

Social Priorities under the von der Leyen II Commission

LABOUR & SOCIAL AFFAIRS

POLICY BRIEF DECEMBER 2024

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This policy brief is divided into three sections. The first provides a brief review of the previous legislature, a critical exercise that allows us to assess what has been achieved and, more importantly, to identify what remains to be done.1 The second section highlights the main social objectives of the new Commission, derived mainly from the mission letters of the Commissioners and speeches by Commission President Ursula von Der Leyen. While social policy is not explicitly one of the Commissioners' core competences, it is not entirely absent from the agenda. A closer analysis reveals potential avenues for action. Finally, in a third section, we will seek to outline what might constitute a new social-environmental pillar, considering the current political landscape dominated by a significant majority of centre-right governments.

The interest of conducting a long-term analysis of European social policy lies in its ability to draw lessons from the last six decades, marked by both highs and lows.² This historical perspective helps us better understand the present situation. Two periods are particularly worth examining. The first is the end of the Delors II Commission (1991-1995), when most proposals from the 1989 work programme were adopted, but which also revealed a growing difficulty in proposing new measures due to the increasing reluctance of employers to support European social dialogue and social legislation. The second period, the second Barroso Philippe Pochet, Advisor to the Institut Jacques Delors

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¹ This paper is also an update of our previous Policy Brief, which focused mainly on the evolution and prospects of European social dialogue: Pochet, P. "Social Europe: social dialogue at the heart of the debate", *Policy Brief*, Paris : Jacques Delors Institute, January 2024.

² Pochet, P. (2019) "À la recherche de l'Europe sociale", PUF, Paris and Crespy, A. (2019) "L'Europe sociale; acteurs, politiques, débats", University of Brussels, Brussels.

Commission (2009-2014), saw a notable political shift towards the centre-right across Member States, the Commission, and the European Parliament. This has paved the way for a period of substantial deregulation at the national level.³

I • The European Pillar of Social Rights: surpassing expectations

After two terms under José Manuel Barroso with little focus on European social policy, the social dimension gradually returned to the EU agenda during the presidencies of Jean-Claude Juncker and Ursula von der Leyen. As Keune and Pochet (2023) note,⁴ the renewal of a "Social Europe" has been underway since 2016, centred primarily-though not exclusively-around the European Pillar of Social Rights (EPSR) adopted in 2017. This revival has focused on three key areas related to the labour market, labour relations and social protection: (i) a mix of binding and non-binding legislations on marginal segments of the labour market, such as the Platform Workers Directive; (ii) efforts to strengthen and integrate a multi-level system of industrial relations in the EU, exemplified by the Adequate Minimum Wage Directive; and (iii) the introduction of new funding streams for social policy initiatives (e.g., SURE, the Just Transition Fund, the Social Climate Fund, Structural Funds).

Social policies and objectives have also been partially integrated into the EU economic governance framework, for instance by mainstreaming the EPSR and the Sustainable Development Goals (SDGs) into the European Semester and its recommendations. However, these developments do not challenge the overarching primacy and features of the EU's economic model, as shown by the conservative review of the Stability and Growth Pact in 2023. This will have important consequences, with many Member States returning to austerity measures and reducing the scope for the massive public investment needed for the green transition.

Having said that, the results achieved so far are significant, as summarised in the box below, which lists key social legislation adopted since 2017.

BOX 1

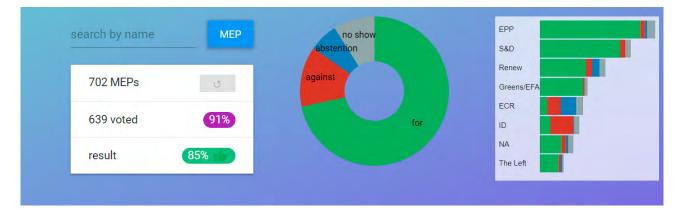
- Directive (EU) 2018/957 of the European Parliament and of the Council of 28 June 2018 amending Directive 96/71/EC concerning the posting of workers in the framework of the provision of services
- Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU
- Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the EU
- Proposal for a Directive of the European Parliament and of the Council on improving working conditions in platform work (COM/2021/762 final)
- Directive (EU) 2019/1152 of the European Parliament and of the Council of 20 June 2019 on transparent and predictable working conditions in the European Union
- Proposal for a Directive of the European Parliament and of the Council on corporate sustainability due diligence and amending Directive (EU) 2019/1937 COM/2022/71 fi-nal
- Proposal for a Regulation of the European Parliament and of the Council on prohibiting products made with forced labour on the Union market (COM (2022) 453 final)
- Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures

³ Degryse, C., Jepsen, M. and Pochet, P (2013), The Euro crisis and its impact on national and European social policies: ETUI. Working Papers 05.2013, Brussels.

⁴ Keune, M., Pochet, P. (2023) "The revival of Social Europe: is this time different?" European Review of Labour and Research, 29(2), 173-183.

- Directive (EU) 2023/970 of the European Parliament and of the Council of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.
- Council Recommendation (EU) 2021/1004 establishing a European Child Guarantee (14 June 2021)
- Commission Communication concerning Guidelines on the application of Union com-petition law to collective agreements regarding the working conditions of solo self-employed persons (2022/C 374/02)
- Council Recommendation of 25 January 2023 on strengthening social dialogue in the European Union (COM (2023) 38 final)
- Council Recommendation of 16 June 2022 on ensuring a fair transition towards climate neutrality (2022/C 243/04)

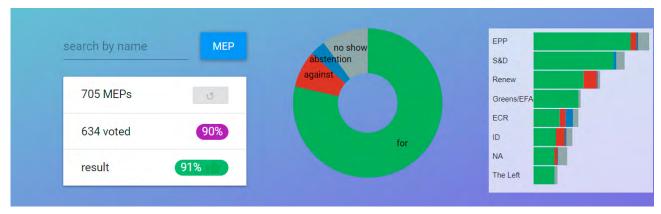
Among the few proposals that were not adopted for lack of time are the revision of the directive on European Works Councils (EWCs), which aimed at strengthening the information and consultation rights of EWCs (2023), and the European Commission's proposal for a Traineeships Directive, which would improve the working conditions of trainees and combat disguised employment relationships.⁵ From a political perspective, most of the listed pieces of legislation were adopted in the European Parliament with (very) large majorities, including strong or significant support from the European People's Party (EPP). For example: The directive on adequate minimum wages was supported by the EPP and Renew, and opposed by the radical populist right. It secured approval from 85% of Members of the European Parliament (MEPs).



▲ Source: Dennis Radtke, Agnes Jongerius, https://mepwatch.eu/9/vote.html?v=147342.

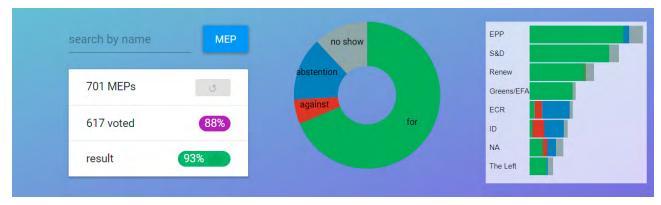
⁵ Proposal for a Directive of the European Parliament and of the Council of 20 March 2024 on improving and enforcing working conditions of trainees and combating regular employment relationships disguised as traineeships (COM (2024) 132 final).

The Platform Workers Directive achieved even broader backing, with 91% support, as illustrated in the graphs below.



▲ Source : Elisabetta Gualmini, https://mepwatch.eu/9/vote.html?v=168270.

The recommendation to strengthen social dialogue in the EU also garnered almost unanimous support (93%) from all political groups, with the exception of the two radical right and populist groups.



▲ Source : https://mepwatch.eu/9/vote.html?v=155871.



On the due diligence directive, a significant number of EPP members voted against, alongside the radical right and populist groups. Nevertheless, the directive still passed with over 60% in favour.

▲ Source: Lara Wolters, https://mepwatch.eu/9/vote.html?v=168307.

These examples show that social provisions were adopted with robust parliamentary support, often exceeding 60%, and, in some cases, reaching supermajorities of over 80%. This success reflects the Commission's active leadership, in particular under Employment and Social Rights Commissioner Nicolas Schmit, as well as strategic backing from the Spanish and Belgian Presidencies of the Council of the EU. Their concerted efforts aimed to pass as many measures as possible before the 2024 European elections.

In some respects, this moment mirrors the end of the Delors II Commission in 1993/94, with a social programme that has been almost completely adopted.

II • The new von der Leyen Commission: social issues downgraded?

The end of the first von der Leyen Commission's mandate was marked by growing tensions, not only around environmental issues, but also on social matters. The La Hulpe Social Summit, held in April 2024 under the Belgian Presidency of the Council, aimed to build a foundation for social proposals in the next legislative period. However, its final declaration failed to secure approval from BusinessEurope and two governments (Austria and Sweden) – the first clear sign of shifting attitudes among employers and certain conservative governments.

The political context has changed dramatically with the formation of the new Commission. In the European Council, social democrat parties are governing in only four Member States. The European Parliament has shifted sharply to the right, with the Patriots becoming the third-largest group and the European Conservatives and Reformists (ECR) the fourth. The European People's Party (EPP) has moved further to the right as well. Nevertheless, the Socialists and Democrats (S&D) remain the second largest group in the Parlement, providing a counterweight.

This political configuration has made a balanced left-right Commission impossible. Instead, the new Commission is ideologically skewed, comprising just four Social Democrats compared to 15 EPP members, five from the Renew group, two radical right populists and one independent. This imbalance is even more marked than under the Barroso Commissions, which included six and five social democrats respectively.⁶ Having two social democrats vice-presidents – Teresa Ribera (Spain) and Roxana Mînzatu (Romania) – is not enough to restore the balance.

Two major reports published in 2024 – one by Enrico Letta's on the internal market⁷ and another by Mario Draghi's on European competitiveness⁸ – were commissioned to outline key issues and inform future discussions. Elements from these reports were integrated into the Commissioners' mission letters. A third report, "Safer together: Strengthening civil and military preparedness in Europe" authored by Sauli Niinistö⁹ and presented in late October 2024 - but already anticipated in the mission letters - reflects the new geopolitical context, with the notion of 'security' in its broad sense becoming a central theme.¹⁰ It is this new security framework that, in a way, shapes the new Commission and its priorities.

Given this context, how is this reflected in the new objectives of the von der Leyen II Commission?

The first sign of this power shift is the disappearance of the title "social policy". The Romanian Social Democrat Vice-President, Roxana Mînzatu now oversees a portfolio titled "People, Skills and Preparedness", with the subtitle "Skills and Education, Quality Employment and Social Rights". This change is not insignificant. As Amandine Crespy and

⁶ Pochet, P. (2019) "À la recherche de l'Europe sociale", PUF, Paris.

⁷ Letta, E. (2024) "More than a market - Speed, Security, Solidarity", Brussels.

⁸ Draghi, M. (2024) "The Future of European Competitiveness - A Competitiveness Strategy for Europe", European Commission, Brussels.

⁹ Niinisto, S. (2024) "Safer Together Strengthening Europe's Civilian and Military Preparedness and Readiness", European Commission, Brussels.

¹⁰ On this point, see also Degryse, C. (2024), What if? A socio-environmental agenda in a "secure Europe", Foresight Notes, 11, ETUI.

Bastian Kenn observe,¹¹ "people" and "skills" emphasise individual dimensions, whereas "employment" and "social policy" relate to the collective. This is as strange as aiming for a just transition without the word social being highlighted.¹²

Despite this shift, several observers, including the European Trade Union Confederation (ETUC), outline positive elements in the mission letters that could influence the political orientations of the new Commission. These include the development of a roadmap for quality jobs with the social partners, focusing on a "just transition for all", fair wages, high health and safety standards and good working conditions, in particular by increasing collective bargaining coverage. The new action plan to implement the European Pillar of Social Rights is scheduled for 2025, as is the European Social Dialogue Pact, which will follow a high-level conference in January 2024 and a Recommendation on this topic. There are also plans for an initiative to requlate algorithms and the "right to disconnect", as well as proposals on occupational health and safety, intended to promote healthier workplaces and support mental health. A strengthening of the European Labour Authority is also envisaged.

Additionally, a European anti-poverty strategy is proposed, aiming to ensure access to essential protection and services. While presented as a new initiative, the fight against poverty and social exclusion has existed at the European level for over 20 years, with the creation of the open method of coordination on this subject dating back to 2001.

The European Social Fund Plus (ESF+) is expected to play a central role in ensuring a fair transition and social rights, just as the Social Climate Fund should support those affected by energy poverty or limited transport options. A strengthening of the Child Guarantee is also under discussion.

To this we can add the skills and training agenda, overseen by the Vice-President,

and the equality and anti-discrimination initiatives led by Belgian Commissioner Hadja Lahbib. We will not go into these in detail here, but will instead address—in a non-exhaustive way — social provisions that are covered by other Commissioners.

One of the most innovative aspects of the new Commission is the allocation of housing to Commissioner Dan Jorgensen's portfolio. Although direct community competences in this area are limited, this addition reflects the growing importance of housing issues that combine fuel poverty and the need for affordable housing. The goal is to address the structural housing crisis in Member States by tackling its root causes and unlocking public and private investment in affordable and sustainable housing. This includes proposing a European Plan for Affordable Housing, which will offer technical assistance to cities and Member States, while focusing on the investment and skills needed through a European Strategy for Housing Construction to boost housing supply. In collaboration with Executive Vice-President Teresa Ribera, responsible for a Clean, Fair and Competitive Transition, Commissioner Dan Jorgensen is tasked with adapting State aid rules to enable support measures for housing, particularly for energy efficiency and social housing.

Commissioner Apostolos Tzitzikostas. overseeing sustainable transport and tourism, will need to draft, in line with the Draghi report, an industrial action plan for the automotive sector, prioritising the social dimension of mobility. The aim is to safeguard quality jobs in the sector, addressing transport poverty, improving access in rural areas, tackling labour and skills shortages, and ensuring respect for passenger rights. One of the ETUC's main demands for this Commission is the establishment of a European Directive for a Just Transition, which should focus on anticipating and managing the transition, with social dialogue and collective bargaining as guiding principles. The ETUC insists in fully accounting for the social and labour dimensions in the transition. This demand has been partly taken on board, and

¹¹ Crespy A. and Kenn B. (2024) The EU's 'People, Skills, Preparedness' agenda: A risky shift in social policy, Social Europe, 11 October 2024.

¹² Following the hearings by the European Parliament, her title was changed to "Executive Vice-President for Social Rights and Skills, Quality Jobs and Preparedness"

Climate Commissioner Wopke Hoekstra has been assigned to "further strengthen the framework for a social and just transition".

In this context, Vice-President Stéphane Séjourné's task to propose a Clean Industrial Deal, in collaboration with stakeholders, within the first 100 days of his term, will serve as a crucial test of how seriously the just transition is being prioritised.

Another of the ETUC's priority demands – revising the directive on public procurement – has been accepted. Vice-President Stéphane Séjourné has been tasked with simplifying these directives and reducing the administrative burden, but no mention has yet been made of including social conditionalities.

Other possible options with a social impact include the right to remain, inspired by the proposal for a "freedom to stay" set out in the Letta report on the future of the internal market. As we know, the European Union is based on the free movement of people. This is not being called into question, but it is being supplemented by substantial social and economic investments to enable people to stay in or return to their chosen region if they so wish.

Another potentially interesting aspect is the preparation of plans for adapting to climate change, which offal under the purview of multiple commissioners. Much has been done to reduce emissions, but huge investments will have to be made to adapt infrastructures or mitigate the consequences of extreme climatic events. For example, the Commission is planning to reallocate resources from the Structural Funds to help seven Member States hit by floods or forest fires. The aim is to "repair damaged infrastructure and equipment, provide food and basic material assistance and social and healthcare support, and temporarily support the financing of short-time work schemes".¹³ This demonstrates how social measures can be mobilised in response to crises that are expected to become increasingly frequent in the future.

However, the European Pillar of Social Rights is conspicuously absent from the European Semester, the European economic governance framework. Commissioner Valdis Dombrowskis' mission statement mentions only the UN's Sustainable Development Goals. Similarly, the emphasis on simplification and reducing administrative burdens signals a shift in focus for the whole European Commission.

Even if there are opportunities on the social front, the overarching themes of competitiveness, simplification and disruptive technological innovation dominate the Commission's vision for a growth that purports to be green.

III • Ways forward: towards eco-social policies?

In his report, Sauli Niinistö underscores the social challenges of the green transition, expressing concern that those least responsible for climate change are often the most severely affected, both within Europe and globally. He warns that this disparity could fuel social unrest and conflict.

In their study for the Belgian Presidency of the Council of the EU, Sabato and Vanhille clearly show that the concept of a just transition is applied differently depending on the environmental macro-domains linked to the Green Deal.¹⁴ To give an example that is not in the report, the health-environment nexus is a critical issue and is included in Executive Vice-President Teresa Ribera but not in that of the Commissioner for Health. With the health sector responsible for around 5.5% of global emissions,¹⁵ applying a just transition approach to this vital area of social protection remains absent from the current

¹³ European Commission, "Commission takes further steps to help Member States recover from climate disasters", Press release, 21 October 2024.

¹⁴ Sabato, S. & Vanhille, J. (2024) "The European Green Deal and the 'Leave No One Behind' Principle: State of the Art, Gaps and Ways Forward", study commissioned by the Belgian Presidency, Observatoire Social Européen, Research Paper No. 63, Brussels.

¹⁵ Van Daalen et al, (2022) The 2022 Europe report of Lancet Countdown on health and climate change: Toward a climate resilient future. Lancet Public health 2022 (7).

political agenda despite the scale of necessary changes.¹⁶

A cross-cutting review of the mission letters reveals underutilised opportunities. Three practical examples illustrate potential advances: the articulation of legislation and sectoral social dialogue, the creation of quality jobs in emerging and developing sectors, and an analysis in terms of gender and "care".

As highlighted in our previous policy brief,¹⁷ it seems increasingly difficult to negotiate new binding agreements between the European social partners. For example, attempts to renegotiate the 2002 teleworking agreement collapsed when employers refused to include a right to disconnect, pointing to the structural crisis. Still, some avenues could be explored, such as the negotiations in the gas sector between IndustriAll, EPSU and employers, which aimed at ensuring a just transition. The potential for using existing gas infrastructure - since gas is considered a transitional energy – to transport hydrogen could align interests. This agreement, however, failed to materialise due to the refusal of certain employers and above all, the lack of support from the Commission fearing to have a set of different sectoral agreements on the just transition.

A way forward might be to draw inspiration from the Working Time Directive, which allowed for specific sectoral arrangements. A Directive on a just transition, as advocated by ETUC, could establish EU-wide principles while enabling tailored sectoral agreements enforceable through legislation, as was the case for the Working Time Directive. This approach would embody the spirit of positive subsidiarity, giving real meaning to the notion of a just transition.

Another example is that of quality jobs, which are essential to making this economic transformation desirable. Let's take the example of the circular economy: Commissioner Jessika Roswall, together with Vice-President Stéphane Séjourné, is responsible for proposing a Circular Economy Act and creating an internal market for waste. However, there is no mention of the social dimension - particularly in terms of quality jobs and health and safety protection. Waste recycling and reuse are industries where working conditions are often precarious. A just transition applied to this reality would guarantee significant improvements. Nothing very complicated either, as this is one of the Commission's objectives for the automotive sector, as we indicated above. Here again, social dialogue could play a key role.

These two examples are in line with the European Parliament Resolution of 23 November 2023 on "Job creation - just transition and impact investments", which addressed these issues and could provide a foundation for future legislative efforts.

Finally, gender aspects of the transition, which falls within the remit of Commissioner Hadja Lahbib, could be part of the "mainstreaming" of this dimension. This is an aspect that has so far received little attention.¹⁸ This includes analysing the jobs that will be affected and those that will be created. This could also make it possible to leverage ecofeminist perspectives to integrate care into the climate agenda.

Conclusion

The previous social agenda achieved substantial successes, with only a few pieces of legislation left to be adopted. Now is the time to build a new agenda, though the context has changed Now, however, the focus must shift toward building a new agenda. Key themes like "security", "competitiveness", and "bureaucratic simplification" dominate the discourse, often sidelining social concerns. And this is particularly true in a political climate that is not very favourable.

This new social programme could take a certain shape when we look at the details of the commissioners' mission letters, but much

¹⁶ Pochet, P. & Van Melkebeke, T. (2024) Climate emergency and Welfare States, GEF political brief.

¹⁷ Pochet, P. (2024) "Social Europe: social dialogue at the heart of the debate", Décryptage, Institut Jacques Delors, January 2024.

¹⁸ See the EIGE good practice report (2024) Good practices on gender mainstreaming in the European Green Deal: Towards a more gender-equal and greener Europe.

remains to be done to ensure that social issues become a central concern for the years to come.

A look at the voting record of the previous parliamentary term gives grounds for a little more optimism, however. Admittedly, the current Parliament is more right-wing, but texts on social issues could pass, albeit with smaller majorities. Then there's the Council, which is dominated by a huge majority of right-wing leaders but could be sensitive to social conflicts: think of the forthcoming restructurings in the automotive sector or environmental issues where the social aspects have been neglected.

The socio-ecological agenda has the potential to become the focus of a renewed social policy. As we have shown, there are potential opportunities here, but for the moment they are either not explicit enough or, not connected enough to the broader priorities for the EU.

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Penser l'Europe • Thinking Europe • Europa Denken 18 rue de Londres 75009 Paris, France • www.delorsinstitute.eu T +33 (0)1 44 58 97 97 • info@delorsinstitute.eu







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