

Conclusions

Dealing with the pandemic: re-emerging social ambitions as the EU recovers

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Introduction¹

The chapters of this book trace how the Covid-19 pandemic disrupted EU social policymaking and led to the adoption of unprecedented economic and social support measures in 2020 and the first half of 2021 (the timespan covered by this volume). The EU pledged financial support to Member States totalling €2.018 trillion, the largest package ever financed through the EU budget. Earmarked for EU recovery, the funding comes via the Multiannual Financial Framework (€1,211 billion) and ‘NextGenerationEU’ (€806.9 billion), with the temporary ‘Recovery and Resilience Facility’ (RRF) at its heart (€723.8 billion) (European Commission 2021a). The EU thus showed emblematic solidarity to manage the consequences of the pandemic, as also visible in initiatives such as the unprecedented suspension of the EU’s fiscal rules and the launch of the temporary Support to mitigate Unemployment Risks in an Emergency (SURE) mechanism. Enhanced EU coordination in the field of health (including the centralised purchase of vaccines) and the adoption of the largest EU health programme to date resulted from the ‘crisisification’ of EU policymaking and contributed to legitimising an enhanced EU role in health, despite its limited competences in this field (Vanhercke et al. 2021a).

The renewed EU solidarity was hard-fought, as the harsh debates with the Frugal Four² and divisions along political lines in the European Parliament demonstrated. Moreover, European Commission President Ursula von der Leyen’s (2019) firm stance on linking Union rule of law standards not only to the adoption of the long-term EU budget but also to the RRF – which Hungary and Poland threatened to veto – led to a major constitutional crisis in the EU, jeopardising the very essence of the European project (Kirst 2021). In this context, the consequences of Brexit (which took effect on 31 January 2020), the aftermath of the financial crisis, and the migrant crisis at its borders were looming large over the EU’s ability to deal with the health crisis.

As a result of the pandemic – and in contrast to the EU’s sweeping recovery plan – ‘social policy’ initiatives took a back seat during the Croatian³ (January–June 2020)

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 2. Austria, Denmark, the Netherlands and Sweden..
 3. As of January 2020, Croatia held the presidency of the Council of the European Union for the first time since joining the EU in 2013.

and German (July-December 2020) Presidencies of the Council of the EU. Only two months after the start of the Croatian presidency, the Covid-19 outbreak led to a major shift in priorities at European level. Political activities were significantly reduced, with many meetings and events cancelled/postponed. All EU institutions were forced to implement alternative working arrangements and the 2020 presidency programmes were significantly pruned to only the most urgent dossiers. Unsurprisingly, several social policy legislative proposals were delayed (e.g. binding pay transparency measures and an EU initiative on gender-based violence) while others continued to be blocked in the Council (including the coordination of social security systems). This is not to say that the European Commission entirely buried its social ambitions, as illustrated crucially by the rapid adoption of the SURE mechanism, and the Commission (2020a) proposal for an EU Directive on adequate minimum wages.

Policymakers and stakeholders placed their faith in the vaccination campaign, the official rollout of which started in the Member States in December 2020. By November 2021 the EU average vaccination rate was 75.7% – albeit with significant disparities between Member States⁴ – resulting in high hopes that economic activity and social life could restart in 2022. In this context, managing the economic consequences of the global pandemic continued in 2021, though with more ambitious EU social policy initiatives moving to the front stage: these include the European Pillar of Social Rights Action Plan (European Commission 2021b) and a proposed Directive regarding the working conditions of platform workers (European Commission 2021c). Implementation of the European Green Deal (EGD) started vigorously in 2020 despite the pandemic, though seems to have slowed down in 2021, at least in terms of legislative activity.

This concluding chapter draws mainly on the analyses presented in this volume, summarising the key findings while providing an update⁵ on recent social policy initiatives in 2021, as well as a forward-looking perspective for 2022. The chapter is organised as follows. Section 1 looks at how the pandemic impacted different countries and socio-economic groups: *who are the winners and losers of Covid-19?* Section 2 focuses on the key initiatives taken during 2020 and the first half of 2021 in response to the pandemic (economic support measures and initiatives in the field of healthcare) and the green transition. Section 3 discusses the disrupted EU social agenda in 2020 and the re-emergence of EU social ambitions in 2021; it also describes how social players have entered European recovery through the backdoor of the Semester, and illustrates the need to consider the social aspects of the digital transition. Section 4 provides a forward-looking perspective, flagging some of the key social policy initiatives set to top the agenda in 2022 and thereby building a bridge to the next edition of *Social policy in the EU: state of play* (*Bilan social* in French). The final section, traditionally, concludes.

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4. There have been significant disparities in vaccination rates between, for example, Portugal, which has fully inoculated well over 80% of its population, and Bulgaria (28%) and Romania (42%). The latter two countries have the lowest vaccination rates across the EU and are seeing, at the time of writing (November 2021), the highest rise in deaths since the beginning of the pandemic (ECDC 2021), and restrictive measures have been reinstated.
 5. The authors gratefully used the European Parliament's (2021a) legislative train schedule – indeed a user-friendly interactive portal - which monitors the progress of legislative files identified in the ten priorities of the European Commission. <http://www.europarl.europa.eu/legislative-train/>

1. Winners and losers of the pandemic

Michael Dauderstädt (this volume) describes the existing and new inequalities highlighted by the pandemic which hit the EU at a time when economies were performing well and unemployment had reached an unprecedented low level (6.3% in 2019). Unsurprisingly, countries were impacted differently, in line with their pre-pandemic situation, economic structure and the social situation of some social-economic groups (Myant 2021). While their capacity to react was thus different, all Member States adopted similar policy mixes to address the economic and social shocks, with significant support from the EU (Alcidi and Corti, Dauderstädt, both this volume). The quick response saw the introduction of temporary measures in all social protection and social inclusion schemes, with job retention schemes (e.g. short-time working schemes and support for the self-employed) at the forefront in all Member States. The need for urgent measures however also accentuated weaknesses and gaps in social protection and inclusion schemes, making it clear that further action is needed to tackle them (Baptista et al. 2021; Spasova et al. 2021).

Although evidence and data remain scarce on how the pandemic impacted different countries and especially socio-economic groups, Dauderstädt (this volume) discusses first results on the evolution of both between-country and within-country inequality since the start of the pandemic in March 2020. Countries were affected to differing degrees by the pandemic, closely related to the importance of the industries hit hardest. Sectors such as transport, accommodation and food services declined by approximately 80%; restaurants and hotels had to close for several months in most Member States and then underwent a long, slow recovery due to the collapse of tourism, a sector representing a large share of gross domestic product (GDP) and employment in countries such as Spain, Italy, Portugal and Croatia.

By contrast, the winners included online retail, communication software, and some branches of the health and care sectors which enjoyed excess demand. Another significant winner was the housing sector, especially for investors. This development is expected to lead to increased rental market inequalities in the housing market, as income is redistributed from (relatively poorer) tenants to owners. This effect is set to be greater in countries with lower owner occupancy ratios. Thanks to the monetary situation, the value of many assets, in particular stocks and property, has increased significantly, benefiting richer households. Dauderstädt (this volume) shows that profits recovered fast, and in some cases, companies receiving state support even paid dividends to their shareholders and bonuses to their top managers.

The author also points to the socio-economic groups hardest hit by the pandemic: young people, women and low earners. Young people (aged under 25) were among the biggest losers of the crisis, *inter alia* because they were already hit by high unemployment before the pandemic. Youth unemployment rose sharply, from 14.9% in March 2020 to a dramatic 18.2% in August 2020, increasing nearly everywhere, apart from a few (mainly Eastern European) countries. At the same time, new research shows that young people's access to social protection is constrained – not only by the fact that they often work on non-standard and vulnerable contracts (e.g. platform work), but also because,

in some cases, age is a legal criterion for exclusion (Ghailani et al. forthcoming). Young people went – and are still going – through tough times during the pandemic, unable to lead a proper social life (as education was provided mostly online) and trapped by lockdowns. Unsurprisingly, 2022 has been declared the European Year of Youth, with several initiatives planned in this context (European Commission 2021d). Suffering from unequal access to digital educational tools during lockdowns, another group strongly impacted were children from deprived and migrant families.

As demonstrated by Rubery and Tavora (2021), women were also strongly impacted by the pandemic measures, partly because caring responsibilities often fell on them while schools were closed and children had to study online, but also because employment in accommodation and food services, where women account for 54% of jobs, declined by 19.3% between the 2nd quarters of 2019 and 2020. The situation was even worse in domestic services (and undifferentiated goods- and services-producing activities of households for own use), where employment, 89% of which is female, decreased by 18% during the same period (Dauderstädt, this volume). Low-income groups and non-standard workers were much more likely than better paid workers to lose their jobs or have their hours reduced as a result of lockdowns. However, the speedy and large-scale measures, such as job retention schemes, introduced in all Member States prevented mass layoffs and increases in poverty rates. Both market and disposable income inequality changed only slightly in all countries for which data is available (July 2021): at the end of the day, the pandemic seems just to have slowed down the previous decline in inequality (since 2017). Indeed, poverty rates have in fact declined in all but two countries.

2. Implementing EU recovery and the European Green Deal – containing the pandemic

The chapters in this book analysed ambitious EU policies implemented in 2020 and the first half of 2021 to alleviate economic and employment losses. They also asked whether the roadmap for EGD implementation was ambitious enough to help achieve its goals and argued that a paradigm shift has taken place regarding EU health policy initiatives.

2.1 EU action to alleviate economic and employment losses

Cinzia Alcidi and Francesco Corti (this volume) assert that while ‘national governments have been at the forefront of the economic response to the pandemic crisis, they have not walked alone. European-level action has been significant, revolving around three pillars: (a) monetary and banking policies; (b) state aid and fiscal rules; and (c) budgetary and financial support measures (i.e. funding)’. The authors highlight the unprecedented solidarity underpinning several innovative measures, such as the European Central Bank’s new Pandemic Emergency Purchases Programme (PEPP), the so-called ‘Social Bond Framework’ to finance projects and initiatives with greater social impact (notably the Support to mitigate Unemployment Risks in an Emergency (SURE) mechanism), and the temporary suspension of the Stability and Growth Pact

rules through the activation of the ‘general escape clause’ at a very early stage of the crisis (March 2020). Finally, the authors point out that the EU Covid response broke a major taboo: the issuance of common EU debt. The EU can now borrow to provide loans to Member States under the SURE mechanism and to finance loans and grants under the RRF.

The authors show that this unprecedented solidarity response – so different from what happened during the Great Recession – was based on three main factors. The first was the nature of the crisis: a public health shock affecting all countries in the same way, thus favouring a common political response. The second was that the European Commission and the ECB had clearly learned from past errors and had inherited a better developed EU institutional structure than that of 12 years ago (Alcidi and Corti, this volume; Hemerijck and Corti 2021). Third, attitudes had changed since the Great Recession, with national policymakers – notwithstanding some harsh debates with the Frugal Four – generally agreeing on four major policies: providing liquidity, supporting incomes and employment, protecting the financial system and speeding up economic recovery.

Some of the major programmes adopted in 2020 were simply unthinkable during the Great Recession. This is, first, the case with SURE, a mechanism drawing on the idea of launching a fully-fledged ‘European Unemployment Reinsurance Scheme’ (EURS), as has been discussed since 2012 in the aftermath of the 2008 financial and economic crisis. Proposed as early as 2 April by the European Commission (2020b) and adopted very rapidly by the Council of the EU (2020) in May, the SURE mechanism was heralded by the Commission as ‘the emergency operationalisation of the EURS’ and specifically designed to respond immediately, and temporarily,⁶ to the challenges presented by the coronavirus pandemic. Since becoming formally available on 22 September 2020, the Council has already issued a total of €94.3 billion (out of the total envelope of €100 billion) in social bonds to the 19 requesting Member States. Italy has received the largest share, followed by Spain, Poland and Belgium. The SURE mechanism is very attractive in financial terms for highly indebted countries, as the total amount requested by a Member State generally covers almost the entire current and planned expenditure. The second major programme is the Recovery and Resilience Facility (RRF), the centrepiece of the NGEU. Southern and Central and Eastern European Member States are set to be RRF winners, as the instrument has a significant re-distributive component. These countries are also expected to request NGEU loan support (Alcidi and Corti, this volume).

Third, the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) – the second most important NGEU component – will finance investments to support job retention, such as short-time work schemes and support for the self-employed, as well as programmes to foster the green and digital transitions. React-EU is also expected to have a strong redistributive component in favour of Southern and Central and Eastern European Member States. Taken together, the grant component of EU

6. In principle, the instrument is set to be operational until 31 December 2022. On a proposal from the Commission, the Council may decide to extend the instrument’s period of availability.

recovery alone (total NGEU support) could amount to as much as 2.5% of the GDP of Southern and Central and Eastern European Member States each year over the period 2021-2026. Moreover, NGEU resources will top up the traditional EU transfers from the Multiannual Financial Framework (MFF) 2021-2027. All in all, these countries will have to absorb between 2% and 5% of GDP from the NGEU and the MFF funds every year until the end of 2026. The potential for effective absorption, however, remains uncertain (especially in Central and Eastern European countries, Alcidi et al. 2020), especially if one considers the final purpose of the RRF grants and loans, i.e. financing additional public investments. As Alcidi and Corti (this volume) show, annual public investments for Bulgaria, Portugal and Croatia can be expected to increase over the next six years by circa 60%. For eight other countries, it would increase by 20-45%.

Nevertheless, as highlighted by the authors, SURE and NGEU are not fiscal stabilisation instruments. SURE lacks the automaticity element, while the NGEU is de facto a structural reform support instrument. The debate on the reform of the EU economic governance should not leave aside the role of automatic fiscal stabilisers, such as the idea of a genuine European Unemployment Benefit Scheme (EUBS, see Section 3). Moreover, EU common borrowing is only allowed exceptionally and temporarily to finance the NGEU, even if it sets an important precedent. This raises the question of whether EU joint debt should become a practice to finance European public goods.

2.2 The European Green Deal: a building block of a sustainable European economic model?

The European Green Deal (EGD) was launched in December 2019 as the Commission's new long-term and cross-cutting growth strategy, the de facto successor to the Europe 2020 strategy and intended to shape the core of future EU policy (European Commission 2019). Some feared that the Covid-19 pandemic would quickly overshadow Europe's 'man on the moon' moment (as the EGD was heralded by the Commission President on the occasion of the adoption of the proposal), with EU institutions having to move to emergency policymaking. However, several ambitious initiatives started to make their way through the decision-making system in 2020 and 2021, including the Sustainable Europe Investment Plan, the Just Transition Fund (both tabled in January 2020), the 'Farm to Fork' and 'EU Biodiversity for 2030' strategies (both published May 2020), as well as the 'Zero Pollution Action Plan for Air, Water and Soil' (May 2021) and the 'Fit for 55' package with its Carbon Border Adjustment Mechanism (CBAM) (July 2021). As a result, Hans Bruyninckx, Gülçin Karadeniz and Jock Martin (this volume) consider that the roadmap for EGD implementation is ambitious enough to help achieve its goals. This resonates with the argument put forward by Bongardt and Torres (2022) that the pandemic provided the Commission with an opportunity to implement the EGD, notably through dedicated funding under the RRF. For these authors, the EGD therefore represents more than an exit strategy from the pandemic crisis: it can be seen as a building block of a sustainable European economic model (ibid.).

Nevertheless, one of the main criticisms levelled at the EGD remains the compatibility between economic growth and the climate and environmental transition. Presenting

one of the first assessments of the new strategy, the chapter by Eloi Laurent (2021) in last year's *Bilan social* argued that the EGD had serious shortcomings, prioritising economic efficiency over social justice and environmental sustainability. More fundamentally, the author argued that the EGD's key paradigm was that economic growth could be decoupled from environmental degradation: it was thus to be seen as a strategy for a past century (ibid.). In a similar vein, Bruyninckx et al. (this volume) claim that maintaining Europe's unprecedented levels of prosperity and well-being – with social, health and environmental standards among the highest in the world – does not necessarily have to depend on economic growth. According to them, the major question is whether European societies can grow in quality (e.g. healthier lives, better employment opportunities, cleaner environment) rather than quantity (e.g. material standards of living), and in a more equitable way. They underline that environmental policies have been more effective in reducing environmental pressures (e.g. emissions of pollutants from various sources or extraction of raw materials) than in safeguarding biodiversity and ecosystems, human health and well-being. According to them, the most important factor is that the challenges are inextricably linked to lifestyles and economic activities, in particular those providing people with necessities such as food, energy and transport. In this vein, the EGD foresees action in other sectors linked to the production and consumption system. The authors argue that the Circular Economy Action Plan, presented in March 2020, is key to reducing pressures on the environment and climate: actions linked to product design, circular economy processes, sustainable consumption and waste prevention. Other research also considers a gradual move from growth-based to de-growth development strategies, with several intermediate steps. From this perspective, a growth strategy based on decoupling, such as the EGD, although insufficient in itself to address climate and social challenges, would be a good starting point (Gough 2021).

The financing of the EGD has equally been a subject of much debate (Laurent 2021; Sabato and Fronteddu 2020). Bruyninckx et al. (this volume) assert that considerably more funds will be needed, with the figures estimated in the EGD representing only a fraction of the funds needed for the transition, as they do not cover social costs or adaptation needs, not to speak of the costs of inaction. Given the fundamental transitions needed, EU funds will need to be topped up by both national and private contributions. Vanhercke et al. (2021a) point to the irony (even if rather symbolic) of the July 2020 European Council slashing the Just Transition Fund from the proposed €40 billion to a mere €17.5 billion (in 2018 prices; €19.2 billion in current prices). This raises the question of whether, in the ongoing recovery from the pandemic, there is still the risk of the EGD being relegated to a simple narrative, or whether it can act as a true, properly funded political framework guiding recovery measures, as intended in the initial NGEU proposal (Laurent 2021).

The question of funding has become intrinsically intertwined with implementation of the Recovery and Resilience Facility, one of whose core guiding principles is environmental sustainability: each national Recovery and Resilience Plan (RRP) must include a minimum of 37% of expenditure related to climate change-related measures. Initial analyses of some of these plans show that most of them meet or are quite close to this target (Darvas et al. 2021; Corti et al. 2021). However, other analyses (sometimes

based on different methodologies to calculate ‘green’ spending) suggest that several countries will miss the 37% climate spending target and that, in some cases, measures which seem ‘green’ at first glance may end up supporting fossil fuels and nuclear energy (cf. Wuppertal Institute and E3G 2021). In addition to this, attention should be paid to the need to ensure better complementarity between RRP measures, those financed by other EU funds and purely national initiatives, thereby avoiding a situation where the latter are not in line with EU environmental and climate objectives (cf. Pilati 2021).

Although the EU is calling for a ‘socially just’ climate and environmental transition, the ‘social’ dimension of the EGD still needs to be better defined, with more precise targets needed regarding important social inequalities. The winners and losers of the transition are yet to be clearly identified, and, as highlighted by Bruyninckx et al. (this volume), the ecological transition will affect some groups more than others. In this vein, they underline that lower-income regions and communities are clearly more exposed to environmental health hazards, such as air pollution. Similarly, some groups are more likely to be affected by and are more vulnerable to a broad range of environmental issues. The Just Transition Mechanism and its investment instruments will help mobilise funds to address these points. Nevertheless, the authors underline that these funds need to trickle down to areas and groups where such support is needed the most. Similarly, the practical implementation of a ‘just’ transition through the RRP and in EU policies will be key to avoiding a narrow interpretation of the notion, i.e. a focus on support to specific territories and economic sectors and on those policies instrumental to the transition (such as active labour market policies and skills development), at the expense of more traditional social protection policies such as unemployment and minimum income benefits and pensions (Sabato et al. 2021: 53; see also Sabato and Fronteddu 2020).

Importantly, a recent assessment by the European Parliament Research Service (EPRS) of the progress made in attaining the initial policy agenda set out by Ursula von der Leyen in December 2019 shows that the number of proposals foreshadowed (90) makes the EGD the Commission’s first priority in terms of announcements, although not in terms of proposals tabled (two-thirds (58) are yet to be submitted), let alone legislation adopted: just one sixth (15) had been adopted by September 2021 (European Parliament 2021a). In a similar vein, a Slovenian EU presidency progress report published in late November on the ‘Fit for 55’ legislative package stated that ‘work is at a very early stage’ (Council of the EU 2021a); in view of the number of dossiers and their interlinked nature, one could argue that progress is bound to be slow.

2.3 EU health policies: a paradigm shift?

Thibaud Deruelle (this volume) argues that the Covid-19 crisis has led to nothing less than a paradigm shift in the extent to which Member States are willing to coordinate action in the face of health threats. This shift has resulted in institutional changes to the EU’s health threat management system. Indeed, new formal policy instruments are being implemented, such as the stronger mandates for the European Medicines Agency (EMA) and the European Centre for Disease Prevention and Control (ECDC) where

provisional agreements were reached between the Council and the European Parliament in October and November 2021, respectively. The ECDC mandate provides a case in point to illustrate the extent to which Member States have changed attitudes, becoming much more willing to cooperate. The Commission proposal to create the Centre within six months of the SARS-CoV-1 outbreak (in February 2003) shook governments across the EU, with the outbreak brutally spotlighting Member States' lack of preparedness and convincing many of the urgent need for better EU-level coordination beyond the networks existing at the time. But when the Centre became operational, it had to do so with the brakes on – the ECDC was explicitly prohibited from advising Member States on risk management. Since March 2020, Member States have increasingly relied on coordinated action and expert input from the Commission and the ECDC, with the latter now addressing strong and explicit guidelines on containment measures to Member States. Any such contributions from the ECDC would have been considered inappropriate by Member States before the pandemic. In the words of Deruelle (this volume): as the pandemic unfolded, 'the ECDC became the rising star of this new solidarity-based governance'. This constitutes a true paradigm shift: 'by embracing a solidarity-based approach, Member States and European institutions have taken the EU's health threat management policy 'out of the closet'' (ibid.).

The new Health Emergency Response and Preparedness Authority (HERA) – to be set up as an internal Commission structure and set to be fully operational by early 2022⁷ – equally presents an important step forward. HERA will anticipate threats and potential health crises through intelligence gathering and building the necessary response capacities in a 'preparedness phase'. When an emergency hits, HERA will ensure the smooth functioning of the joint procurement mechanism by making arrangements for the development, production, stockpiling and distribution of medicines, vaccines and other medical countermeasures. In a similar vein, the 'EU4Health 2021-2027' programme adopted on 24 March 2021 (European Parliament and Council of the EU 2021) wants to boost capacity-building at EU level. Over the course of seven years, the programme will redistribute a total of €5.3 billion, a twelvefold increase over the previous health programme. The four general goals of the programme are: a) to improve and foster health in the Union; b) to tackle cross-border health threats; c) to improve medicinal products, medical devices and crisis-relevant products; and d) to strengthen health systems, their resilience and resource efficiency (including improving access to healthcare).

And yet, and as per Treaty requirements, these policy instruments remain limited to assisting coordination between Member States. Coordination, however, is time-consuming and may prevent Member States from acting at short notice. Crucially, collective action depends on a sense of solidarity between Member States and, even in the face of sizeable health threats, there can be no presumption of solidarity. Indeed, in the face of the Covid-19 crisis, the sense of solidarity among Member States took time to emerge.

7. The legislative proposal was unveiled by the Commission in September 2021, following a public consultation in 2020.

It thus remains to be seen whether the paradigm shift triggered by the Covid-19 crisis will be sufficient to pave the way for the stronger ‘European Health Union’ advocated by European Commission President Ursula von der Leyen in her first State of the Union speech (16 September 2020) and seen by Deruelle (this volume) as a strong new narrative from the EU in this sensitive policy area, even though it is unclear what form it may ultimately take. A European Health Union can only be considered a substantive leap forward if the EU and its Member States cease to rely on mere solidarity as the active compound of collective action, and change EU treaties to allow for a legislative – rather than cooperative – approach to health threat management. Will the alarm over the new Omicron coronavirus variant allow certain policy entrepreneurs to confirm the ‘crisisification’ of European (health) policymaking, i.e. the importance of crisis-oriented methods for arriving at collective decisions (Rhinard 2019)? One could hypothesise that the pandemic could serve as a lever for legitimising further European integration in health (Vanhercke et al. 2021a). The way towards it could be paved by the ongoing Conference on the Future of Europe and the new trio Presidency of the Council of the EU (January 2022–June 2023, see Section 4). However, on the eve of the Porto Social Summit (7 and 8 May 2021), 11 Member States strongly affirmed their reluctance to endow the European Commission with new powers, specifically on healthcare and social protection (Politico 2021b). Another plausible scenario, therefore, is that the domestic politics continue to hamper Member States’ commitment to further integration in the field of health, leaving the European Health Union as unfulfilled potential. Even in the latter scenario, however, it seems likely that the Commission will continue to exert its existing competencies to the full, thereby de facto further extending the role of the EU in this field, which has been left for too long to the internal market and the Court of Justice of the EU.

3. Re-emerging EU social ambitions in 2021

While the first waves of the pandemic engulfed Europe, the EU’s ‘social policy’ initiatives in 2020 took a back seat, with several legislative proposals delayed or remaining blocked in the Council. Even so, ambitious new proposals (including on minimum wages) were tabled by the Commission in 2021 (Section 3.1). In 2020–2021, the new RRF set-up changed the balance of power among EU economic and social players (Section 3.2), while the social aspects of the digital transition were brought into the spotlight (Section 3.3).

3.1 EU social initiatives: from disruption to re-emergence

With political attention concentrated on handling the pandemic and its economic and social consequences, regular policymaking was disrupted throughout 2020 (Atanasova et al. this volume; Vanhercke et al. 2021a): key illustrations are EU social security coordination, the ‘women on boards’ directive and pay transparency measures.

Unsurprisingly, negotiations on the revision of EU coordination of social security legislation (European Parliament and Council of the EU 2004a) remained stalled in the

Council (the European Commission proposal dates back to December 2016), despite the provisional agreement reached between the Council Presidency and the European Parliament, but rejected by Committee of the Permanent Representatives (Coreper) in March 2019. Despite the efforts of the respective EU Presidencies to revive the dossier, negotiations came to a halt on 1 March 2021, notably because it was impossible to reach agreement on the modalities concerning prior notification before sending a worker from one Member State to another (European Parliament 2021c).

A similar fate was experienced by the Commission's longstanding proposal for a directive on gender balance among non-executive directors of companies listed on stock exchanges (dubbed the 'women on boards' directive) which had been stalled in Council for nearly a decade (since November 2012) despite the European Parliament's tireless push for progress.⁸ Clearly, not all Member States support EU-wide legislation, with several Member States (Denmark, Greece, Croatia, Hungary, the Netherlands, Poland, Sweden and Slovakia) considering that binding measures at EU level are not the best way to pursue the objective. EU ministers of employment and social affairs reviewed progress at the end of the Portuguese presidency on 14 June 2021, noting (symbolically, under 'any other business') that a qualified majority remained out of reach (ibid.).

In her 2019 political guidelines, Ursula von der Leyen announced that she would introduce a proposal on binding pay transparency measures in the first 100 days of her term of office to address the gender pay gap and ensure application of the principle of equal pay for equal work. Subsequently, the European Trade Union Confederation (ETUC) could not help noticing (including through a social media campaign) that the proposal seemed to have 'gone missing' in the Berlaymont building, without explanation. In a bid to end the delay, the ETUC (2020) took the unusual step of commissioning legal experts to draft a model proposal for a pay transparency directive. The European Commission's (2021e) legislative proposal was ultimately published on 4 March 2021. On 6 December 2021, the Council reached agreement on a general approach to the proposed directive.

As the *Chronology 2020* by Angelina Atanasova, Boris Fronteddu and Denis Bouget (this volume) demonstrates, some progress was made, despite the pandemic circumstances, regarding key EU social policy initiatives: key illustrations pertain to the social protection of lorry drivers, minimum wages, health and safety at work, several (gender) equality initiatives and the European Pillar of Social Rights Action Plan.

An important legislative achievement in 2020 was the (diluted) compromise on the long-awaited 'Mobility Package 1' agreement. The European Parliament adopted (July 2020) the agreement negotiated with the Council on the social protection of long-distance lorry drivers, after more than three years of interinstitutional negotiations. This agreement implies more precise and binding rules on the posting of drivers, improved rules on rest times, and better application of the cabotage provisions (Atanasova et al.

8. Including through a joint hearing of the European Parliament's JURI (Legal Affairs) and FEMM (Women's Rights and Gender Equality) Committees on 21 September 2020, followed by a debate during the plenary session in October 2020.

this volume). Following the Parliament's vote, the Commission stated that the new set of rules includes elements that are possibly not in line with the EGD's ambitions.⁹

Arguably the most ambitious EU social policy initiative since the start of the pandemic is the Commission's (2020a) proposed Directive on adequate minimum wages, which was preceded by a two-stage social partner consultation¹⁰ (launched in January and June 2020, respectively). While no less than nine Member States (Denmark, Sweden, Poland, Hungary, the Netherlands, Austria, Ireland, Greece and Malta) had expressed the wish that the Council opt for recommendations and not a directive on the issue, the 6 December 2021 Employment, Social Policy, Health and Consumer Affairs (EPSCO) Council formation reached a common position, two weeks after the European Parliament agreed its negotiating position. The agreement establishes a framework to promote adequate levels of statutory minimum wages (at least 60% of the national median wage), to promote collective bargaining on wage setting and to improve effective access to minimum wage protection. According to some observers, the Commission's initiative is no less than 'a watershed in the history of European social and economic integration': for the first time, the Commission is initiating legislative action not only to ensure fair minimum wages but also to strengthen collective bargaining in Europe (Müller and Schulten 2020).

Important progress was also made in the field of work-related health and safety. In September 2020, the Commission adopted its proposal to amend, for the fourth time, the Carcinogens and Mutagens Directive (CMD) (European Parliament and Council of the EU 2004b). On 16 December 2021, the Council and the European Parliament agreed¹¹ on the proposal applying new or updated occupational exposure limit values (OELs) to three further substances. Similarly important, the European Commission (2021f) adopted its new occupational safety and health (OSH) strategic framework 2021-2027.¹² Its focuses include: a) a review of the Workplaces Directive and the Display Screen Equipment Directive, updating protective limits on asbestos and lead, and an EU-level initiative related to mental health at work; b) a 'vision zero' approach to work-related deaths in the EU, and updated EU rules on hazardous chemicals to combat cancer, reproductive and respiratory diseases; and c) developing emergency procedures and guidance for the rapid deployment, implementation and monitoring of measures in potential future health crises.

The European Commission (2020c) also presented its action plan 'A Union of Equality: Gender Equality Strategy 2020-2025'. Objectives include ending gender-based violence, challenging gender stereotypes, addressing the gender pay gap, and achieving equal participation of men and women across different economic sectors and

9. These are the compulsory return of the vehicle to the Member State of establishment every eight weeks and the restrictions imposed on combined transport operations.

10. During the first phase of the social partner consultation, the ETUC regretted that the Commission had not proposed the EU *at-risk-of-poverty threshold* (60% of the median equivalised disposable income) as a wage floor. European employers had stressed that the Commission does not have the necessary powers to propose binding legislation on minimum wages.

11. The agreed text must be formally endorsed by Parliament and Council in 2022 to come into force.

12. Communication 'EU strategic framework on health and safety at work 2021-2027 – Occupational safety and health in a changing world of work'.

in political life. Questions can be raised as regards whether the new gender equality strategy is ‘fit for purpose’, also in view of the fact that women have suffered more from the consequences of the pandemic (Section 1). The proposed strategy contains very few legislative initiatives, most of which are existing initiatives long blocked in the Council. This is, for example, the case for the women on boards directive (see Section 3.1) and the anti-discrimination (dubbed ‘equal treatment’) Directive blocked in the Council since 2008, since it requires the unanimous support of all EU Member States as well as the consent of the European Parliament. In view of realising ‘A Union of Equality’, the European Commission also presented an EU anti-racism Action Plan 2020-2025 (September 2020), the EU Roma Strategic Framework (October 2020), the first-ever EU LGBTIQ¹³ Equality Strategy 2020-2025 (November 2020), and a Strategy for the Rights of Persons with Disabilities 2021-2030 (March 2021).

The year 2021 was also the year of the presentation and first implementation steps of the European Pillar of Social Rights Action Plan¹⁴ (European Commission 2021b) and the signing of the Porto Social Commitment (European Union 2021a) at the European Summit held during the Portuguese EU presidency (7-8 May 2021). Flagged as a key moment for social Europe (Fernandes and Kerneis 2021), the endorsement of the Action Plan by the EU institutions, the European social partners and European civil society representatives gives strong political legitimacy to the proposed concrete actions.¹⁵ The Action Plan puts forward three EU-level headline targets in the areas of employment, skills and social protection to be achieved by 2030: (a) at least 78% of people aged 20 to 64 should be in employment; (b) at least 60% of adults should participate in training every year; and (c) the number of people at risk of poverty or social exclusion should be reduced by at least 15 million. These targets met with mixed responses from social partners, civil society representatives and scholars, and there was disagreement over the text of the final declaration of the Heads of State, with Hungary and Poland refusing to recognise ‘gender gaps’ as a general problem to be tackled, albeit admitting their existence regarding employment, pay and pensions (Enes 2021).

Despite this criticism, the Action Plan contains several ambitious initiatives (both legislative and non-legislative). It is supported by coordination instruments (e.g. the revised version of the Pillar Social Scoreboard) and is backed by significant financial resources, notably the RRF and the MFF (Fernandes and Kerneis 2021). The Plan singles out initiatives targeting non-standard workers (including seasonal workers) and the self-employed, in particular people working through platforms. The main policies addressing the situation of these groups focus on learning and upskilling as essential tools for success, especially with regard to the digital transition. In this context, the Action Plan also emphasises working conditions and social protection. Moreover, the Commission has pursued the idea of examining the scope of collective bargaining rights for the self-employed and the scope of application of EU competition law, which was the subject of a public consultation between March and May 2021. Guidelines on the

13. Lesbian, gay, bisexual, transgender, intersex and queer/questioning.

14. The Action Plan was set out in the political agenda of the new European Commission (von der Leyen 2019).

15. Some noticed the absence of Angela Merkel at the Porto Summit (also absent were the prime ministers of the Netherlands and Malta), possibly weakening the political impact of the initiative.

application of EU competition law to collective agreements regarding the working conditions of solo self-employed persons were published on 9 December 2021 (European Commission 2021g): these may have important implications for platform workers.

One of the key initiatives taken in 2021 in the slipstream of the Action Plan was the Council Recommendation on a European Child Guarantee (Council of the EU 2021b), which should make essential services (early childhood education and care, education, healthcare, nutrition and housing) free or affordable to children in need. In addition, the European Platform for Combatting Homelessness was launched by the European Commission and the Portuguese Presidency. It is underpinned by the Lisbon Declaration (European Union 2021b) in which the signatory parties commit to cooperating at European level on the issue of homelessness, and to make substantial progress towards ending homelessness by 2030. The European Commission will facilitate and partly finance the European cooperation. The Commission also launched the Affordable Housing Initiative, part of the single market ‘renovation wave’ initiative (European Commission 2020d). In a context of galloping energy and house prices (see Dauderstädt, this volume), the key issues to be addressed include the social dimension of the environmental transition, and affordable and sustainable housing.

3.2 European recovery: social players entering through the back door

The EU’s plan for recovery from the pandemic offered an opportunity for meaningful involvement of social affairs players. The chapter by Amy Verdun and Bart Vanhercke (this volume) – asking to what extent the new RRF set-up has changed the balance of power among key players – demonstrates that the outcomes are patchy.

Yet the starting point was quite promising: the RRF regulation European Parliament and Council of the EU (2021b) of February 2021 stipulates that proposed national reforms and investments in the RRP have to be related to the Country-specific Recommendations (CSRs) of the Semester, the strengthening of growth potential, job creation and economic, social and institutional resilience, as well as implementation of the European Pillar of Social Rights. Effective contributions to the green and digital transitions are also required: climate-related expenditure is to make up at least 37% of each RRP, digital initiatives 20%. No explicit ‘social’ targets were however included – although the European Commission would be mandated to develop a methodology for reporting social expenditure in the RRP (European Commission 2021h). The data on social expenditure under the facility will feed into the new ‘Recovery and Resilience Scoreboard’¹⁶ adopted in December 2021. Just as important, the final version of the RRF regulation was a big step forward, at least on paper, for stakeholder consultation – so far stipulated only in general terms in the Semester (European Parliament and Council of the EU 2011). As a result of the European Parliament’s first reading, the regulation adopted requires Member States not only to provide ‘a summary of the

16. The RRF Scoreboard gives an overview of how the implementation of the Recovery and Resilience Facility (RRF) and the national recovery and resilience plans is progressing.

consultation process' but also to report on 'how the input of the stakeholders is reflected in the recovery and resilience plan'. In addition to the social partners, the regulation extends the range of stakeholders to include local and regional authorities and civil society organisations (CSOs), including youth organisations (Vanhercke et al. 2021b).

In practice, however, social player involvement in the RRF has proved problematic, driven by the rationale of acting first and then consulting (see also Vanhercke and Verdun 2021, 2022). The reason for this is not hard to guess: as explained in Section 2, when the pandemic erupted in March 2020, the EU responded rapidly. By the summer of that year, the European Council had already agreed to a massive financial package, with final European Parliament following just a few weeks later. Policymakers were still in crisis mode in autumn, with many established Semester-related procedures such as Country Reports or CSRs altered or put on hold. In addition, within the Commission, decision-making was centralised in a Recovery and Resilience Task Force (RECOVER) in the Secretariat-General, in close cooperation with the Directorate General for Economic and Financial Affairs (DG ECFIN). The role of DG Employment, Social Affairs and Inclusion (EMPL), previously part of the Semester's 'core group', was significantly pruned. In the Council of the EU, the EPSCO formation had no say in the roll-out of the recovery, as was the case with its advisory bodies, the employment (EMCO) and social protection (SPC) committees.

Moreover, the usual consultation of a variety of social players was drastically reduced in 2020 and 2021. The social players, in turn, were very concerned that they might be sidelined for a longer period. While the social partners and CSOs were typically included in the initial stages of drafting the RRFs, this involvement was not sustained. Meetings discussed draft plans, sometimes shared in advance, but stakeholders generally received no feedback on how their contributions were factored into the final plan. At national level, ministers – premiers and ministers responsible for finance and cohesion – mainly steered RRF decision-making, in contrast to previous National Reform Programmes (NRPs) driven largely by officialdom. Given this different set-up, social partners and CSOs had to develop new national and EU networks – which took more time than was available.

The lack of detailed requirements for quality consultation on the RRFs, their extent, the time allotted and the transparency of the contributions by social players, combined with the change of national 'drivers', severely limited effective engagement, even in countries with established avenues for consultation under the Semester. With the RRF launched in a rapid response context, there was thus a serious risk of the EU's institutional social players losing the influence they had acquired over the years in Semester negotiations. DG EMPL, EPSCO and its advisory bodies, however, gradually clawed back their position as the immediacy of the crisis subsided. A longer-term focus emerged, the EU returned to previous Semester practices, and these players managed to regain a foot in the door. While officials engaged with the social partners on both sides of industry, it remains an open question whether this consultation was really meaningful. European CSOs, by contrast, were sidelined in the RRF process. And in most Member States, consultation with domestic stakeholders – both social partners and CSOs – remained insufficient (Vanhercke et al. 2021b). A recent study for Civil Society Europe et al. (2021) confirms

that a) social partners were more and better consulted in the preparation of the RRP than CSOs in the 11 Member States under examination; and b) most CSOs participating in consultations found them to be mostly a checkbox exercise rather than meaningful involvement, with little material supplied prior to meetings and with limited time available.

3.3 Digitalisation: moulded to benefit the climate and society – and not Big Tech?

The Digital Agenda is the second top priority of the von der Leyen (2019) European Commission: in her political guidelines and the Commission work programme for 2020 Ursula von der Leyen announced no less than 20 new legislative and non-legislative initiatives on ‘A Europe fit for the digital age’. These new initiatives complemented the 24 ongoing dossiers inherited from the Juncker administration (2014-2019). As demonstrated by Aída Ponce Del Castillo (this volume), the Covid-19 pandemic further highlighted the importance of digitalisation and spurred many developments in this area, with consequences for work and social policies, and therefore triggering responses from a variety of social stakeholders. Key recent regulatory legislative initiatives include the Data Governance Act,¹⁷ the Digital Services Act,¹⁸ the Digital Markets Act (DMA)¹⁹ and the European Data Strategy (EDS).

The European Commission’s view is that digitalisation will improve productivity and work efficiency, as well as create new opportunities for both the European economy and citizens. By contrast, the trade union movement, while in agreement with the importance of digitalisation, stresses the social risks, such as job losses and the polarisation of work and society, in particular in relation to the platform economy and the rise of an ‘underclass’ of gig workers. Ponce Del Castillo (this volume) regrets that the Digital Agenda was not designed with the intention of addressing labour issues, instead focusing on the market and not on the need to protect workers’ rights. She also criticises the lacking interconnection between the various digital legislative initiatives (e.g. the Digital Services Act package is not linked to the social partner consultation on platform work) and the lack of conversation between the social and digital agendas, with the latter seeing digitalisation as a way to build a digital infrastructure at the service of the economy, at best with a neutral impact on social Europe, at worst with increased digital-led inequalities, uncertainties and disruption to people’s work and wellbeing.

In her view, platform work, although strictly speaking it is just a technological conduit, has a major disruptive impact on society and the economy. It is developing rapidly, spurring challenges relating to employment status, working conditions, algorithmic

17. On which the European Parliament and Council reached provisional agreement on 30 November 2021..

18. Council agreed its general approach on the proposal in November 2021, Parliament is set to debate and vote on the European Parliament’s Committee on Internal Market and Consumer Protection (IMCO) report during the January 2022 plenary session.

19. Council agreed its general approach on 25 November 2021. The EP approved the IMCO report amending the Commission’s proposal in its December 2021 Plenary. Negotiations between the institutions are planned to start under the French presidency of the Council of the EU in the first half of 2022 (European Parliament 2021c).

management, access to social protection and benefits, and collective representation and bargaining. This led to the European Commission holding a two-phase consultation of European social partners on improving the working conditions of platform workers. A Resolution on fair working conditions, rights and social protection for platform workers was adopted by a very large majority in the European Parliament in September 2020, with the Commission proposing a legislative initiative in December 2021 (see Section 4).

A key issue raised by platform work is that of employment status. In the consultation preceding the newly proposed directive, contrasting views on how to tackle this issue were expressed by employers and trade union organisations. BusinessEurope's opinion was that an EU definition was not appropriate, as it could not respect the different models in the various Member States. In its opinion, a presumption of employment relationship would be an obstacle preventing the most vulnerable from entering the labour market. By contrast, the ETUC argued that there should be a presumption of employment, as platforms were not just intermediaries, but real companies and employers. Among the most important ETUC demands was for the reversal of the burden of proof: it should be the platforms' responsibility to prove that there is no employment relationship, not the worker's task to demonstrate there is one.

Complementing the Commission's digital initiatives, another important initiative concerning the social dimension of digitalisation is the European social partners framework agreement on digitalisation. This is the result of difficult negotiations between the European social partners, focusing on several work-related challenges linked to digitalisation, such as the need for specific training to acquire digital skills, modalities of connecting and disconnecting, artificial intelligence (AI), guaranteeing the human-in-control principle as well as respect of human dignity and surveillance. This framework agreement is set to trigger legislative proposals: the European Parliament (2021b) invited the Commission, by a very large majority, to recognise the right to disconnect as a fundamental right.

According to Ponce Del Castillo (this volume), to avoid further fragmentation and polarisation, the Commission should give more space to the necessary anticipation of social issues, the inclusion of different perspectives, the genuine participation of social partners, and public engagement as key ingredients of an accountable, inclusive, socially shaped and human-centred technology governance. The author calls attention to the role of 'new' movements and players in the digital area – other than the traditional trade unions and stakeholders – who have a say in the process and whose influence is sometimes greater than that of trade unions.

She argues that, in the future, four challenges situated at the intersection of the social and digital spheres will require further attention: a) access; b) algorithms; c) digital platforms as employers; and d) the agency of social players, in particular the social partners. To meet them, the next steps will be crucial: there will be opportunities to influence the ongoing legislative process, with the voices advocating a more social digital Europe needing to be raised.

4 Looking ahead: a reinvigorated EU Social Agenda for 2022?

The EU's renewed ambition in the social field in 2021 (Section 3) triggered the launch of several initiatives set to top the EU agenda in 2022, while new initiatives have been announced in the Commission's work programme for 2022 (European Commission 2021d). This section flags some of the key legislative proposals, an important social dialogue initiative and several goals to be implemented through EU 'soft governance'.

First, with both the European Parliament and European Council having adopted their positions on the proposed Directive on adequate minimum wages (see Section 3.1), negotiations are set to start in the new year under the French Council presidency (January-June 2022). Flagged as a top priority²⁰ and with the stern resistance from Scandinavian countries now overcome, an agreement between the EU institutions seems possible as early as spring 2022, despite continuing dissent from Denmark and Hungary. The adoption of this Directive would, again, demonstrate the paradigm shift which has taken place since the aftermath of the 2008 financial crisis: 'adequate minimum wages and strong collective bargaining are no longer viewed as impediments to 'flexibility' and 'competitiveness' but instead as preconditions of inclusive growth in Europe' (Müller and Schulten 2020). Even if the usual bargaining in the Council is likely to give birth to a rather general legal framework, the Commission's initiative is indeed a very important one: it has finally put the issue of minimum wages – and the debate on an EU framework for minimum incomes and in-work poverty in its slipstream (Aranguiz et al. 2020) – squarely on the European agenda.

Second, the Commission's proposed new legislation on platform work (see Section 3.3) will begin its (undoubtedly long and winding) journey through the EU institutions in 2022. The proposed directive addresses three main concerns: worker-status misclassification; fairness, transparency and accountability in algorithmic management; and enforcement of the applicable rules. One of the major purposes of the instrument, indicated in Article 1, is to 'improve the working conditions of persons performing platform work by ensuring correct determination of their employment status'. This would primarily stem from a rebuttable legal 'presumption of employment' status for platform workers, when a digital labour platform controls the performance of work (De Stefano and Aloisi 2021). With its proposal, the European Commission 'has adopted a bold posture, matching to an extent the expectations of the proposal and the positive atmosphere surrounding the European Pillar of Social Rights' (ibid.). It is of course too early to say whether the text will maintain its present level of ambition, but a broad consensus is emerging in policymaking and public opinion.

Third, the incoming French Council Presidency has flagged the directive on pay transparency as one of its priorities; on the Parliament's side, a negotiating position is expected to be agreed in February 2022. Following continued pressure from the Parliament to adopt the long overdue anti-discrimination ('equal treatment') Directive (Section 3.1), the dossier is among the priority proposals of the Commission's work

20. France will convene a special summit of the bloc's 27 country leaders on 10-11 March 2022 to define a new European growth model with 'one obsession: to create jobs and fight unemployment' (Reuters 2021).

programme for 2022 (European Commission 2021d). The Commission also plans to propose, one year later than scheduled,²¹ an initiative on preventing and combating gender-based violence, as well as a legislative initiative to strengthen the role and independence of equality bodies.

Fourth, with the phasing out of the Covid-19 emergency measures implemented during the crisis, there are increasing calls for tax justice (especially in view of the profits made by the online retail sector during the crisis: see Dauderstädt, this volume). The main element hampering initiatives in this area is the requirement for unanimity for decisions on tax legislation at European level. Nevertheless, there are positive signals set to impact the EU-level debate in this area, namely the historic agreement on global tax reform (all EU Member States, G20 and OECD members), setting a global minimum level of effective taxation (Pillar 2) and effecting a re-allocation of taxing rights (Pillar 1) (OECD/G20 2021).²² The Commission will propose legislation during 2022 to implement the OECD global agreement in Member States. The Commission will have the French Presidency as a strong ally, as taxing digital giants and fighting the practice of luring foreign businesses with low tax rates have been longstanding French demands (Politico 2021a).

As stated in the European Pillar of Social Rights Action Plan and confirmed in the Commission's work programme, a social dialogue initiative will be presented in 2022, consisting of a Communication (preceded by an extensive social partner consultation) to strengthen social dialogue at EU²³ and national level. In this context, the social partners also continued, throughout 2021, to explore how to potentially restructure existing committees and improve the relevance of EU sectoral social dialogue.²⁴ In the context of the newly adopted strategic framework on OSH (see Section 3.1), the Commission will present a proposal to improve the protection of workers from the risks related to exposure to asbestos at work in 2022. Making swift progress on the above-mentioned Digital Markets Act (measures to clamp down on market abuses) and Digital Services Act (online content rules) during the first half of 2022 is equally a priority for the Elysée: both are regarded as important for clawing back a sense of digital independence for Europe, as well as making online ecosystems safer and fairer (Politico 2021a). In addition to implementing the encompassing strategies and packages in the context of the EGD proposed in 2020 and 2021 (see Section 2.2), the Commission plans new initiatives on the circular economy and a 'Plastics package' in 2022.

Several soft governance initiatives can also be expected in 2022. First, the European Parliament and the Council of the EU (2021c) decided that 2022 will be the 'European

21. The Commission work programme 2021 (published October 2020) had announced a legal initiative on the matter.
22. Moreover, the EPSR Action Plan highlights that 'taxation should be shifted away from labour to other sources more supportive to employment and in line with climate and environmental objectives, while protecting revenue for adequate social protection' (European Commission 2021b: 18).
23. At the Tripartite Social Summit on 22 June 2020, the European social partners signed a framework agreement on digitalisation (ETUC et al. 2020). The agreement covers the need for investment in developing workers' skills and the right to disconnect.
24. It should be noted that the European Transport Workers Federation (ETF) and the Community of European Railways and Infrastructure Managers (CER) have signed an autonomous European social partner agreement on 'Women in Rail' on 5 November 2021 (CER and ETF 2021).

Year of Youth'. Young people have suffered badly from the various lockdowns and restrictions, as is particularly visible in the steep rise in youth unemployment in most Member States. The future of educated and skilled young people is at stake: they must be prepared for the digital transition accelerated by the pandemic. Alongside several initiatives on education, learning and upskilling, implementation of the reinforced Youth Guarantee (agreed by the Council in October 2020) is among the key priorities for 2022 (European Commission 2021d). Second, there is the proposal for a Council Recommendation on minimum income (following the Council Conclusions on the same topic from October 2020). Third, the announced new European care strategy sets a framework for policy reforms to guide the development of sustainable long-term care, which one could speculate to take the form of an Open Method of Coordination (OMC). And fourth, a proposal has been tabled to update the 2003 Recommendation on cancer screening – reflecting the latest available scientific evidence – as part of Europe's beating cancer plan (proposed on February 2021), a key pillar of the European Health Union. More generally, the new trio Presidency of the Council of the EU (January 2022–June 2023) – made up of the Presidencies of France, Czechia and Sweden – listed the implementation of the European Health Union package among the priorities of its 18-month programme (Council of the EU 2021c: 2, 18).

Moreover, the process of monitoring the 2019 Council Recommendation on access to social protection for workers and the self-employed (Council of the EU 2019) is to be finalised after the Commission will submit its final report to the Council in November 2022. The report will feed into the work of the High-Level Group (2021) on the future of social protection and of the welfare state in the EU (headed by former European Commissioner Anna Diamantopoulou), which started work in November 2021 and is expected to present a report by the end of 2022. It will also be important to follow the fate of certain disputed and blocked dossiers.

Conclusion

Thanks to the widely implemented anti-crisis measures, the short-term repercussions of the pandemic were less catastrophic than feared. The Covid-19 pandemic has indeed turned into an indisputable re-appraisal of the European welfare state, while accentuating weaknesses and gaps in social protection and inclusion schemes. While these outcomes are positive in the short term, there is a need for reflection and preparation for coming years; special attention should be paid to the poorer layers of society likely to suffer more from the long-term effects of the pandemic (e.g. in terms of employability and income), as they are most exposed to health risks and gaps in education. In this context, Dauderstädt (this volume) asserts that, in the future, EU and Member State policies should place greatest emphasis on tackling inequalities and supporting the losers of the pandemic by: a) promoting green growth and employment in the Southern periphery; b) targeting vulnerable groups in order to alleviate the negative effects of lockdowns on, in particular, the children of poor and migrant families; and c) not rushing to consolidate budgets, but trying instead to strike a balance through fair fiscal policies.

This book has demonstrated the EU's ambitions in driving EU recovery. While EU social policymaking took a blow in 2020, the following year was guided by the re-emerging social aspirations of the von der Leyen European Commission, in line with the promises made when she took office in December 2019. This has in turn paved the way for an ambitious EU social agenda for 2022: hopes are high for the incoming French Presidency, also as regards a recent initiative by two Member States – Belgium and Spain (2021) – which have proposed (through a 'non-paper' that was circulated ahead of the Porto Social Summit in May 2021) an alert mechanism in the event of social imbalance in the context of the European Semester. Following an initial exchange between ministers about the idea during the EPSCO Council meeting of 15 October 2021, informal exchanges took place throughout the autumn in the Brussels bubble over the feasibility, scope and aims of the proposal (Sabato and Vanhercke, forthcoming). Following explicit support from European Commissioner for Jobs and Social Rights Nicolas Schmit, further discussions concerning a future 'Social Imbalances Procedure' (SIP), based on TFEU Article 148, are set to take place under the French Presidency which is expected to provide the EPSCO Committees with a formal mandate to start working as early as January 2022 (ibid.).

Many observers wonder whether the French Presidency will equally revamp one significant legislative initiative which has gone missing from the Commission's political agenda: the idea of a permanent European funding scheme for the unemployed. Indeed, in its work programme for 2020 the new Commission announced its intention to put forward a proposal for a 'European Unemployment Reinsurance Scheme' in the fourth quarter of 2020. The institutions have, however, remained silent on the topic since Executive Vice President Valdis Dombrovski raised the idea again in March 2020. Even so, the second Commission report of September 2021 on the implementation of SURE found that the instrument supported approximately 31 million people in 2020 (22.5 million employees and 8.5 million self-employed), or more than one quarter of the total number of people employed in the 19 beneficiary Member States. Initial evidence indeed suggests that the instrument is a success, seemingly justifying its transformation into a permanent mechanism (see Corti and Alcidi this volume). A future evaluation of the SURE mechanism could perhaps spur the debate around the idea of a genuine European Unemployment Benefit Scheme (EUBS), for which SURE could prove to be the lynchpin.

Perhaps the Conference on the Future of Europe, launched in May 2021 in Strasbourg, can provide renewed impetus to this important further step in European integration. One can only hope that the Conference will also provide a boost to implementing the EU's green ambitions: considerably more efforts will be needed to make the 'man on the moon moment' happen. By the spring of 2022 we will know whether the Conference was just another discussion forum (citizen discussions started in September 2021), or whether it will actually lead to legislation or perhaps even treaty changes.

But that is another story, to be told in a next edition of the *Bilan social*.

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