

# The EU's role in income redistribution and insurance: Support, norm-setter or provider?

## A review of justice-based arguments

Frank Vandenbroucke 

Vice-Prime Minister and Minister of Social Affairs and Public Health in the Belgian Government, Brussels, Belgium

### Correspondence

Frank Vandenbroucke, Vice-Prime Minister and Minister of Social Affairs and Public Health in the Belgian Government, Brussels, Belgium.

Email: [frank.vandenbroucke@vandenbroucke.fed.be](mailto:frank.vandenbroucke@vandenbroucke.fed.be)

### Abstract

Income redistribution and insurance are core functions of welfare states. What role should the EU play in this domain? I examine the purchase of normative theorizing on social justice on this question, focusing on the contrast between three models of EU involvement: the EU as Support, which implies the sharing of resources through intergovernmental transfers; the EU as Provider, which implies EU cross-border transfers towards individual citizens; the EU as Norm-setter, which implies that the EU formulates normative policy ideals. I review different accounts of justice for the EU and how they bear on the choice between these models of EU involvement. Conceptions of “background justice” have some purchase in a debate on the EU's role, but that purchase is limited. They need to be complemented by shared conceptions of domestic justice and a degree of moral cosmopolitanism. I argue that a “European Social Union” should be a Support and Norm-setter in the realm of insurance and redistribution. Through the establishment of interstate insurance, it would be a true “insurance union.” It would engage in interstate redistribution, but there are no compelling reasons of justice for it to become a direct Provider of insurance or redistribution towards individual citizens.

Frank Vandenbroucke was formerly in University of Amsterdam.

This is an open access article under the terms of the [Creative Commons Attribution-NonCommercial-NoDerivs](https://creativecommons.org/licenses/by-nc-nd/4.0/) License, which permits use and distribution in any medium, provided the original work is properly cited, the use is non-commercial and no modifications or adaptations are made.

© 2021 The Author. *European Journal of Philosophy* published by John Wiley & Sons Ltd.

## 1 | INTRODUCTION

The redistribution of incomes from rich to poor and income insurance in the case of unemployment, retirement or illness are core functions of welfare states. Nation-states cherish their sovereignty in these sensitive areas. However, through the coordination of social security entitlements for mobile European citizens and the legal enforcement of non-discrimination principles, the European Union (EU) plays a role in this domain which is far from trivial. Through the Open Method of Coordination (OMC) on social inclusion, the EU developed a soft (non-binding) *normative* framework for the member states' policies against poverty. Is there a case, based on arguments of justice, for the EU to play a role in redistribution and insurance that goes beyond this *acquis*? In debates on the EU's social dimension, there is an array of proposals to that effect. A European Directive on minimum income protection that would oblige all member states to provide decent incomes to the poor in their own country, is a well-known proposal to go beyond the existing model of soft guidance: norms set by the EU would become legal and binding.<sup>1</sup> Some scholars argue that the EU should organize transnational interpersonal redistribution and thus become itself a key provider of redistribution, by means of a pan-European basic income (Van Parijs & Vanderborght, 2017). For yet other participants in these debates, the priority should be the development of European-wide risk sharing, for instance by means of re-insurance of national unemployment insurance schemes, providing budgetary assistance to national systems when they are in need. In such a scenario the EU's role might be limited to being background *support* of national insurance systems, but it nevertheless involves the organization of solidarity at the EU level (Vandenbroucke, 2017a, 2019a). Finally, some scholars emphasize the need for a regulatory framework to curtail tax competition, since this undermines the capacity of national governments to fund their welfare states fairly and sustain national solidarity (Schelkle, 2019).

This short survey suffices to illustrate the different roles the EU might play concerning welfare state solidarity. I will focus on the contrast between three models of EU involvement<sup>2</sup>: the EU as *Support*, which implies the sharing of resources across borders by means of intergovernmental transfers; the EU as *Provider*, which implies cross-border transfers towards individual citizens (i.e., the EU organizes interpersonal insurance or redistribution); the EU as a *Norm-setter*.<sup>3</sup> One should note that combinations of the *Supporter* and the *Norm-setter* role may have the same substantive effect, *qua* outcome, for individual citizens as direct *Provision* by the EU. By way of example, suppose the EU would issue detailed instructions to member states with regard to the architecture and level of minimum income protection programmes and that it would fund such programmes by intergovernmental transfers. The actual impact for citizens may then be identical to the impact of a centralized pan-European scheme of minimum income protection, the only difference being the level of administrative implementation. More generally, combinations of *Support* and *Norms* with which member states have to comply can range from very flexible (with regard to the leeway left for member states) to very rigid, and may thus yield results for citizens that are more or less close to the results of direct *Provision* by the EU.<sup>4</sup> Also, *Support*, *Provider* and *Norm-setter* need not be mutually exclusive roles for the EU: they may be complementary and reinforce each other. Yet, these are different roles, and their differences are salient in the European debate.

This paper examines the purchase which normative theorizing on social justice has on the delineation of the role the EU should play. I review different philosophical approaches, starting with “background justice” as proposed by Ronzoni and Viehoff. In this account, just background conditions that govern the relations between states must secure their real sovereignty. “Background justice” comes in thin and thick versions, depending on how “real sovereignty” is understood. I will argue that thin versions of background justice have some purchase on what EU justice is about (they justify interstate insurance and norms with regard to tax policies), but such purchase is limited. Even thicker versions of background justice, which consider the presence of adequate minimum income protection as part and parcel of the real sovereignty of a nation-state, leave important questions in debates on the EU's social role unanswered. Sangiovanni's account of European justice goes beyond background justice, but it presents two difficulties. First, his Dworkinian thought experiment sits uneasily with the role domestic welfare state principles should play in the EU. Second, this approach still lacks a normative justice-based rationale for the establishment of the EU,

notably the EU's promise to be an instrument for an upward convergence in prosperity. I will argue that a satisfactory account of the EU's role in welfare state solidarity must include a cosmopolitan concern with the well-being of individual people who happen to live in countries with very different levels of prosperity.

My review deliberately starts with the “thinnest” account. I do not take that route because I believe the state sovereignty perspective is normatively convincing without further ado. I take that route because a thin account promises, potentially, a significant “pragmatic” advantage with a view to a European debate: if a thin account of justice suffices to frame the debate on the EU's mission in the realm of social justice, it may be easier to reach a broad consensus on that mission. However, it emerges that our account cannot be limited to a parsimonious combination of principles of domestic justice and principles governing the relations between states only.

This review highlights compelling reasons of justice for the EU to become a European Social Union, that is, a union that supports the member states' welfare arrangements in some of their key functions, on the basis of common social standards and in pursuit of upward convergence. A Social Union would engage in interstate insurance (to buttress the stabilization capacity of national welfare states) and interstate redistribution (to buttress upward convergence). Such a union must be a (selective) *Supporter* and *Norm-setter*, both in the realm of insurance and redistribution. Simultaneously, a European Social Union would maintain subsidiarity as an organizing principle with regard to the ways and means of welfare state solidarity. While a Social Union is also motivated by a cosmopolitan concern about the well-being of individuals all over Europe, there are no compelling *reasons of justice* for the EU to become a direct *Provider* of insurance and/or redistribution to individual citizens: whether or not that road is taken in the institutional development of a European Social Union, depends on pragmatic questions of implementation and, more fundamentally, on our understanding of what subsidiarity implies in terms of the scope of social diversity across EU welfare states.

While I do not discuss the institutions needed to implement a European Social Union, it should be clear that this is more than a mere intergovernmental arrangement that only speaks to national governments: as a *Norm-setter* it speaks both directly to individual citizens and to their national governments.

Section 2 of the paper defines “welfare state solidarity” and some premises on which my review is based. Sections 3 and 4 discuss both the potential and limits of background justice. Section 5 takes the exploration of existing normative approaches beyond background justice, by considering Sangiovanni's account. Section 6 explains why we cannot set aside a moral cosmopolitan concern in an account of EU justice. Section 7 concludes.

## 2 | WELFARE STATE SOLIDARITY

I use “welfare state solidarity” as an umbrella concept for redistribution and insurance. Welfare state solidarity means that resources are shared with the aim of compensating individuals for disadvantageous circumstances for which they are not held responsible. In this descriptive definition, the “responsibility-cut” (the boundary between individual and collective responsibility) characterizes the social contract that underpins the institutions of solidarity. Understanding welfare state solidarity and the underlying social contract through the lens of a responsibility-cut does not imply a normative judgment and it is, *a fortiori*, not based on metaphysical “truths” about responsibility. This thin definition of solidarity highlights an important feature of welfare states: depending on the circumstances for which individuals are not held responsible, insurance and redistribution are distinct types of welfare state solidarity.

Insurance is, by definition, about future risks. Pure insurance means that individuals are compensated for risks that cannot be foreseen at the level of the individuals but can reasonably be calculated at the level of a group of individuals with identical risk profiles. If risk profiles are identical, the *ex ante* expectation is that, over a sufficiently long time span, there are no “net beneficiaries” and no “net contributors” in money terms; in welfare terms, there are gains for everybody.

Welfare state solidarity takes the form of redistribution when the circumstances for which we do not hold individuals responsible refer to individual characteristics rather than future risks. The prime example of redistribution is

progressive taxation. Suppose we agree, *qua* social contract, that differences in individual income are, partly, the result of factors for which we do not want to hold citizens responsible, such as the talents with which they were born, the way in which they were educated by their parents, and their family's network. Progressive taxation organizes solidarity on the basis of this social contract: it's *rationale* is to compensate for disadvantages linked to those circumstances. In terms of the motivation of the participating individuals, redistribution is often seen as a more demanding form of solidarity than insurance. Well-organized insurance can be understood as a matter of enlightened self-interest for a large majority of the insured: the expectation is that, in the end, a large majority wins (in the ideal-type case of a Pareto-improvement, everybody wins). In contrast, redistribution is, *prima facie*, not a matter of enlightened self-interest. However, to implement insurance in a world of heterogeneous risk profiles and asymmetric information, it can be necessary to organize compulsory risk pooling, which means that redistribution is organized from people with low risk to people with high risk. Complying with such redistribution across risk profiles then becomes also a matter of self-interest. Or, to be more precise: if different risk profiles are a “circumstance” for which we do not hold people responsible, the *principle* of risk pooling can be as much a matter of expediency and self-interest as it is a matter of redistributive justice.

I use “solidarity” as a shortcut for institutionalized practices that can be interpreted through this framework. One should distinguish the description of solidarity as a praxis and its assessment in terms of justice. However, the reader easily recognizes the vocabulary and grammar of a strand of egalitarian philosophy, which has been coined “responsibility-sensitive egalitarian justice” or “equality of opportunity.”<sup>5</sup> Solidarity, so conceived, can serve the objectives of egalitarian justice. Obviously, what egalitarian justice and solidarity as its vehicle exactly mean needs specification. The generic concept of responsibility-sensitive egalitarian justice is flexible; from the perspective of justice, the question is how the responsibility-cut is understood, what its moral foundation is, and where it is located. Because of its flexibility as a conceptual framework, the normative lens provided by responsibility-sensitive egalitarian justice is a useful heuristic for social-policy makers, who constantly have to engage with the consequences of risks, circumstances and choice; but whether we *accept* it as the normative foundation for social policy obviously depends on its further specification. This is an important *caveat*. There is a second *caveat*. My use of this vocabulary and my reference to responsibility-sensitive egalitarian justice does not imply that I think that this particular strand of theorizing about social justice covers, from a normative perspective, *all* the functions of contemporary welfare states or all the dimensions of those functions. But it covers the essence of what we want to examine here. This flexible framework has an additional advantage: its vocabulary and grammar are normally applied to relationships between individuals but it can be extended to relationships between states. This may be useful when pondering justice between EU member states.

In his seminal work on the role of insurance in garnering support for welfare states, Baldwin argues that, historically, the technique of insurance has allowed to create “communities of risk,” cross-cutting class-cleavages and generating stable constituencies for welfare state provision (Baldwin, 1990). Can the EU become a well-organized “community of risk” on the basis of insurance techniques?<sup>6</sup> In this respect, the following feature of insurance is important: although national social security schemes often mix up redistribution and insurance, under certain conditions it is possible to set up insurance schemes between rich and poor people or countries that offer adequate insurance for each, but do not redistribute between rich and poor. At the level of countries, this seems even less difficult than at the level of individuals.<sup>7</sup> Why is that feature of insurance interesting for our purpose? Suppose that, for some reason, large-scale between-country redistribution is difficult: by *separating* insurance and redistribution (in contrast to what has often been the case in national welfare states) a European “community of risk” might become feasible, notwithstanding possible resistance against permanent redistribution between countries.<sup>8</sup> This is not to say that at the interstate level the technique of insurance would have the same potential to create a true “community of risk” as it did in national welfare states. But this observation invites us to think about insurance as a self-standing strategy to enhance justice in Europe. One should understand collective insurance, even if it is “pure insurance,” as an instrument of social justice, in contrast to a tendency to set pure insurance aside as merely “enlightened self-interest” that does not address concerns of justice proper.

What role should the EU play in welfare state solidarity, beyond the roles it already assumes? Obviously, this question needs context: the EU's mission in the realm of welfare state solidarity cannot be conceived independently of other features of the EU, such as the single market, the monetary union and freedom of movement. Should there be a single market? Should there be monetary integration? Should there be freedom of movement and non-discriminatory access to social benefits for those who move? These features of the EU raise normative questions: no feature of the EU can be postulated as a fixed point, beyond justification. However, for the purpose of this paper, I proceed as if we have such justifications. The argument is premised on the idea that a well-organized single market and monetary union can create net benefits for each member state *qua* collective entity, which can then be distributed fairly within member states, at least if certain—possibly very demanding—conditions are fulfilled with regard to the organization of welfare state solidarity at the national and the EU level.<sup>9</sup>

### 3 | BACKGROUND JUSTICE AND INCOME INSURANCE

What can we learn from philosophical accounts of global social justice with regard to the role the EU should play in insurance and redistribution? Ronzoni argues that the global order should secure background justice (Ronzoni, 2009). Applied to the EU, “background justice” means that the EU should allow its member states to “take back control” collectively in domains where they lost control individually, due to processes of internationalization. Arguing about the EU's social agenda in terms of its capacity to strengthen the “real” social sovereignty of the member states seems politically expedient: it appeals to what exercises an influential segment of the electorate and political actors. It is also attractive to present an account that promises to build on a relatively limited basis: the value of real sovereignty. From a pragmatic point of view, it therefore seems an interesting starting point. That does not mean that I, for one, consider such a state sovereignty perspective as a normatively compelling starting point: in Section 6, I underscore the normative strength of a rival, cosmopolitan perspective. In this section, I examine the purchase which an account of background justice might have on questions of insurance and redistribution if we take it as our starting point.

According to Ronzoni, background justice in the global order should allow states to “(a) exercise sovereignty over their territory, (b) regulate justice-relevant socio-economic dynamics and (c) interact as free and equals with each other.” With regard to social justice, she adds that “states need to have enough power to be able to secure internal socioeconomic justice. That is, they need to have both effective control over internal socioeconomic dynamics and reasonable freedom from external interference.” She explicitly claims that “in the global case, we are not interested in *outcomes*: we do not require states to be equally affluent, possibly not even that they each implement the same conception of domestic social justice.” (Ronzoni, 2009, pp. 247–248). Global background justice requires supranational regulatory institutions: institutions that can tackle tax competition with regulatory measures are a prime example.

Reiterating the terminology used in the introduction, considerations of background justice justify a role as *norm-setter* for the EU in the realm of taxation. Would it stop there? Setting up a Eurozone re-insurance scheme to buttress national unemployment benefit systems might be another example of what background justice demands. The EU's role would then be to organize *support*. Different types of arguments can be deployed to that effect.

The first type of argument refers to the fragility of an incomplete monetary union. For a monetary union to function well, it should be a true “insurance union.” It should not only benefit from integrated financial markets (which create a kind of “private insurance” against asymmetric output shocks) but it should also centralize risk management with regard to banks, and it needs fiscal stabilizers. In all these respects, the European monetary union is incomplete and thus fragile. De Grauwe explains its fragility as follows: Eurozone business cycles display different amplitudes in the different member countries; in the absence of a budgetary union, large differences in the amplitude of cycles may lead to “sudden stops,” that is, large liquidity outflows hitting the countries experiencing the most severe recession, destabilizing the whole system (De Grauwe, 2018, pp. 140–141). For De Grauwe, the ideal solution is a true budgetary union; but given the political obstacles, Eurozone unemployment insurance would be a first step to

remedy the monetary union's fragility. Thus, the argument is based on a contingent empirical observation and it has a functional flavor: Eurozone unemployment re-insurance is presented as a requirement for the monetary union to *function well* in terms of stability. However, the argument is also an argument about background justice: implementing this functional requirement not only serves stability but enhances justice. Through the organization of solidarity, member states of the monetary union are protected against vulnerabilities that undermine their sovereignty and for which we do not want to hold them responsible. Now, De Grauwe adds a more specific normative consideration to his analysis: both integrated financial markets and unemployment insurance can act as stabilizers for the monetary union, but unemployment insurance would protect the majority of citizens (and *a fortiori* the position of the most vulnerable people) better than financial markets, which cater mainly for the well-to-do (De Grauwe, 2018, p. 19). Thus, unemployment re-insurance enhances our common capacity to compensate individuals for bad circumstances for which we do not hold them responsible; it buttresses our capacity to organize justice at the level of individuals.

While the latter observation is certainly true, the functional argument about the need for Eurozone fiscal stabilizers does not necessarily take us that far down the road. It is conceivable to design interstate insurance against severe employment shocks without any link to the cashing out of unemployment benefits. For instance, Carnot et al. (2017) present a model of interstate insurance, triggered by unemployment shocks: it acts as an effective fiscal stabilizer and it would *not* be conditional on any requirement, neither with regard to how member states use the budgetary support granted by the insurance, nor with regard to the member states' policies or the quality of their unemployment benefits. Such a non-intrusive scheme must have the features of quasi-pure insurance; the diversity of member states' unemployment experience is converted into a risk profile that becomes quasi-homogeneous across the member states. It would keep the solution safely within the confines of a mere *Support* model, as the interference with member states' domestic policies would be minimal. For background justice *à la* Ronzoni, this would be sufficient.

The second type of argument is about the prisoners' dilemma in which member states of a monetary union are caught when it comes to the development of unemployment insurance: without coordination, they may not provide it, although they would all benefit from it. Historically, the efforts by the US federal administration in the 1930s to create a federal framework in support of state-based unemployment insurance systems, in exchange for minimum requirements that state systems had to comply with, can be interpreted as an answer to a prisoners' dilemma (Simonetta, 2017). This argument is congenial to the “background justice” arguments in favour of supranational tax regulation.

The prisoners' dilemma argument is more general than De Grauwe's argument: it also applies when economic shocks are symmetric and similar in amplitude. Empirically, it is less compelling. The prisoners' dilemma is more relevant to understand US history than it is, today, relevant as a policy argument in Europe. Unemployment insurance was barely developed in the United States, when the United States was already a monetary union: without federal policies it would probably not have taken off, the prisoners' dilemma was real. In contrast, in Europe, unemployment benefit schemes were established long before monetary unification.<sup>10</sup> The functional need for collective action in the realm of unemployment insurance is therefore less clear. There is a more general lesson here about the limits of such functionalist arguments. What the Eurozone “needs” to cure its fragility entails complex empirical discussions. There is scope for reasonable disagreement (also on De Grauwe's analysis) and there will never be black-or-white judgments in this matter: we should not think there is only “a small finite number of consistent policy choices,” as Schelkle (2017) puts it. Heidenreich rightly warns against “functionalist fallacies” (Heidenreich, 2019, p. 87). Our thinking about what the EU “needs” to “function well” is nearly always somewhere on a bridge between functionalist arguments and what we believe to be demands of justice.

Viehoff provides a third type of argument, which directly invokes demands of justice. His “Eurozone justice” is coined in terms of background justice (Viehoff, 2018, p. 395, note 28): the principles govern relations between member states, not between individuals. A monetary union should respect a principle of robust non-exploitability: its arrangements must not foreseeably create conditions of vulnerability in some member states that are likely to

engender exploitation in core domains of their effective economic sovereignty, by other states, creditors or banks. Such a demand of justice does not preclude conditions that impose certain domestic policies on debtors if their foreseeable consequences do not threaten the satisfaction of minimum welfare provisions. However, it “necessitates that each state's social protection regime meets minimal conditions of adequacy.” And, “[w]here the latter cannot be guaranteed by the state alone, cross-country insurance mechanisms and redistribution becomes mandatory” (Viehoff, 2018, p. 403). Hence, the case for interstate insurance is associated directly with a demand to maintain adequate social protection. Justice mandates the EU to combine the roles of *Norm-setter* and *Supporter*, at least in the realm of minimum income protection.

Viehoff's argument is premised on a relatively thick conception of real sovereignty and domestic demands of justice, compared to what transpires from Ronzoni's account. The argument is about background justice among welfare states that have a justice-based domestic obligation to implement minimum income protection.<sup>11</sup> This yields a two-pronged account: Eurozone justice would not only enable member states to organize adequate minimum income protection (which is, on this view, part and parcel of their real sovereignty); justice would also instruct them to do so. What emerges is a scheme that is both a matter of right and conditional. Mutual support is a demand of justice: each member state can claim such support from the other member states, as a matter of right. But compliance with the demands of justice also means that this support is conditional: member states must use it to sustain adequate minimum income protection.

A pragmatic political argument supports such an approach. Research on public attitudes towards EU-level unemployment re-insurance suggests that public support requires a combination of policy conditions with which governments and individuals have to comply on one hand (e.g., effective training and activation efforts) and sufficiently generous support for a minimum level of unemployment benefits on the other hand (Baute, Nicoli, & Vandenbroucke, [forthcoming](#)). In general, *conditionality* is key to gather sufficient support for mutual assistance across borders in the EU (see also Beetsma, Burgoon, Nicoli, De Ruijter, & Vandenbroucke, 2020). However, this is an empirical observation about a broadly shared sense of reciprocity among EU citizens, which also reflects a concern with moral hazard: what we learn from public opinion research is not an argument about justice. The normative argument underpinning such a scheme must be that both the member state's right to receive support (via some form of interstate insurance) and the conditionality of such support are a matter of justice. It is hard to see how such an argument can be sustained if the *individual* citizen's right to adequate unemployment insurance is not an *EU-level* principle of justice. If adequate unemployment insurance is an EU-level principle of justice, our account of justice goes beyond background justice among member states, even in its thick variant.

## 4 | BACKGROUND JUSTICE AND INCOME REDISTRIBUTION

The previous section focused on interstate insurance and arguments about the role of the EU as a *Support* and *Norm-setter*. In this section, the question is whether considerations of background justice would support the case for interpersonal transnational redistribution. Would background justice demand that the EU becomes a direct *Provider* of redistributive solidarity? According to Viehoff (in a different paper than the one just referred to) the answer is positive, and it is even quite specific about the way in which redistributive solidarity should be organized: “versions of liberal or republican intergovernmentalism according to which justice obtains whenever states realize an ideal of non-domination or background justice amongst themselves” can serve as a justificatory basis for introducing a European basic income (next to other philosophical accounts of justice) (Viehoff, 2017, p. 166). For intergovernmentalists, an important feature of unconditional and universal basic income is that it is “relatively non-intrusive as far as the structure of existing European welfare policies is concerned” (Viehoff, 2017, p. 183). It supports the existing welfare regime without pre-empting national debates, for instance on the conditionality of benefits, and is therefore both more realistic and respectful of national autonomy than a more comprehensive EU scheme that seeks to solve these disagreements (Viehoff, 2017, p. 168).



A similar argument permeates the work of Van Parijs and Vanderborght on basic income: a pan-European basic income is the best solution to solve a range of problems of European integration, which all threaten national welfare states: a pan-European basic income would contribute to “saving from extinction the so-called European social model” (Van Parijs & Vanderborght, 2017, p. 231). While basic income is clearly Van Parijs' preferred option, in his most recent publication on the EU, he formulates the case in a more generic way: a scheme of transnational interpersonal redistribution that creates “a sturdy EU-wide common floor” would “buffer national-level redistribution against social and tax competition and thus would make the diversity of the existing models sustainable” (Van Parijs, 2019, p. 31). These quotes illustrate that the arguments tabled by Viehoff, Van Parijs and Vanderborght are about background justice among political entities that are morally expected to share the aspiration to be welfare states. They refer to various specific challenges to the European project, such as the stabilization of the monetary union, the maintenance of decent minimum wages and the threat of selective migration. I have discussed these arguments elsewhere (Vandenbroucke, 2017b, 2020, pp. 24–26). In a nutshell, they face the following difficulty: if it is true that the EU's principal justice-related problem is that European integration has diminished core capabilities of national welfare states, such as national redistribution and national stabilization, without adequately ensuring their functioning at a higher level, the most efficient remedies need features which make them depart from the defining features of a pan-European basic income. For instance, compared to national unemployment insurance systems, an unconditional pan-European basic income is a suboptimal solution if stabilization is the main purpose, precisely *because* it is an unconditional benefit, which level is moreover unrelated to the average national wage level. Or, if social dumping is a concern, the generalization of universal systems of minimum wages and improving unemployment insurance are more efficient actions than establishing a pan-European basic income.

Let us suppose, for the sake of the argument, that Van Parijs, Vanderborght and Viehoff concede that a pan-European basic income is comparatively inefficient if instability and social dumping are our concern; could they argue that the comparative advantage of pan-European basic income, viz-à-viz other solutions, is that basic income is “not intrusive,” that is, that it respects the diversity of existing social models? Take a modest basic income, say of 200 euro per month, that is, ca. 8% of the EU's average GDP per capita.<sup>12</sup> Let us suppose that the amount is adjusted on the basis of purchasing power parities, to take into account differences in price levels. In Belgium this scheme would amount to a basic income of, roughly, 7% of GDP per capita; in Bulgaria this amounts to a basic income of ca. 16% of GDP per capita. If such scheme is implemented, Belgians have to send a transfer of 1% of their GDP per capita abroad, and have to install a basic income of 7% of GDP per capita; Bulgarians receive 8% of GDP per capita from abroad, and have to install a basic income of 16% of GDP per capita. Belgium might integrate a considerable part of this basic income into its social benefits system (which weighs 29% of Belgian GDP) and it might raise taxes, on balance, with a figure in between 1% and 7% of GDP. In the latter hypothesis—a maximal integration of basic income in existing benefits—the scheme can be considered as “not very intrusive” in the Belgian social system, but its impact qua simplification and incentives is also very limited. Empirical simulations suggest that, in a well-developed welfare state, basic income faces a trilemma: either it is unaffordable, necessitating excessive and unsustainable tax increases; or, it is affordable but inadequate and poverty-enhancing; or it compromises the very principles of simplicity and incentives underlying basic income (Martinelli, 2020).

For Bulgaria, in contrast, 16% of GDP per capita is more or less equivalent to its existing social benefits system (total social spending is currently 17% of Bulgaria's GDP), which means that it can either create a new social system that is, in the aggregate, twice as generous as its current system or abolish its current system, replace it by basic income and drastically reduce the taxes it levies on its citizens; or it can choose an intermediate strategy in between these two extremes. In a poorly developed welfare state, such as Bulgaria, a basic income scheme *subsidized* by other countries can reduce poverty. Simultaneously, given the already existing level of minimum wages and unemployment insurance in Bulgaria, the impact on low-wage competition from Bulgaria is bound to remain limited. Nevertheless, the idea that this scheme is “not intrusive” viz-à-viz Bulgaria's social fabric is implausible. By introducing a uniform, unconditional cash benefit whose budgetary impact is as large as Bulgarian total social spending today, represents a fundamental departure from that country's current social policy trajectory. If one is not fundamentally convinced that



basic income is a superior answer to the challenges besetting contemporary welfare states (superior as compared to the traditional arsenal of welfare state policies), one would not propose it.

While background justice among states that aspire to be welfare states can justify the organization of pan-European solidarity via re-insurance of traditional instruments of national welfare functions, such as unemployment benefits (see Section 3), the justification of a pan-European basic income needs a different argumentation strategy. Either one has to prove that it provides a *superior instrument* for the *traditional goals* of existing welfare states, as compared to the instruments currently deployed by welfare states. Or, alternatively, one has to argue that basic income is justified by goals of justice which *traditional goals* of welfare states overlook, serve poorly or even contradict; in other words, one has to come forward with a normative critique of the traditional goals of mainstream welfare states. But then, the argument is not about the preservation of existing welfare states but a new type of welfare state.

## 5 | FAIRNESS IN DISTRIBUTING THE RISKS OF COOPERATION

The upshot of the arguments developed in Sections 3 and 4 is that considerations of background justice have some purchase in debates on the EU's role in welfare state solidarity: background justice supports supranational initiatives in the realm of taxation and interstate insurance in a monetary union. Yet, such purchase is limited. This holds *a fortiori* for thin conceptions of background justice, as defined by Ronzoni in 2009. The EU already trespasses the boundaries of background justice so conceived. First, while Ronzoni's "background justice" would "not be interested in outcomes" and "not require states to be equally affluent," upward convergence in prosperity is a stated aim of the EU. Second, the EU has developed common objectives with regard to social inclusion in the member states. Admittedly, the OMC around those common objectives was a very soft process, but one cannot say that the EU was uninterested in outcomes of domestic policies or driven by the minimization of interference in domestic policies. In this sense, a thin conception of background justice is at odds with the EU as it already functions today. This observation is not a decisive argument against such a thin conception: an advocate of background justice might argue that the EU has already gone much too far in its interference with national welfare states.<sup>13</sup>

In contrast to accounts based on background justice, Sangiovanni explicitly argues that the EU *cannot* be conceived as merely an instrument that contributes to the problem-solving capacities of member states, one by one. Transnational forms of cooperation (including cross-national transfers, such as via the structural funds and free movement) need independent justification, that is, independent from the self-interest of member states one by one (Sangiovanni, 2019). At the centre of any account of justice for the EU, there must be "a *fair* distribution of the costs and consequences of integration" (Sangiovanni, 2019, p. 24).<sup>14</sup> Sangiovanni frames the costs and consequences of integration in terms of risks and applies a Dworkinian insurance thought experiment. We have to ask "what insurance member states would purchase behind a (thin) 'veil of ignorance' rather than what principles they would choose in that position" (Sangiovanni, 2013, p. 230).

Sangiovanni includes in the risks of belonging to the EU: the impact of free movement and the jurisprudence of the Court of Justice of the European Union (CJEU) with regard to free movement on social services and collective bargaining in member states; he also includes the impact of the internal market and competition law and the CJEU's jurisprudence on "services of general interest." These impacts vary between member states since they depend on the welfare state regime type. For instance, as Sangiovanni mentions, the impact of internal market and competition law depends on whether social services make extensive use of public-private partnerships. One could add, as another example of context-dependence, that the impact of the CJEU *Laval* judgment crucially depends on whether minimum wages are set by national public authorities or solely by collective bargaining, and whether collective bargaining is organized at the national level and sets national standards, or at the local level (Blauberger, 2012). Sangiovanni considers such impacts as "risks," for two reasons. First, they depend on the CJEU's case law, which development is "neither reasonably avoidable nor foreseeable" (Sangiovanni, 2013, p. 228). Second, the welfare

state type of a member state is “in most cases,” the product of “mere historical luck.” Hence, the member states have to cope with unforeseeable exogenous events, which impact is different across member states for reasons largely beyond their control.

This account presents two difficulties. First, it leans heavily on a determinist understanding of the role of the CJEU, as if the Court is one-dimensional in its promotion of individual mobility and liberalization, but more importantly, as if its judgments leave very little leeway to the policies of individual member states while, member states are, collectively, unable to change the political framework that informs the judgments. This influential account, developed by Scharpf (2010), cannot be taken for granted. The evidence is more nuanced both with regard to the leeway of member states and with regard to the possibility of collective political action that reverses the Court's case law. Recent empirical research confirms that politics, both at the EU level and the member state level, is more important than Scharpf's account makes us believe (Martinsen, 2015). In other words, the parties to the cooperative scheme that is the EU, do not have to set up an “insurance” against an exogenously operating and unpredictable Court; they have to set up a democratic polity that is not dominated by such a Court, that is, a polity in which there is continuous *political* deliberation on the ways and means to reconcile free movement and domestic social cohesion. My point is not only that the deliberation among the parties behind the “veil of ignorance” would take another route than Sangiovanni suggests; but also that the current situation does not correspond to the Scharpfian analysis that informs Sangiovanni's account.

Even if we grant that the logics of free movement and market integration generate a degree of unforeseeable risk for member states that sign up to the initial agreement, there is a second difficulty with this account. The actual impact of the risk (the damage that must be covered by the hypothetical insurance) depends on national policy choices. For example, the extent to which social services are organized on the basis of public-private partnerships, and therefore potentially more vulnerable by the liberalizing logic of the internal market and competition law, is a matter of political choice. Or, whether or not minimum wages are set at the national level, rather than at the local level, is a political choice. Sangiovanni refers to Dworkin. In a Dworkinian understanding of the problem at hand, the national architecture of a welfare state—both its fundamental objectives and the ways and means to deliver on the objectives—would be classified as “ambition” or “preference,” not as “endowment” or “circumstance,” even if we grant that such architecture is the product of history, highly path-dependent and difficult to change in the short-term. Dworkin deems people responsible for the preferences with which they identify. Dworkin has been adamant on this: “Equality of resources places special emphasis on people's responsibility for the choices they make, not because it supposes, absurdly, that people's choices are causally independent of their culture, history, and circumstance, or that people have chosen the convictions, ambitions, and tastes that influence their choices, but because it aspires to a political morality that makes sense in terms of each citizen's internal practices of moral and ethical criticism, including self-criticism” (Dworkin, 2002, p. 107). Hence, if nation-states identify with the choices they have historically made in the architecture of their welfare states, or if they are able to reflect critically on them while considering them as the result of “unfortunate historic choices,” the architecture of their welfare state cannot completely be relegated to the realm of *circumstances*. This would pay insufficient respect to the collective agency embodied in democratic nations. Admittedly, there is nuance: economic conditions influence the potential for welfare state development, and the path-dependency of past choices means that changing course can be time-consuming and costly. The fact that some member states are less resilient in the event of exogenous shocks (like COVID-19) may be explained in part as the consequence of past choices, but nevertheless constitutes a “handicap” here and now.

Applying Dworkin's framework thus requires a complex discussion on which features of welfare states are “circumstances” (possibly handicaps) and which are “ambitions.” Therefore, it is ill-suited to formulate fundamental principles of justice with regard to the architecture of cooperation between welfare states as we have it in the EU. The essence of a “just” European cooperative agreement is that a number of welfare state principles are accepted as legitimate principles, which must not be jeopardized by the integration into a single market. There is legitimate diversity in the specific objectives and architecture of the EU's welfare states: justice among welfare

states, therefore, requires the accommodation of a diverse set of national ambitions. The “ambitions” need not be the shared ambitions of all the parties to the agreement, but they would all accept the need to accommodate those ambitions: the encompassing principles on which the member states would convene, would secure this. The hypothetical insurance paradigm sits uneasily with this understanding of what is at stake for European justice. In so far as the expression “insurance” would apply, the “insurance” is a 100% guarantee that certain ambitions with regard to welfare state development will be accommodated adequately by the integration project. Stretching the metaphor a bit further, one might say that the parties would seek prevention, by precluding the emergence of a number of “risks,” rather than insurance against the damage created by unforeseen risks.

This is not to say that countries are not confronted with real risks. The insurance paradigm is highly relevant when we consider real-world developments that are unforeseeable, such as cyclical instability, or the impact of future structural economic developments (e.g., shifts in consumer demand and new technologies) in a single market or the impact of monetary integration on agglomeration effects and industrial specialization. In Section 3, I asserted that insurance fits into a conception of justice between European member states that are confronted with economic shocks: these are risks. In the face of real risks, a sensible “responsibility-cut”—a distinction between what is seen as unfortunate circumstances and what is seen as a matter of choice—has to be drawn, with all nuances that are due. But a number of the “risks” indicated by Sangiovanni are no risks in the proper sense. The appropriate thought experiment on which an account of justice between EU member states should be based is one where the member states select fundamental principles on which they agree, rather than take insurance. The word “select” should be understood correctly. In a normative account, the “selection” of principles of cooperation is not a free-floating exercise: it is constrained by the account of justice we deem appropriate for the domestic social order of any nation-state. Formulating it more precisely, in a normative account, nation-states that constitute a union such as the EU, are supposed to base their domestic social order on a set of welfare state principles, which therefore *must* constitute binding constraints on their cooperation in the EU. These principles do not prevent legitimate diversity across national welfare states.

Justice demands that the scheme of cooperation embodied in the EU respects and is constrained by a set of domestic principles which *must* inform the aspirations of the member states, and therefore ought to be *shared* aspirations. Whilst this is an important conclusion—it justifies the political fight to obtain an agreement on fundamental principles of social policy at the EU level—it nevertheless leaves one question unanswered: what kind of cooperative scheme should welfare states set up? Sangiovanni broaches this question in his work on the EU, referring to “public goods” provided by economic and monetary integration. However, it still remains the question of whether the creation of a cooperative scheme like the EU is in one or other way *required* by the pursuit of social justice. Sangiovanni provides a “reactive” theory of justice between EU member states: rather than justifying an initial scheme of cooperation, it sets constraints. Claassen correctly criticizes this “two-step methodology” because it “can criticize unbalanced packages of cooperation (some parties facing high risks of co-operation while others do not), it cannot deal with choices between existing and other possible balanced packages of cooperation” (Claassen, 2019, p. 48).

## 6 | MORAL COSMOPOLITANISM AND THE EU EXPERIMENT

Is a cooperative scheme such as the EU required by the pursuit of justice? Maybe, normative reasoning about social justice *in abstracto* cannot deliver the answer. The EU is a historical fact: its creation was driven by the aspiration to end a history of political instability and war by means of trade integration and cross-border mobility. Our search for principles of justice for today's EU follows from that contingent history. However, next to history, there is also a compelling argument from moral cosmopolitanism that justifies the existence of the EU as a “laboratory” for social justice. More precisely, it is hard to justify the stated aims of the EU without an element of moral cosmopolitanism, whilst a degree of moral cosmopolitanism is compelling *per se*, even if we make abstraction of the EU's contingent history.<sup>15</sup>

Suppose we start from the following combination of ideas. First, we think nation-states owe it to their citizens to redistribute their national prosperity according to some standard of egalitarian justice. Second, if an inhabitant of a poor country does not have access to the level of prosperity that she would be able to enjoy if she happened to be living in our country, which is much richer than hers, we owe that person a justification: not being able to attain that level of prosperity simply because of the lesser economic development of the country where one is born, is an unfair disadvantage. It is at odds with a cosmopolitan notion of equal moral concern for the life chances of individuals across the globe and therefore needs an answer. We owe a justification to the individual in the poorer country: our planet has become a justificatory community, as argued by Van Parijs.<sup>16</sup>

Can we address this moral cosmopolitan challenge by proposing a massive transnational interpersonal redistribution, replacing national schemes of income redistribution with a comprehensive global scheme of redistribution? Even if we confine our thinking to the EU as a “laboratory” for such a view—thus excluding truly poor countries—this is implausible. Consider the following counterfactual scenario, as developed by Seelkopf and Yang (2018): at EU level a scheme of interpersonal cross-border redistribution that implements redistributive objectives which are now (purportedly) implemented within the member states, is established; this scheme is integrated into the existing welfare edifice of the EU's member states. On the basis of plausible assumptions with regard to the income redistribution that is aimed at, Seelkopf and Yang show that in most of the richer member states an *EU-wide optimal income tax* (implementing such distributive aim) implies a significant loss of income for citizens with a median income, as compared to how they would fare under a *national optimal income tax* with a comparable distributive objective within each member state. Politically this is not achievable, but there is more to it. The supranational optimal income tax completely jeopardizes national welfare states. The feasibility problem that is highlighted in this simulation is fundamental, at least if one cherishes both social and political cohesion within national welfare states and across the EU.

A pan-European redistributive scheme jeopardizes national welfare states because of the disparate levels of average labour productivity across the EU. Increasing productivity not only requires time; it also raises normative questions with regard to the self-authorship of a trajectory of economic development. Who should define the exact contours of a national trajectory of economic development? “Collective authorship” is a relevant consideration of justice in this respect. Banai and Kollar (2019) present an account of global equality of opportunity with a permissible scope for collective self-determination. Rather than giving “logical priority” to global distributive justice over domestic distributive justice, they reason in terms of the mutual accommodation of self-determination and global equality of opportunity. Following this view, we might consider the EU to be a laboratory experiment about the compatibility of moral cosmopolitanism and national welfare states. That is, the relevant experiment is neither about a scheme whereby national welfare states are merely instruments for supranational distributive justice,<sup>17</sup> nor about “background justice” whereby the EU is merely an instrument in the hands of the member states. What is to be tested in the European lab is a scheme of supranational cooperation in which the pursuit of domestic distributive justice, the pursuit of supranational egalitarian standards and room for national diversity, and “national authorship” are accommodated. In itself, such an ambition is not new. The founding fathers of the European project thought that upward convergence in prosperity across Europe and the development of robust national welfare states were mutually compatible and desirable objectives. Hence, accommodating demands of domestic justice and supranational justice would both connect with the *inspiration* of the founding fathers and have self-standing moral force, as an interpretation of what moral cosmopolitanism demands. When the Rome Treaty was signed in 1958, the dominant view among the EU's founding fathers also was that it was sufficient to integrate the European economies to create upward convergence and sustain domestic welfare state development: social policy could be left safely to the member states. But that particular view on how to implement their fundamental aspiration is another matter.

If optimal taxation at the EU level is excluded, are there alternative pathways to address the cosmopolitan concern I sketched? Section 4 discussed the idea to organize a pan-European basic income, as a way to implement “background justice.” Fundamentally, this proposal is beset by the same problem: if a pan-European basic income has to serve its stated purposes, it requires a highly intrusive remodelling of welfare policy, certainly in the poorest member states. However, think about a scheme of cooperation that actively promotes upward convergence in

productivity and prosperity among the member states and instructs all member states to organize an adequate system of minimum protection (geared to their national level of economic development), as proposed by NGO's such as EAPN.<sup>18</sup> If such a scheme of cooperation effectively delivers on upward convergence across member states and decent minimum income protection is implemented in each member state, it will gradually create a more or less uniform minimum floor for all European citizens (a “floor” is not necessarily a basic income). Thus, this two-pronged strategy—convergence across member states, cohesion within member states—would serve demands of justice.<sup>19</sup> It would confirm the original inspiration of the founding fathers of the EU, but depart from their view on the relationship between economic and social policy, in that it would require the development of explicit European social policy norms. It would also demand time: but, maybe, we must accept that the implementation of justice requires time.

Emphasizing upward convergence does not imply that interstate redistribution is not on the EU's agenda, quite on the contrary. Upward convergence, if we mean it, cannot be achieved by market integration alone: it requires support for disadvantaged regions, which implies *inter alea* between-country redistribution.<sup>20</sup> The cross-country redistribution operated via the EU's structural funds finds justification here.<sup>21</sup>

## 7 | CONCLUSION: INSURANCE AND INCOME REDISTRIBUTION IN A SOCIAL UNION

This paper focused on a narrow set of questions, hinging on a thin definition of “welfare state solidarity,” an umbrella concept encompassing insurance and redistribution. The narrow focus was deliberate: it highlights the difference between arguments about redistribution and arguments about insurance in the context of the EU. If, one day, upward convergence would lead to similar levels of prosperity across the EU, there is no reason to organize redistribution across borders. If they attain similar levels of economic development, redistribution within the member states suffices to satisfy the demands of moral cosmopolitanism; at the level of member states, the relevant economic “circumstances” then have become identical.<sup>22</sup> The argument with regard to insurance is different in this respect: even among states with similar levels of development, risk-sharing always remains beneficial.

At the EU level, it is conceivable to disentangle redistribution and insurance, in contrast to what is common practice within national welfare states. Interstate insurance can be quasi-pure insurance, and yet be an instrument of justice. In other words, the EU can become a well-organized community of risk, even if it is not, in the very long term, a polity that systematically redistributes across borders. However, in the foreseeable future interstate redistribution remains necessary to facilitate upward convergence.

There are compelling reasons of justice for the EU to become a Social Union, that is, a union that supports the member states' welfare states in some of their key functions, on the basis of common social standards and in pursuit of upward convergence. Such a union would be a (selective) *Supporter* and *Norm-setter*, both in the realm of insurance and redistribution. Through the establishment of interstate insurance, it would be a true insurance union, but, from the point of view of individual citizens, there is no compelling normative argument to make it a direct *Provider* of insurance (e.g., by organizing a true pan-European unemployment benefit scheme). Neither is there a compelling normative argument to turn the EU into a direct *Provider* in the realm of minimum income protection. Whether or not the overall objectives of a European Social Union would be served by direct provision (hence, interpersonal insurance and/or redistribution at the EU level) depends on the weight attached to considerations of subsidiarity, that is, the scope for local, regional and national diversity in social policy models, and on pragmatic arguments. I, for one, believe that subsidiarity and pragmatic arguments do not point in that direction.

Although subsidiarity would be an organizing principle of such a Social Union, it requires a basic consensus on fundamental principles of social policy. With regard to its normative foundations, a Social Union is about more than background justice among nation-states that aspire to retain as much social sovereignty as possible. Even a thick construal of what background justice means does not deliver a satisfactory account of justice for the EU.

The EU is an experiment in supranational cooperation, triggered by the catastrophe of war. To come to full fruition, this experiment must accommodate moral concern with the well-being of all individual European citizens and support for national welfare states with their desire for sufficient collective self-authorship in the realm of income redistribution and insurance. Thus, the justification for a European Social Union would go well beyond a mere state sovereignty perspective: it would speak both to individual citizens and to national governments about what European social justice means, and its institutions and legal architecture would have to embody this dual perspective.

## ACKNOWLEDGMENTS

I thank Juri Viehoff, Andrea Sangiovanni and an anonymous referee for extensive comments on a first draft, and the participants at the EUI Conference “Is Europe Unjust?” and my former colleagues at the *Amsterdam Centre for European Studies* at the University of Amsterdam for inspiring discussions on European solidarity.

## ORCID

Frank Vandenbroucke  <https://orcid.org/0000-0001-9748-9567>

## ENDNOTES

- <sup>1</sup> See Cantillon (2019), the reports by the European Minimum Income Network ([www.emin-eu.net](http://www.emin-eu.net)) and their references to proposals by the European Anti-Poverty Network (EAPN).
- <sup>2</sup> My typology of EU roles is inspired by Claassen, Gerbrandy, Princen, and Segers (2019), with some differences. What I describe as the “support” model is congenial to what Claassen et al. coin the “Patron-of-nations” model. However, in the “Patron-of-nations” model the levels and shape of social protection arrangements are defined at the domestic level and the EU *only* creates the conditions for member states to be able to bring their choices into effect; the EU does not interfere with those choices. In contrast, in this paper “support” simply refers to a supportive role by the EU, which does not preclude interference by the EU in the definition of the shape and level of social protection.
- <sup>3</sup> EU norms can range from soft guidance to hard law. That distinction is important, but I will not elaborate upon it.
- <sup>4</sup> This insight is developed in the context of EU interventions in unemployment insurance in Beblavý and Lenaerts (2017, chap. 2) and Vandenbroucke (2017a).
- <sup>5</sup> The work of G. A. Cohen and R. Dworkin provides key references for this strand of theorizing on justice.
- <sup>6</sup> I refer to a “well-organized community of risk” because de facto the Eurozone already is a “community of risk” (Schelkle, 2017), but it cannot be said to be well-organized as it is incomplete (see Section 3).
- <sup>7</sup> At the level of individuals, income and risk profiles often correlate. This is not necessarily the case at the level of countries. Consider an interstate insurance against economic shocks for a set of countries that are diverse with regard to their level of GDP and diverse with regard to their risk profile: if the risk profile is independent of the level of prosperity (i.e., rich and poor countries do not have a characteristically different risk profile when it comes to economic shocks), it is possible to set up an insurance scheme that supports countries hit by shocks, whereby both the contributions and the payouts are proportional to the countries’ GDP. It is even possible to design policies that provide pure insurance and avoid redistribution both between countries with different incomes and different risk profiles with regard to unemployment (see Carnot, Kizior, & Murre, 2017, for an example).
- <sup>8</sup> In the political debate on European mutual assistance initiatives, the worry that mutual assistance leads to permanent redistribution between countries is considered a major stumbling block. However, a survey experiment on EU citizens’ attitudes viz-à-viz cross-border risk-sharing in the domain of unemployment suggests that citizens are less exercised by between-country redistribution than by the absence (or presence) of conditions with regard to activation and training policies attached to such a scheme (Vandenbroucke et al., 2018).
- <sup>9</sup> The arguments by Viehoff, Sangiovanni and Van Parijs, discussed in this paper, are premised on the same assumption with regard to the single market and the monetary union. Freedom of movement raises a more complex normative problem for the purpose of this paper, which cannot be treated satisfactorily here.
- <sup>10</sup> The collective action problem can also be framed in terms of the positive externalities associated with well-organized unemployment insurance. Whilst theoretically sound, the general validity of that “positive externalities” argument might be doubted empirically. See Vandenbroucke (2020) but also Fernandes and Vandenbroucke (2020) on the purchase of arguments based on externalities.

- <sup>11</sup> I thank Juri Viehoff for clarifying this in private communication.
- <sup>12</sup> In developing this argument, I am indebted to Andrea Sangiovanni's discussion of this proposal at the EUI Conference "Is Europe Unjust?"
- <sup>13</sup> Ronzoni acknowledges that most accounts of EU justice are not limited to "background justice" as she defined it in 2009. In a discussion of "demoiracy," she writes: "[...] normative political theorists working on the EU usually refrain from developing normative standards that are parachuted on the EU from a Platonic realm of ideas. On the contrary, they are almost always motivated by the idea that one should critically assess the EU by employing, as much as possible, the standards that the EU has *set for itself*." Her discussion of demoiracy "works within this paradigm" (Ronzoni, 2017, pp. 215–216).
- <sup>14</sup> Viehoff's principle of "equitable risk sharing" (the second principle that should govern relations between member states of the Eurozone, not discussed in Section 3) is also about fair sharing of risks, focused on the specific case of the monetary union.
- <sup>15</sup> Ronzoni (2018) distinguishes moral, institutional and political claims in the debate on cosmopolitanism and statism and illustrates that in each of these dimensions a spectrum of positions is possible. My expressions "an element of moral cosmopolitanism" and "degree of moral cosmopolitanism" are premised on this view.
- <sup>16</sup> I take this expression from Philippe Van Parijs, and I share this presumption. However, I do not share his conclusions with regard to the relationship between supranational distributive justice and domestic distributive justice, as developed in Van Parijs (2007) and Van Parijs (2019). I discuss his position in in Vandenbroucke (2020) and Vandenbroucke (2017c).
- <sup>17</sup> This is the view expressed in Van Parijs (2007).
- <sup>18</sup> See note 1.
- <sup>19</sup> The normative argument for instructing all EU member states to implement adequate minimum income protection is not only based on a reasoning *in abstracto* about moral cosmopolitanism and national welfare states, at least not in my view. There is also a more contingent, EU-specific argument, leading from the principle of free movement to the need for decent minimum income protection in each member state (Vandenbroucke, 2019b). Space forbids to elaborate on this.
- <sup>20</sup> Steady upward convergence also requires the prevention of severe economic shocks, which reinforces the case for inter-state insurance. Instability explains why economic convergence across Europe has been, in the long run, limited (Blanchet, Chancel, & Gethin, 2019).
- <sup>21</sup> Via the FEAD, the EU is also a (marginal) residual *provider* of assistance to the poorest individuals, with cross-border redistributive impacts in favour of the poorest countries of the EU (Greiss, Cantillon, Penne, & Marchal, 2019).
- <sup>22</sup> Between countries with a similar level of prosperity there are *prima facie* (making abstraction of between-country differences in the impact of climate change policy, refugee crises, etc.) no differences in economic "circumstances" that call for between-country redistribution, using my definition of "redistribution" in Section 2.

## REFERENCES

- Baldwin, P. (1990). *The politics of social solidarity*. Cambridge: Cambridge University Press.
- Banai, A., & Kollar, E. (2019). Reading bedtime stories to compatriots: Reconciling global equality of opportunity and self-determination. *Review of International Studies*, 45(3), 367–386.
- Baute, S., Nicoli, F. & Vandenbroucke, F. (forthcoming). Conditional generosity and deservingness in public support for European unemployment risk-sharing, forthcoming.
- Beblavý, M., & Lenaerts, K. (2017). Feasibility and Added Value of a European Unemployment Benefit Scheme. synthesis report for the research project 'Feasibility and Added Value of a European Unemployment Benefit Scheme' (contract VC/2015/0006). Retrieved from <https://www.ceps.eu/publications/feasibility-and-added-value-european-unemployment-benefits-scheme>
- Beetsma, R., Burgoon, B., Nicoli, F., De Ruijter, A., & Vandenbroucke, F. (2020). What kind of EU fiscal capacity? Evidence from a randomized survey experiment in five European countries in times of corona. CEPR Discussion Paper DP15094.
- Blanchet, T., Chancel, L., & Gethin, A. (2019). How Unequal is Europe? Evidence from Distributional National Accounts, 1980–2017, WID.world Working Paper No. 2019/06.
- Blauberger, M. (2012). With Luxembourg in mind ... the remaking of national policies in the face of ECJ jurisprudence. *Journal of European Public Policy*, 19(1), 109–126.
- Cantillon, B. (2019). The European pillar of social rights: Ten arguments for prioritising principle 14 on minimum incomes. In M. Ferrera (Ed.), *Towards a European social union. The European pillar of social rights and the roadmap for a fully-fledged social union. A forum debate* (pp. 54–63). Torino: Centro Einaudi. Retrieved from [www.euvvisions.eu](http://www.euvvisions.eu)
- Carnot, N., Kizior, M., & Mourre, G. (2017). Fiscal stabilization in the Euro-Area: A simulation exercise. CEB Working Paper No 17/025.



- Claassen, R. (2019). European duties of social justice: A Kantian framework. *Journal of Common Market Studies*, 57(1), 44–59.
- Claassen, R., Gerbrandy, A., Princen, S., & Segers, M. (2019). Four models of protecting citizenship and social rights in Europe: Conclusions to the special issue 'rethinking the European social market economy'. *Journal of Common Market Studies*, 57(1), 159–174.
- De Grauwe, P. (2018). *The economics of monetary integration* (12th ed., pp. 140–141). Oxford, UK: Oxford University Press.
- Dworkin, R. (2002). Sovereign virtue revisited. *Ethics Symposium on Ronald Dworkin's Sovereign Virtue*, 113(1), 106–143.
- Fernandes, S., & Vandenbroucke, F. (2020). SURE: A welcome lynchpin for a European unemployment re-insurance. Notre Europe Jacques Delors Institute, Policy Paper No. 251.
- Greiss, J., Cantillon, B., Penne, T., & Marchal, S. (2019). Europe as agent that fills the gaps ? The case of FEAD, WP19/03, Herman Deleeck Centre for Social Policy.
- Heidenreich, M. (2019). Towards a European social union? A Rokkianian–Mephistophelian remark. In M. Ferrera (Ed.), *Towards a European social union. The European pillar of social rights and the roadmap for a fully-fledged social union. A forum debate* (pp. 84–92). Torino: Centro Einaudi. Retrieved from [www.euvisions.eu](http://www.euvisions.eu)
- Martinelli, L. (2020). A basic income trilemma: Affordability, adequacy, and the advantages of radically simplified welfare. *Journal of Social Policy*, 49(3), 461–482.
- Martinsen, D. S. (2015). *An ever more powerful court? The political constraints of legal integration in the European Union*. Oxford: Oxford University Press.
- Ronzoni, M. (2009). The global order: A case of background injustice. *Philosophy & Public Affairs*, 37(3), 229–256.
- Ronzoni, M. (2017). The European Union as a democracy: Really a third way? *European Journal of Political Theory*, 16(2), 210–234.
- Ronzoni, M. (2018). Justice, injustice, and critical potential beyond Borders: A multi-dimensional affair. *Journal of Applied Philosophy*, 35(1), 90–111.
- Sangiovanni, A. (2013). Solidarity in the European Union. *Oxford Journal of Legal Studies*, 33(2), 213–241.
- Sangiovanni, A. (2019). Debating the EU's raison d'Être: On the relation between legitimacy and justice. *Journal of Common Market Studies*, 57(1), 13–27.
- Scharpf, F. (2010). The asymmetry of European integration, or why the EU cannot be a 'social market economy'. *Socio-Economic Review*, 8(2), 211–250.
- Schelle, W. (2017). *The political economy of monetary solidarity: Understanding the euro experiment*. Oxford: Oxford University Press.
- Schelle, W. (2019). The way ahead for a European Social Union? Let's focus on political citizenship and taxation. In *Towards a European social union. The European pillar of social rights and the roadmap for a fully-fledged social union. A forum debate* (pp. 157–159). Torino: Centro Einaudi. Retrieved from [www.euvisions.eu](http://www.euvisions.eu)
- Seelkopf, L., & Yang, H. (2018). European fiscal solidarity: An EU-wide optimal income tax approach. *International Journal of Public Policy*, 14(1–2), 145–161.
- Simonetta, S. (2017). What the EU can learn from American experience with unemployment insurance. *Intereconomics Review of European Economic Policy*, 52(3), 142–148.
- Van Parijs, P. (2007). International distributive justice. In R. E. Goodin, P. Pettit, & T. Pogge (Eds.), *A companion to contemporary political philosophy* (Vol. 2). Oxford, UK: Blackwell Publishing.
- Van Parijs, P. (2019). Just Europe. *Philosophy & Public Affairs*, 47(1), 5–36.
- Van Parijs, P., & Vanderborght, Y. (2017). Basic income. In *A radical proposal for a free society and a sane economy*. Cambridge, MA: Harvard University Press.
- Vandenbroucke, F. (2017a). Risk reduction, risk sharing and moral Hazard: A vaccination metaphor. *Intereconomics Review of European Economic Policy*, 52(3), 154–159.
- Vandenbroucke, F. (2017b). Basic income in the European Union: A conundrum rather than a solution, ACCESS EUROPE Research Paper 2017/02.
- Vandenbroucke, F. (2017c). The idea of a European social union. A normative introduction. In F. Vandenbroucke, C. Barnard, & G. de Baere (Eds.), *A European social union after the crisis* (pp. 40–43). Cambridge: Cambridge University Press.
- Vandenbroucke, F. (2019a). The European pillar of social rights: From promise to delivery. In M. Ferrera (Ed.), *Towards a European social union. The European pillar of social rights and the roadmap for a fully-fledged social union. A forum debate* (pp. 2–11). Torino: Centro Einaudi. Retrieved from [www.euvisions.eu](http://www.euvisions.eu)
- Vandenbroucke, F. (2019b). EU citizenship should speak both to the mobile and the non-mobile European. In R. Bauböck (Ed.), *Debating European citizenship* (pp. 211–217). IMISCOE Research Series. Cham: Springer.
- Vandenbroucke, F. (2020). Solidarity through redistribution and Insurance of Incomes: The EU as support, guide, guarantor or provider?, Amsterdam Centre for European Studies Research Paper no. 2020/01.

- Vandenbroucke, F., Burgoon, B., Kuhn, T., Nicoli, F., Sacchi, S., van der Duin, D., & Hegewald, S. (2018). Risk sharing when unemployment hits: How policy design influences citizen support for European unemployment risk sharing (EURS), AISSR Policy Report 1.
- Viehoff, J. (2017). Maximum convergence on a just minimum: A pluralist justification for European social policy. *European Journal of Political Theory*, 16(2), 164–187.
- Viehoff, J. (2018). Eurozone justice. *The Journal of Political Philosophy*, 26(3), 388–414.

**How to cite this article:** Vandenbroucke, F. (2022). The EU's role in income redistribution and insurance: Support, norm-setter or provider? A review of justice-based arguments. *European Journal of Philosophy*, 30(2), 471–487. <https://doi.org/10.1111/ejop.12720>