older population, new technology, and globalization are other factors that make a model not sustainable in the long term.
- More equitable models can last longer in terms of democracy. If there are too many poor, the voters will choose a government that will reduce poverty.

¹³ ANDERSON, K. M. *Social policy in the European Union*. London: Bloomsbury Publishing, 2015.

¹⁴ FERRERA, M. The 'Southern model' of welfare in social Europe. *Journal of European social policy*. 1996, vol. 6, no. 1, pp. 17–37. DOI: <https://doi.org/10.1177/095892879600600>

Even if the model can last politically, in the economic sense it needs enough money to pay health care and retirement pensions. So, if a state gets relevant incomes from taxes (as for example, high employment rate), it can economically afford their social system.

The two European models with less efficiency and with a lower employment rate, the Mediterranean and the Continental, normally have higher public debt, the Mediterranean with 80% of its GDP and growing, the Continental with 71%. On the other hand, the Anglo-Saxon 36% and the Nordic 49% are more efficient. It means fewer possibilities of financing the model for the areas more needed, as the Mediterranean countries. The negative perception of globalization in terms of employment is higher in the less efficient models: Mediterranean 52%, Continental 42%, Anglo-Saxon 36%, and Nordic 37%. This leads to the question of why the voters of the less efficient states did not want a change. The answer is that most of the unemployed are outsiders, the young, women and immigrants, but now the situation is changing with a bigger risk of losing one's job. Therefore, it is a real possibility that the Mediterranean model gets closer to the Anglo-Saxon and the Continental to the Nordic.¹⁵

The Working Group on Aging Population (AWG) made different reports supported by ECOFIN about the aging of the European population and its consequences on public expenditure on pensions, health care, and subsidies for the unemployed. For 2004-2050 the public expenditure will grow more in the Mediterranean model. The first option to pay these expenditures could be public debt, but it means bigger taxes for the future to be paid by future generations that will not enjoy the social benefits because the GDP will not grow as much as the social expenditure. The economic crisis also makes this option unlikely, as more countries are under pressure from the markets because of their high public debt. In addition, the public debt in the countries more in need of extra funding already have high rates of debt, so their possibilities of increasing it are really reduced. A second option could be increasing indirect taxes, like a social VAT. The problem is the more modest people are the ones that consume a higher part of their rent income, so they will pay more, increasing the inequality of the social models. On the other hand, globalization makes it impossible to increase direct taxes because of the high mobility of capital. A third option is increasing the number of people of working age and get them jobs, because their contributions will increase the revenues of the state. It can be done by:

- Immigrants with jobs. They pay taxes, but this is a temporary solution because they will also retire.

¹⁵ WALLACE, H., POLLACK, M. A., ROEDERER-RYNNING, C. and YOUNG, A. R. *Policy-making in the European Union*. Oxford: Oxford University Press, 2020.

- Increase the age of retirement, adapting it to life expectancy (longer now) as Germany and other European countries are doing, from 65 to 67 years old. It means fewer pensioners and more taxpayers.

A fourth option is decreasing the welfare state, less social security health care, or increasing the years needed to get them. As the European population is becoming older, more voters will be older, and they will reject this option. The European problem is that the work market is still national, but the goods and services markets are European. The reform of those, especially services (just 20% of services trade is European) will force the states to change their work markets. The future scenario for a common social policy will be easier as the Mediterranean system will converge with the Anglo-Saxon system, and the continental and Scandinavian systems will merge. It gives us two different social systems, easier to integrate. Also, the influence of the social systems in the economies of the member states of the European Union is an important factor for creating a common policy, because in a common market the countries with less efficient social systems will be at a disadvantage for their companies, with the consequent loss of market share. In order to compete on equal terms in a common market, a common social policy is needed.¹⁶ Nevertheless, it seems that the countries with more efficient and equal systems are not going to be willing to change their models in a convergence with the average of the European states. It is more likely that European social policy will start its development with minimum standards, allowing more progressive legislation in the field, and hence the disparities between systems, but at the same time reducing them.

European Commission defined “Social Innovation” as: *“The development and implementation of new ideas (products, services and models) to meet social needs and create new social relationships or collaboration. It represents new responses to pressing social demands, which affect the process of social interactions. It aims to improve human well-being. Social innovation is an innovation that is social in both its ends and its means. It is an innovation that is not only good for society but also enhances individuals’ capacity to act”*. In other definitions there is an accent on the way to proceed: social innovation *“as a new combination or new configuration of social practices in certain areas of action or social contexts”* (European Commission, 2020).¹⁷

¹⁶ VASILESCU, M. D., SERBAN, A. C., DIMIAN, G. C., ACELEANU, M. I. and PICATOSTE, X. Digital divide, skills and perceptions on digitalisation in the European Union–Towards a smart labour market. *PLoS ONE*. 2020, vol. 15, no. 4, pp. 1–39. DOI: <https://doi.org/10.1371/journal.pone.0232032>.

¹⁷ European Commission. Social innovation: inspirational practices supporting people throughout their lives, 2020 [online]. Available at: <https://ec.europa.eu/european-social-fund-plus/en/publications/social-innovation-inspirational-practices-supporting-people-throughout-their-lives>

According to this definition, the European Social Policy should focus on addressing the most urgent necessities of the European society, common to all the Member States, regardless their respective social models and traditions. The current globalization inducted by borderless digital transformation of the society is increasing the necessity for common responses to issues as raising poverty rates.¹⁸ The creation of markets beyond the national limits provides relevant benefits to those adapted to the new situation, but increase the inequality in the society as the business benefits do not contribute to the national wealth redistribution as their nature is multinational. Therefore, a supranational authority as the European Union, seems appropriate to lead a new common policy to address effectively this issue.

Migratory flows need the attention from a common frame as it is affecting the whole European Union. The free movement of people, the abolishment of internal borders and the increasing migration to Europe are stressing the social system as new necessities need to be covered in order to integrate and protect the new arrivals as, in most of the cases, lower part of the society increasing the inequality. As previously exposed, migration is a temporal solution to aging population, another common trend within Europe that is affecting the social systems of all the Member States.¹⁹ Therefore, a more stable and long-term solution should be found to reassure the sustainability of the social systems threatened by the higher costs.

The social composition of Europe is not only affected by aging population, as changing family structures is transforming the European society. New models of families and social organization required a new approach that often faces traditional barriers complicated. It is a process affecting all Europe due the current harmonization of modern societies impacted by global tendencies. Therefore, the EU can face this challenge from a new perspective because the organization works for the citizens of Europe without the restrictions of national social traditions.

The social challenges are often linked with the market, as inequality and social exclusion, inadequate supply of jobs or problems of labour market. The Internal Market is a highly integrated market ruled by European Union legislation. The problem of social integration has been already discussed in this research,

¹⁸ AFONASOVA, M. A., PANFILOVA, E. E., GALICHKINA, M. A. and ŚLUSARCZYK, B. Digitalization in economy and innovation: The effect on social and economic processes. *Polish journal of management studies*. 2019, vol. 19, no. 2, pp. 22–32, DOI: <https://doi.org/10.17512/pjms.2019.19.2.02>

¹⁹ ŠIŠKOVÁ, N. The EU concept of the rule of law and the procedures de lege lata and de lege ferenda for its protection. *International and Comparative Law Review*. 2019, vol. 19, no. 2, pp. 116–130. DOI: <https://doi.org/10.2478/iclr-2019-0017>

nevertheless, it is a fact that market necessities need to be address effectively in order to keep the social balance of the European Union as a whole. The Common Market has generated relevant benefits to the European economic agents increasing the economic performance and European trade. On the other hand, it generated new problems that before did not exist, as social cohesion in a territory without a common social policy. The current digital transformation of the society allows to solve some of these problems from a new approach without major collision with national traditions.²⁰

The European Union, a supranational organization dealing with communal problems beyond national borders creating a new level of sovereignty beyond the national level.²¹ Therefore, the problems affecting Europe cannot be solved in the national level and should be part of the framework of the Union. A clear example, is environment or digital space as it goes beyond political borders.²² The pollution spreads from one country to the other making ineffective divergence national solutions to the problem, just a common approach will deal properly with environmental issues. As a clear example, pollution in Finish lakes is strongly link with emissions in Polish industry. A high level of protection in Finland cannot protect the finish lakes unless the origin of the emissions, Poland, implement effective measures. Therefore, the European Union is dealing with environmental policy as a part of the common frame. From the social perspective, environmental degradation has become a priority in XXI century.²³ Following the same pattern, national states cannot prevent, neither effectively address, this social risk. Just a common action linking social and environmental protection will dismiss the social impact of environmental problems.

Most of these challenges are weakening the traditional welfare policies of the European States, an important part of the European identity as the national actors lack the proper tools to fights against a combination of factors as ageing population, decrease of financial resources, maintenance of welfare standards

²⁰ HAMUĽÁK, O., TROITIÑO, D. R. and CHOCHIA, A. La carta de los derechos fundamentales de la union europea y los derechos sociales. *Estudios constitucionales*. 2018, vol. 16, no. 1, pp. 167–186. DOI: <https://doi.org/10.4067/S0718-52002018000100167>

²¹ HAMUĽÁK, O. Lessons from the “Constitutional Mythology” or How to Reconcile the Concept of State Sovereignty with European Integration. *Danube: Law and Economics Review*. 2015, vol. 6, no. 2, pp. 75–90. DOI: <https://doi.org/10.1515/danb-2015-0005>

²² GÁBRIŠ, T., HAMUĽÁK, O. Pandemics in Cyberspace – Empire in Search of a Sovereign? *Baltic Journal of Law and Politics*. 2021, vol. 14, no. 1, pp. 103–123. DOI: <https://doi.org/10.2478/bjlp-2021-0005> or GÁBRIŠ, T., HAMUĽÁK, O. 5G and Digital Sovereignty of the EU: The Slovak Way. *Taltech Journal of European Studies*. 2021, vol. 11, no. 2, pp. 25–47. DOI: <https://doi.org/10.2478/bjes-2021-0013>

²³ EVANGELISTA, R., GUERRIERI, P. and MELICIANI, V. The economic impact of digital technologies in Europe. *Economics of Innovation and new technology*. 2014, vol. 23, no. 8, pp. 802–824. DOI: <https://doi.org/10.1080/10438599.2014.918438>

and impact on the social groups of traditional users and the new users. In terms of digitalization, four different sources that provide protection for specific risks, market, state or other public authorities, civil society-family and personal initiatives.

Market can generate new jobs in orientated internet business, family faces new ways of interaction, new problems and new solutions. Civic society has witnessed a new communication system allowing the participation of all citizens regardless their social condition, physical location or any other previous precondition. It has fostered the civic participation to levels previously unknown. At the individual level, digitalization provides individual empowerment and inclusion, stimulates individualism and supports own identity and decreases the barrier to access and usage. These impacts on market, society and individuals need to be taking into consideration by the public authorities dealing with social problems. If the European Union is going to be deeper involved in social affairs from a digital perspective should promoted common social values, as professionalism, efficiency, service and engagement, EU taxes on digital multinationals (incoming digital services tax proposed by the European Union) and common actions addressing the growing problem of concentration of wealth.

4. Impact of digitalization in welfare policies in the EU

Digitalization offers new solutions to old and new social problems, but faces threats as “e-Governance paradox” where States are able to gather unprecedented amounts of information but prove unable to turn the information into effective policy actions.²⁴ In order to be effective is required an impact analysis of welfare services at systemic level. It means finding the right technological solutions as the success tool for obtaining more efficient and cost-effective digital services. In addition, it is very important to include the concept of public values as the differ from private initiative inductors for social action. The public service does not focus on economic profit but social benefits. Nevertheless, the targets should be achieved from the most effective perspective avoiding wasting money from the citizens.²⁵

The European Union, a union of States with a common body of citizens represented in the European Parliament, needs to involve several agents in the digital

²⁴ SAVOLDELLI, A., CODAGNONE, C. and MISURACA, G. Understanding the e-government paradox: Learning from literature and practice on barriers to adoption. *Government Information Quarterly*. 2014, vol. 31, no. 1, pp. 63–71. DOI: <https://doi.org/10.1016/j.giq.2014.01.008>

²⁵ KWILINSKI, A., VYSHNEVSKYI, O. and DZWIGOL, H. Digitalization of the EU economies and people at risk of poverty or social exclusion. *Journal of Risk and Financial Management*. 2020, vol. 13, no. 7, pp. 142. DOI: <https://doi.org/10.3390/jrfm13070142>

social change, as experts (represented by the European Commission), Member States (present in the Council), citizens and social movements. The digitalization of the European society opens a new world for interaction between the European institutions and the civic organizations, allowing a flexible and more effective European social policy.²⁶ It is important the EU connects with the society and its representatives to allow a social development with a positive effect on the society. It is crucial because without the support of the citizens and their solidarity at European level, the credibility of any action would be stigmatized by those supporting national sovereignty as the last level of governance. Therefore, the digital world offers alternatives to the European Union to implement, in a fluid relation with the civic society, a credible social change improving the life of the European citizens. Most of the successful initiatives have been design in a local level, it is the duty of the European legislators to translate it to the European level effectively.

The actions of the EU in the field of common social policy should have two differentiated natures, applying specific solutions to specific problems. Issues affecting a relevant part of Europe, need clear solutions from the EU. It means, all the national social problems should be addressed by the national authorities, following the principle of subsidiarity where the most effective level of decision making to solve a problem would be in charge of the solution. Obviously, the European problems (already mentioned in this research) can be just effectively solved in the European level. On the other hand, the EU should foster a proactive approach for social developments improving the connection between the different level of decision making, including citizens.²⁷ Social innovators are keen to move forward in the implementation of new solutions for social problems, therefore, digitalization is mainly foster by those willing to implement innovative approaches. Nevertheless, in general, the public authorities are reluctant to implement proposals because the analysis on cost-benefits are insufficient.

The idea of a collaborative design and implementation of common reforms with several actors and levels involved, will foster social innovation in the European Union. Therefore, the European Union needs to respect subsidiarity and promote collaboration to reach an innovative approach effective in social policy.²⁸

²⁶ RAMIRO TROITIÑO, D., KERIKMÄE, T., HAMULÁK, O. (eds.). *Digital Development of the European Union*. Cham: Springer, 2023. DOI: https://doi.org/10.1007/978-3-031-27312-4_1

²⁷ CUERVO, M. R. V. and MENENDEZ, A. J. L. A multivariate framework for the analysis of the digital divide: Evidence for the European Union-15. *Information & Management*. 2006, vol. 43, no. 6, pp. 756–766. DOI: <https://doi.org/10.1016/j.im.2006.05.001>

²⁸ CRESPIY, A. and MENZ, G. Commission entrepreneurship and the debasing of social Europe before and after the Eurocrisis. *JCMS: Journal of Common Market Studies*. 2015, vol. 53, no. 4, pp. 753–768. DOI: <https://doi.org/10.1111/jcms.12241>

The Union is facing the problem of transforming local initiatives to continental policies. Most of digital social actions start at the local level to solve specific issues. Nevertheless, even if successful, the transition to higher levels of public domain is complicated. It normally leads to the end of these initiatives within the first years of implementation.²⁹ The EU needs to analyze why digital solutions successfully implemented cannot be upgraded to address the problems of larger groups of citizens. If the reasons are understood, the Union will make a great step forward for the digitalization of the European social policy.

In addition, the European Union needs to enlarge the focus from single digital social services to reconfiguration of existing economic and social structures. The European Union represents a complex social ecosystem, as previously explained in this research. Therefore, different models of social frames need minimum standards allowing more progressive social policies. The digital solutions need to adapt to this scheme in order to be successfully implemented in the European level.³⁰

Funding of digital social solutions is a must for the Union as the model of internet, widely dominated by high technological companies located in the United States of America, respond to market stimulus and monetary benefits.³¹ The social model of USA is radically different from the models implemented in Europe, as it is based on a privatization of most of social protection initiatives. Therefore, there is not research, neither solution, from companies founded in a different social environment with different social priorities. The social benefits are difficult to monetarize in a free market economy with a predominant role of the public institutions in the welfare policies. Consequently, there is no motivation for private companies to invest and innovate in the field unless they have an external stimulus. In addition, other public authorities and civic organizations do not have the require financial resources for implementing digital solutions to their social problems.³² They need support from higher, and economically more

²⁹ TROITIÑO, D. R. and KERIKMÄE, T. Europe facing the digital challenge: obstacles and solutions. *IDP. Revista de Internet, Derecho y Política*. 2021, no. 34, pp. 1–3. DOI: <https://doi.org/10.7238/idp.v0i34.393310>

³⁰ PINK, S., FERGUSON, H. and KELLY, L. (2022). Digital social work: Conceptualising a hybrid anticipatory practice. *Qualitative Social Work*. 2022, vol. 21, no. 2, pp. 413–430. DOI: <https://doi.org/10.1177/14733250211003647>

³¹ VARDANYAN, L. and KOCHARYAN, H. Critical views on the phenomenon of EU digital sovereignty through the prism of global data governance reality: main obstacles and challenges. *European Studies: the Review of European law, Politics and Economics*. 2022, vol. 9, no. 2, pp. 110–132. DOI: <https://doi.org/10.2478/eustu-2022-0016>

³² TROITIÑO, D. R. La Unión Europea y el Reino Unido. Divergencia histórica y miopismo contemporáneo. *Tempo Exterior*. 2020, vol. XX, no. 40, pp. 61–73 [online]. Available at: https://www.researchgate.net/publication/344241840_La_Union_Europea_y_el_Reino_Unido_Divergencia_historica_y_miopismo_contemporaneo

powerful, institutions. The European Union is very active in the field, supporting local, civic and private initiatives with a relevant impact on the social aspects of the society. Therefore, the EU is following the right path, but funding fatigue could curb the financial possibilities. New initiatives are required, and a more visibility for those successful digital social solutions is a must to popularize them and prevent shortcuts in future financing.

5. Conclusions

The European Union is a social experiment initiated by brave men willing to create a stable peace system in Europe. The so called, father of Europe, understood the dangers of nationalism fostering conflicts within the continent. Therefore, they designed a system with shared sovereignty promoting common management over national control. The implementation of the project was complicated and faced endless obstacles generated by the fierce resistance of nationalism against supranationalism. Consequently, they designed a complex roadmap to implement a unique social, political and economic common system in the world; step by step building a common house cornering nationalism in the cultural sphere.

In addition, the creation of a common European frame required the implementation of solidarity between its members in order to reduce or dismiss the negative effects of the integration, reduce inequalities and promote communality. Therefore, the European Communités established the internal concept of help between the Member States, that later on, following the progressive pattern of integration, extended to solidarity between regions and European citizens. Consequently, originally, there was no necessity for a common social policy as the solidarity was between States and was properly implemented with the European policies and several structural funds. The expansion of the solidarity targets generated the necessity of common management between EU citizens and the implementation of a common frame, the European social policy aiming to promote employment, improve living and working conditions, provide adequate social protection and combat social exclusion. These policies are generally the competence and responsibility of the EU Member States but the European Pillar of Social Rights gives new momentum to initiatives at European level. Moreover, the current social revolution foster by digitalization have changed the traditional social paradigms, necessities and priorities. It is time for the European Union to introduce improvements and advances in social terms for a common management of the social solidarity between the European citizens. The national states cannot provide social solutions to their citizens as the globalization of the digital world has generated a new reality beyond political borders of States. Currently,

just world powers as USA or China have enough muscle to control the big high-tech companies operating in the world, generating works and wealth, but also inequalities and distortions in the social solidarity. The European Union could face these challenges if operating together under a common umbrella of common solidarity; common problems will be solved more effectively in common.

The European Union needs to establish common standards in digital social policies, first creating a compatible digital frame between all the Member States. The generation of data is the future for social digital initiatives, but we need to be able to use this data in the European level. Otherwise, without a real compatibility the generation of data will be useless for institutional used. The management of data as basic step that also requires a clear policy on data protection. The European Union is taking the issue very seriously because of the privacy of its citizens and the influence data collection has on digital solutions, especially in the field of Artificial Intelligence. Machine learning is based on the amount of data available. The European Union is in a privileged position because of its capacity to access data from European users, but in an open system, this data will be used by USA or China to build their alternative AI following their respective national interest. Therefore, if the EU wants to create a common digital frame, influence the welfare innovation and promote European AI solutions, needs to protect the data and promote a common frame to implement common solutions based on the necessities and capabilities of the European users.

The second logical step, will be the implementation of common minimum standards where the European Union will guarantee a minimum social protection of its citizens, but allowing additional rights coming from the Member States focus on their respective nationals. This action will help to the foundation of a common social frame, a first stage in the convergence of the different social models implemented within the European Union members. Digital possibilities can increase the convergence applying common protocols to access the information and provide the services. Therefore, it is fundamental to implement a common platform compatible all over the territory of the Union to start with a basic common approach to digital social issues.

On the field of civic engagement, the European Union is aware of their importance for the digitalization of the welfare policies. Most of the innovations come from the local level, and require the adequate support to impact the whole Union. In addition, the current digitalization allows a more active and effective civic participation in the public life of private citizens. Therefore, combining civic participation with welfare policies via digital platforms will increase the democratic support for a common European house. The concept of common sovereignty is fundamental for the implementation of a functional organization in the European level; attracting the loyalty of the European citizens by their

active participation in the European public life and by providing them European answers to their social necessities, will increase the direct support from citizens to the European Union. It is a process that requires time, but fundamental for the political development of the organization. Consequently, digital social policies and civic engagement are crucial for the development of the European Union.

Parallel, this research outlined the importance of public funding for the development of effective digital solutions for social policies. These public investments address the lack of private funds influenced by the American model of internet focus on economic benefits. It is a complete legit target, but the European society aims for a different social model. Therefore, the private companies lack the motivation to focus on social development if they cannot monetarize their achievements. In addition, the problem of ownership of a product does not apply to most of the digital solutions of welfare policies, reducing even more the incentives for private companies to invest large amounts of funds on research and innovation on digital social aspects. If Europe wishes to keep (updated) its characteristic and unique social model, a large public funding is required to promote research and innovation. The benefits will be social, with a more equal and balance society, but also economic for the public administrations with a most effective use of public social funds thanks to the possibilities offered by a digital society.

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