

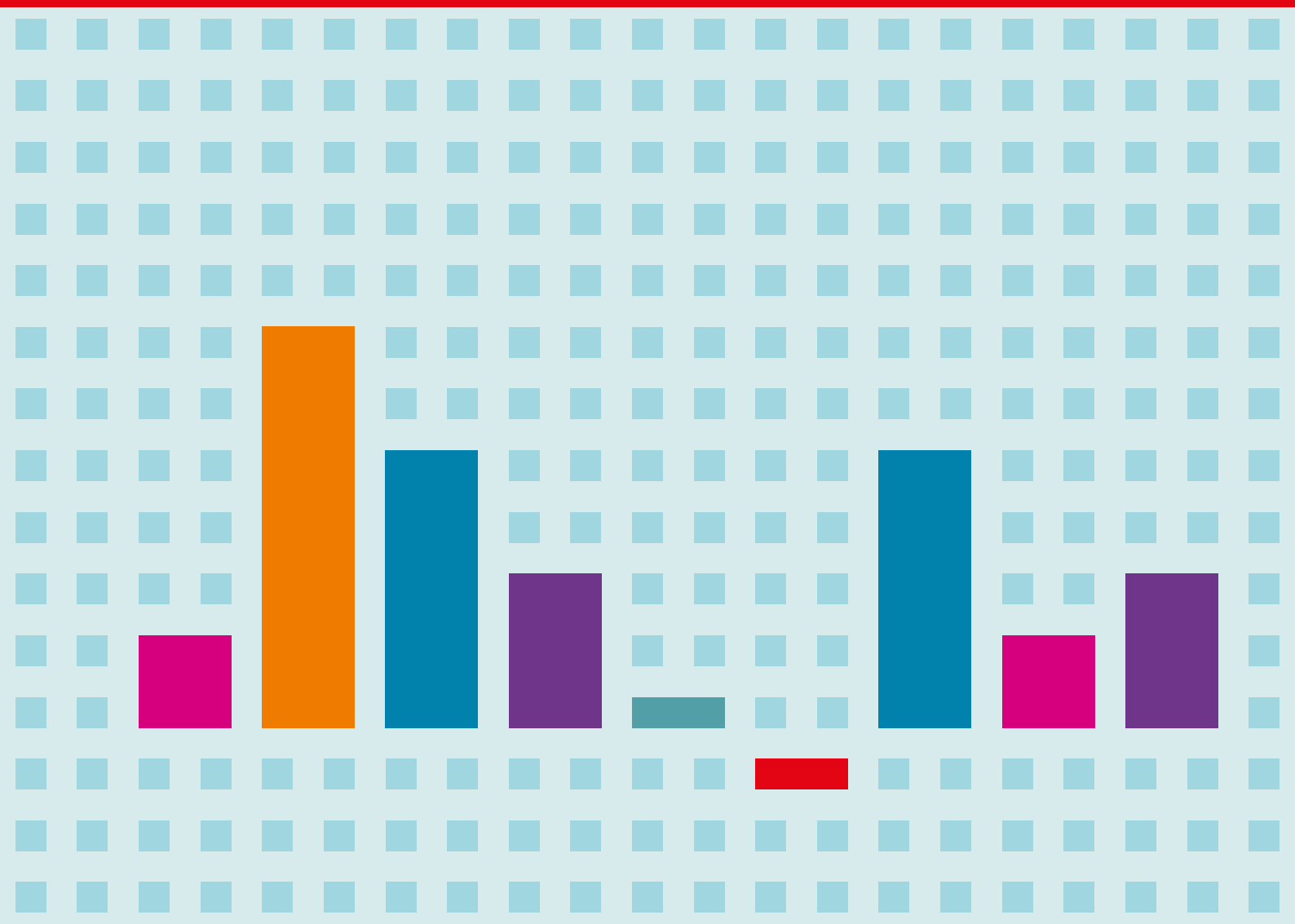
# POLICY BRIEF

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# THE GERMAN PRESIDENCY OF THE COUNCIL AND THE EU SOCIAL DIMENSION

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## **The German presidency of the Council and the EU social dimension**

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On the 1st of July, Germany will take over the rotating presidency of the Council of the European Union. Normally, holding the chair of the council is not something that is considered to be a power position, especially since the Prime Minister of the given country is not chairing the European Council, which has been headed by an elected President since the entry in force of the Lisbon Treaty. However, Germany is taking over the presidency at a critical time which, even without the COVID-19 crisis, would have been a decisive juncture. The COVID-19 crisis and its aftermath allows the German government to play an extraordinary role in shaping the future of the EU, and within that, its social dimension.

In this policy brief, we first outline the German approach to „Social Europe” in a historical perspective, and present an overview of the evolution of the EU social dimension itself. This will be followed by a discussion of the key items on the social agenda during the forthcoming German presidency. A schedule of planned Presidency meetings is given in an annex.

### **Germany and the social dimension of the EU**

Germany is a founding member of the EU that has been wedded to the idea of a social market economy, and also its practice. Strong and institutionalised social dialogue at all levels, together with the „Bismarckian” welfare state, have been the main features of a post-war model, which suffered a major shock during the German unification of the 1990s, but was restored subsequently, and in certain areas has further developed. While strong industrial relations helped to develop good working conditions in most sectors, social dialogue has also been used to moderate wages. Reforms under Chancellor Schröder, against the background of high unemployment, reduced the generosity of the welfare state and opened up a low-wage sector in which the traditional industrial relations structures increasingly lost their grip on conditions of employment. Social policy innovation in the recent decade, in which the labour market situation has been highly favourable relative to the recent past and neighbouring countries, concentrated on measures for work-life balance and gender equality, as well as the introduction of the statutory minimum wage.

In the EU context, Germany has been playing a significant role in creating the Single Market with a social dimension, and exporting the ostensibly successful elements of the German model. Against the background of weak demographic dynamics and labour shortages in various sectors, German governments have actively supported the deepening of a genuine European labour market, and the

measures that help improving its functioning. In particular, Germany played a strong role in the creation of a network of Public Employment Services within the EU when Ursula von der Leyen was labour minister. During the euro area crisis, Germany was also keen to share the know-how of dual vocational training, through European and bilateral channels.

On the other hand, Germany has not been keen to develop the social dimension of European Monetary Union. It remained lukewarm when the European Commission first promoted the need to deal with social divergence in the euro area, and German social partners even expressed a joint opinion against unemployment insurance being partially europeanised in 2014. Expectations<sup>1</sup> remained low also in the subsequent years, and it remained doubtful whether Germany would be keen to promote any significant initiative for Social Europe, apart from supporting the revision of the Posted Workers Directive to combat social dumping in this way.

Regarding the political framing, a similarity between the 2020 German presidency and the earlier one (in 2007) is that in both cases Germany is governed by a Grand Coalition of the centre-right and the centre-left, where the head of the government is a CDU politician (in both cases Angela Merkel), while the employment and social affairs portfolio is held by the Social Democrats (in 2007: Franz Müntefering, in 2020: Hubertus Heil). In 2007, the German presidency's social agenda was seen as vague regarding the questions raised by trade unions and social NGOs (Lücking 2007). The German government was playing a balancing, rather than leading role on issues that were subject of polarised debates between more and less ambitious member states.

## **An agenda confirmed or derailed by COVID-19?**

The preparations for an EU presidency take several years and so German priorities for the second half of 2020 had to be developed well before the actual start. In a larger basket of policy issues, social questions did not seem to be prominent with attention focused on issues like EU-China relations. It was also assumed that Germany would have a deal-making role to play on the Multiannual Financial Framework (MFF), should earlier attempts fail to deliver the EU's seven year budget. And in the event the preceding presidency, that of Croatia, did not succeed with too many dossiers, partly because half way through it became engulfed by the coronavirus pandemic and its consequences. (It is also true that from smaller and newer member states holding the presidency, the community expects less, and Croatia is a smaller as well as a newer member state.)

Within the social agenda, the German government originally concentrated its preparations on a few, rather surgical interventions, like launching a debate on minimum income, and developing an initiative on global supply chains to ensure that, in a reformed globalisation, the downward pressure on labour conditions would not be such a dominant trend. This limited approach is probably unsustainable after the onset of the COVID-19 pandemic, which first caused a health emergency, and

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<sup>1</sup> About low expectations vis a vis the German presidency in the social domain, see Hadeed (2020): „Assuming no major political shake-up in Germany and a continuation of the Grand Coalition under Angela Merkel leading Germany into its Council presidency in 2020, no great leaps for the vision of a credible social dimension of the Eurozone can be expected. (...) In the absence of domestic incentives – and considering the many political and legal constraints the government faces – the chances for German enthusiasm for legislative initiatives towards a social Union seem dim.”

then a sharp economic recession in Europe (and much of the world economy). Limiting the social fallout from the COVID-19 recession and ensuring that the following reconstruction leads to a European Union with a stronger social dimension is clearly now the key challenge, and the German presidency will need to contribute to developing appropriate responses.

## **A von der Leyen effect**

From the point of view of EU-Germany relations, it is of major significance that in 2019 the European Council nominated a German politician to lead the European Commission. Besides, it has been important for Social Europe that this German politician, Ursula von der Leyen, used to be minister for employment and social affairs (even if more recently she was in charge of the defence portfolio).

The election of von der Leyen raised expectations regarding the social agenda, not least because her appointment required support from the Social Democratic and Progressive parties. It was therefore somewhat ironic that a European Commission headed by a former Social Affairs minister was almost inaugurated without the word social appearing in the title of either commissioner. Originally, von der Leyen only wanted „Jobs“ to appear in the title which previously had both Employment and Social Affairs in it, supplemented either by Equal Opportunity, or Inclusion, or Skills and Labour Mobility. Not having social anywhere in titles would have been a great shame, especially at a time when the progressive family is represented in the Commission with the highest share for about two decades. On the top of that, various civil society organisations and other stakeholders are just now looking for ways to turn the so-called European Pillar of Social Rights (EPSR), a collection of 20 non-binding principles, into a sustainable reality.

After Juncker talked the talk, von der Leyen is expected to walk the walk.

## **Juncker's legacy: the European Pillar of Social Rights**

The EPSR took inspiration from the 1989<sup>2</sup> Community Charter of the Fundamental Social Rights of Workers, but went beyond it in width if not in depth. Under the initiative of Juncker, and the stewardship of Allan Larsson, former Director General for Employment and Social Affairs of the European Commission, the EPSR was developed as a collection of 20 non-binding principles. It was approved by heads of state and government at the very informal Gothenburg summit, in which Chancellor Angela Merkel did not participate due to her efforts to bring together the so-called Jamaica coalition, which eventually failed.

The EPSR is about delivering new and more effective rights for citizens. It has 3 main chapters:

- Equal opportunities and access to the labour market
- Fair working conditions
- Social protection and inclusion

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<sup>2</sup> Back in 1989 Jean-Claude Juncker was a 35 year old minister for work and employment in Luxembourg.

Delivering on the principles and rights defined under the EPSR was considered to be a joint responsibility of the EU institutions, member states, social partners and other stakeholders. The European institutions would need to help set the framework and give direction on the implementation of the Pillar, through legislation where needed, in full respect of member states' competences and taking into account the diversity of their situations.

While the EPSR stands out as a key achievement of the social agenda under the Juncker Commission, this period after the worst of the Euro crisis was over created a temptation for the Commission to push back employment policy to its comfort zone: supply-side labour market policy and management of cross-border mobility<sup>3</sup>. In these categories, and especially in the second, a real breakthrough was achieved by the revision of the Posted Workers Directive (2018), closing a long period of bitter struggles and East—West polarisation around the question of social dumping.

Those wondering how the EPSR would be turned into reality have had to watch 20 different tracks, since the capacity of the EU to deliver on so diverse issues as minimum wages, homelessness and health and safety is uneven, and does not facilitate simultaneous progress. Most likely, the COVID-19 crisis will require some kind of prioritisation, for example for minimum income guarantees, and active support for employment. However, the German presidency could play a constructive role by advocating a regular, medium-term exercise to take stock of all 20 principles; this would help avoid the risk that COVID-19 (or any other emergency) would be used to dilute the EPSR and deselect important issues. Quite the contrary, the EPSR could be given ex post justification by the COVID-19 crisis, especially for including health care, gender equality, and unemployment benefits. There are important initiatives already in a preparatory phase, including on support for children (“child guarantee”), and those should be encouraged rather than decelerated. With obligations like dealing with Brexit and the MFF, the German presidency may not be able to complete much on those dossiers, but at least should pave the way to the presidency of Portugal to move ahead.

## European Labour Authority (ELA)

The ELA is a very important part of the Juncker (and Thyssen, social affairs commissioner) legacy. Seemingly, the idea of the ELA came out of the blue in 2017, when there was no great expectation that the Commission would embark on institutional innovation. On the other hand, the establishment of the ELA can also be seen as a logical outcome of a process in previous years when the Commission was accompanying the increasing volume of labour mobility with a growing number of initiatives to improve the quality of cross-border employment. Over 17.5 million Europeans now live or work in a Member State other than that of their nationality. This figure has almost doubled compared to a decade ago, and Germany, as a country of large-scale inward labour mobility, is a major stakeholder in this field.

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<sup>3</sup> This change was reflected by the title of Commissioner Marianne Thyssen: Employment, Social Affairs, Skills and Labour Mobility (as opposed to the previous title that included Inclusion and the subsequent one that included Social Rights).

Following its official inauguration and launch on 16 October 2019, the European Labour Authority has started its activities. The Work Programme 2020 foresees a number of operational and preparatory actions spanning across the full range of the Authority's seven tasks<sup>4</sup>, including the transfer of the European Platform tackling undeclared work and the EURES network to its responsibility. The two tasks of "*Facilitating access to information on labour mobility*" and "*Coordination and support of concerted and joint inspections*" represent priorities of action for the Authority.

The German presidency can and should boost the capacity of ELA in the light of labour market anomalies during the COVID-19 crisis. This particularly applies to the forced labour market renationalisation in the period of the coronavirus outbreak (March-April 2020), and the subsequent efforts to return seasonal workers and other essential employees to their work places outside their country, but often without the necessary provisions regarding occupational safety and health. Rebuilding confidence in the European labour market in a post-COVID-19 period and protecting the rights of cross-border employees is going to be a major task for the German presidency.

## **Global supply chains – Global responsibility**

As a country with strong global trade orientation, Germany has been playing an active role in the development of a social dimension of the international economy, using fora like the International Labour Organisation, the OECD, and, since 2009, the G20. Given the crisis of globalisation, and the accompanying critique of neoliberal trade and finance, the German government has included related issues in the program of the 2020 Council presidency as well.

Preparing for the presidency, the German government considers global trade as one of the biggest issues of economic policy, where the European Union holds great responsibility to prevent human rights abuses in global supply chains<sup>5</sup>. At the same time, the COVID-19 pandemic reveals the vulnerability and instability of global supply chains. We face unilateral dependencies with regard to essential goods, a lack of occupational health and safety as well as a lack of cooperation of suppliers in the so-called developing or emerging economies.

Germany is therefore preparing to promote an EU Action Plan on human rights and decent work in global supply chains. This would help develop a legally binding EU due diligence standard, set EU quality criteria, and combat child and forced labour. Very importantly, this would involve promotion of EU-wide sector dialogues, and strengthen access to remedy. The presidency would facilitate Council conclusions (i.e. no hard legislation) in this field.

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<sup>4</sup> The 7 tasks of the ELA are: 1. Information and the coordination of EURES, 2. Cooperation and exchange of information between Member States, 3. Concerted and joint inspections, 4. Analyses and risk assessment, 5. Capacity Building, 6. Support cooperation in tackling undeclared work, 7. Mediation between Member States.

<sup>5</sup> The European Parliament rapporteur on this issue is Delara Burkhardt, German SPD MEP.

## New work – Human-centric work

A kind of intellectual cornerstone for the German presidency<sup>6</sup> is provided by the emphasis on human-centric work. This is in particular a timely approach in light of recent debates about the effects of the gig economy on labour, and also the consequences of the COVID-19 crisis on working conditions.

Presidency materials highlight the need for shaping the future of work with re- and upskilling, regulation of artificial intelligence at the workplace and fair working conditions for platform workers. They recognise that Europe's labour markets are facing structural transformations due to digitalisation and new technologies, and the COVID-19 pandemic is accelerating this change. They insist that technological progress must go hand in hand with social progress.

The presidency approach in a way goes „back to the basics“ of the EU Employment Strategy, by stressing that re- and up-skilling is the central response to the ongoing digital transformation, a crucial strategy in order to secure and strengthen employability, especially in labour markets affected by the COVID-19 pandemic – which is basically confirmation of a supply-side approach to full employment. Fostering exchange with European partners on their national skills policies and programmes is supposed to be the key action.

The German presidency aims at promoting responsible and human-centred development of artificial intelligence to guarantee its safe and trustworthy use at the work place. This requires contributions to the development of a European regulatory framework for trustworthy artificial intelligence, which is not purely, but partly a matter of social policy. Several Commission initiatives are anticipated on this matter during the 4th quarter of 2020.

Finally, fair working conditions for platform workers remain a major concern. In the face of transnational business models, a European regulatory framework for platform work is needed, in addition to national regulations. Focus on transparency, level playing field, social security and fair working conditions for solo self-employed are the key aspects. No Commission initiatives on these matters are expected during the German presidency, but the presidency can use its influence to promote the debate and pave the way to higher ambition for the trio partners (i.e. the following presidencies of Portugal and Slovenia).

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<sup>6</sup> In this section, and in subsequent references the source on elements of German presidency social agenda is: *Germany's Presidency of the Council of the European Union (power point presentation by BMAS, the German labour ministry)*.

## **The MFF: financing the European recovery**

Unexpectedly, due to the COVID-19 crisis, the EU and the German presidency were confronted with another important and urgent task, which is to reinvent the budget of the European Union, and also to redevelop its social dimension. This is not without precedents, but this is the area where the COVID-19 crisis triggered the most profound paradigm shift, which also can be considered a Copernican revolution in EU public finance, with implications for the toolkit of EU level employment and social policy.

The budget (MMF) that is waiting for the German presidency is one that was put forward by Ursula von der Leyen in May 2020, despite the fact that only 3 months earlier, in February, the European Council was trying to approve a very different one, originally designed by Jean-Claude Juncker and his German budget Commissioner Günther Oettinger. For the kick-off of the process the latter invited the then Foreign Minister and Vice-Chancellor of Germany, Sigmar Gabriel, who in 2018 January gave a highly optimistic speech about the possibility of creating a more ambitious MFF. However, the following period was overshadowed by the consequences of Brexit, and the resistance of various groups of countries to changing the EU budget either in qualitative or quantitative terms.

How to finance the EU and the recovery became one of the most critical questions in spring 2020, during the so-called coronavirus crisis. Though Europe again appeared divided on the question of solidarity, the debate has moved to a new dimension, reflected by several striking features of the May MFF proposal: an 80 % increase of the overall fiscal capacity of the EU, the introduction of counter-cyclical stabilisation function, and the possibility of financing transfers from jointly issued debt. In May 2020, one week before the Commission's MFF proposal, Angela Merkel publicly aligned herself on Emmanuel Macron's position on economic governance, which had not received adequate response from Germany for years. Ironically, the controversial decision of the German Constitutional Court on ECB competences contributed to the shift of the position in Berlin, by setting limits to ECB action, and ensuring that fiscal policy swings into action to avoid the risks of over-reliance on the ECB. Though a lot of steps still have to be taken to ensure the implementation and effectiveness of the new Recovery instrument, May 2020 saw a mood change which, if sustained, can turn out to be a game changer not only for the short-term economic recovery but also the longer-term reconstruction of the EU.

## **The social compartment of the MFF**

The German government position has gone through an evolution regarding the EU budget. In this field the approach today is markedly different than in the previous crisis. In 2012-3, when the current (2014-20) MFF was negotiated, Germany was part of the „frugal four“, together with the UK, the Netherlands and Sweden. They wanted to ensure that the EU budget is reduced, as opposed to the proposal of the European Commission to moderately increase the ceiling. This approach was not particularly biased against the social compartment of the budget, but for example Germany was for a long time against continuing the instrument called „Food for the Most Deprived“ (subsequently turned into „European



Fund to Aid the Most Deprived”), and also wanted to abolish the Globalisation Adjustment Fund, a very small, but unique anti-shock instrument in the EU budget.

A key question for the new MFF is the future of the European Social Fund (ESF), which was designated for boosting by Jean-Claude Juncker and consequently renamed as ESF+. Table 1 indicates how the ESF has been developed in the last two MFF proposals.

**Table 1: Juncker’s social budget proposals as compared to Barroso**

<i>Issue</i>	<i>Change from Barroso to Juncker</i>	<i>Status</i>
<b>Definition of size</b>	<b>23.1 % in Cohesion Policy → absolute sum (101.2 md)</b>	<b>Confirmed</b>
Content coordination	<b>Europe 2020 / European Semester → EPSR / European Semester</b>	<i>Confirmed</i>
Social integration	<b>minimum 20 % within ESF → 25 % (universal)</b>	<i>Confirmed</i>
Youth	<b>YEI (3+3 bn) → ring fencing 10 % (not universal)</b>	<i>Confirmed</i>
Combined instruments	<b>Microcredit, social impact bonds → „social impact financing”</b>	<i>Extended</i>
Simplification	<b>Simplified cost accounting, lump sums → fusion of funds</b>	<i>Extended</i>

Source: own elaboration

Altogether, the proposals of Juncker and Thyssen regarding the social compartment of the MFF represent a smart consolidation, bringing improvements while reducing the visibility of specific tools targeted at youth employment and poverty reduction. This approach may not be as consensual after the COVID-19 crisis, given the need to reinforce various types of targeted interventions, including the Youth Guarantee. In any case, the aim should be not only that the originally proposed ESF+ is invested through an effective and transparent mechanism, with the active involvement of stakeholders, but also that the revamped and enhanced MFF, as proposed by von der Leyen, would strongly focus on the social impact too.

## **Minimum wage – minimum income**

The current debate on wages and minimum wage coordination by the EU would not have been possible just a few years ago. The EU only started to advocate national minimum wages in the 2012 April Employment Package, which was followed by the first tripartite exchange of views on wage setting (1 February 2013). Somewhat later, in 2015, and to some extent thanks to encouragement by the EU, the largest EU member state, Germany introduced a statutory minimum wage, following the return of the Social Democrats (SPD) into the Grand Coalition led by Angela Merkel.

The search for an adequate EU role on incomes is linked to the effort to reform the economic governance mechanisms, but also the need to make the EPSR real. The debate has been moving relatively fast, maybe because it became so obvious in the aftermath of the recent economic crisis that is a crucial component of a viable European Union that can meet the expectations of the citizens and reinforce the European Social Model. Following ambitious announcements by the von der Leyen Commission, and its Jobs and Social Affairs Commissioner Nicolas Schmit, the debate developed very fast, just moderately affected by the COVID-19 crisis. A second-stage social partner consultation was launched on the 3rd of June, and a proposal is expected later this year.

The German presidency is preparing for Council Conclusions that will endorse minimum standards on EU-level for national minimum wages. The idea is not to define a uniform level of minimum wages in all EU countries, but to make setting minimum wages transparent and predictable and ensure involvement of social partners. A general requirement is that the institution of the minimum wage should contribute to a decent standard of living for all workers in the EU

The German presidency ambition, on the other hand, goes beyond the question of minimum wages, and stretches to minimum income schemes. More precisely, Germany would like to see minimum standards on EU-level for minimum income protection schemes, in order to protect people from poverty and social exclusion everywhere in the EU, and to facilitate labour market inclusion and serve as economic stabiliser in times of crisis. In the current circumstances, the importance of minimum income schemes is also highlighted by the need to combat the socio-economic consequences of the COVID-19 pandemic.

## **SURE: the anti-crisis weapon**

As a response to the COVID-19 crisis, the Commission led by Ursula von der Leyen very quickly rolled out a new instrument called SURE (Support to mitigate Unemployment Risks in an Emergency). It aims to make available financial support, in the form of loans granted on favourable terms, to Member States that need to mobilise significant resources to alleviate the socio-economic impact of the pandemic through short-time work (STW) schemes or similar measures. Total loans could amount to up to €100 billion. The legal basis proposed by the Commission is Article 122(1) and (2) of the Treaty on the Functioning of the European Union (TFEU)<sup>7</sup>.

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<sup>7</sup> See D'Alfonso (2020).

If a Member State experiences a sudden severe increase in actual and planned public expenditure for the preservation of employment because of its response to the COVID-19 pandemic, it can request financial assistance under the SURE instrument to cover part of this additional expenditure. Relevant expenditure concerns the extension or creation of STW schemes or similar measures designed to protect workers from the risk of unemployment and loss of income.

SURE does not only bring a new budgetary tool to the EU but also a new way of raising and providing resources. It does not require any upfront cash contributions from Member States. To back the lending scheme, Member States would commit irrevocable and callable guarantees worth €25 billion to the EU budget, with each guarantee calculated on the basis of their respective share of EU gross national income (GNI). Such a system should ensure a high credit rating, enabling the European Commission to borrow on the financial markets at favourable conditions, with the purpose of on-lending them to the Member State requesting financial assistance.

SURE as a proposal appeared very quickly after the outbreak of the pandemic, while its practical inauguration has to happen under the German presidency in the second half of 2020.

## **From SURE to unemployment reinsurance**

Following her nomination as EU Commission President, Ursula von der Leyen announced that during her mandate she would introduce an unemployment re-insurance scheme. This promise was included in the mission letter of two EU Commissioners: Paolo Gentiloni (Economy) and Nicolas Schmit (Jobs and Social Rights). However, SURE is not an unemployment insurance or re-insurance, but a job insurance scheme (Fernandes and Vandenbroucke, 2020). It is a safety net to maintain jobs, but not for the unemployed. The distinction is meaningful. In any existing unemployment insurance scheme, cash (and not a loan) is received by the unemployed individual. Neither element will apply here. Nevertheless, to the extent SURE helps temper the rise in the number of actual unemployed, the national unemployment benefit schemes will cope better.

Since the euro area crisis, discussions on fiscal union (or fiscal capacity) systematically pointed to the need for automatic stabilisers, and the discussion typically revolved around two competing models: basic common unemployment insurance, which would be created by a partial pooling of national systems, and a so-called reinsurance mechanism, also known as a rainy day model. Recently, only the re-insurance<sup>8</sup> model has appeared in the considerations. Designing reinsurance seems easier than partial pooling. In this case, the national fiscal capacity for dealing with cyclical unemployment would be supported, but transfers would only be triggered by major crises. Such a scheme would make a stronger and more visible impact at times of crisis, while lacking a role during more modest fluctuations. The risk of this model lies in setting the trigger too high (in terms of how fast unemployment would need to rise above „standard” levels), and thus making the mechanism less effective than it could otherwise be.

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<sup>8</sup> Since June 2018, German finance minister Olaf Scholz has been supporting euro area unemployment reinsurance, based on loans (and not grants).

While from the perspective of a fiscal union less significant than mutualisation of public debts, either genuine insurance or re-insurance would deliver three types of stabilization. First, they would shift demand and purchasing power to countries and regions which otherwise would need to implement fiscal 'adjustment' and internal devaluation. Second, social stabilization would be enacted as well, by directing the flow of funds towards more vulnerable groups, and helping to tame the rise of poverty among the working age population (which has been a major trend in recent years in Europe). The third type is institutional stabilization. EMU is based on rules but the application of these rules has been the subject of academic as well as political debates. While some experts simply recommend ignoring the rules and giving up on them entirely, it is more likely that a *modus vivendi* could be found through the creation of stabilization tools that would allow the reconciliation of uniform fiscal rules with the need to maintain national welfare safety nets and social investment capacities.

A Commission proposal on this matter, initially foreseen for late 2020, may shift to 2021; the German presidency will, though, play a crucial role in developing the arguments and the framework for an unemployment reinsurance initiative.

## Conference on the Future of Europe

As discussed above, the German presidency originally prepared for various small debates, but it will likely face a large one as well. The idea of a Conference on the Future of Europe was developed at the time of the 2019 European Parliament elections, and the subsequent establishment of the Commission and the election of various leaders. European liberals were seen as main promoters of the Conference, also confirmed by the designation of Guy Verhofstadt (former Belgian Prime Minister) to chair it.

According to the original time table, it would have been launched on Europe Day, but due to the COVID-19 crisis, it also suffered delays. Selle (2020) is critical about the omission<sup>9</sup> of the Conference from the German presidency planning, while it should see it as an opportunity to influence the content and the process as well. It is indeed critical to ensure that the Conference pays due attention to the social dimension, and more precisely the responsibility of the EU institutions to preserve and further develop the European Social Model. When von der Leyen took office and established her Commission, it became a great controversy that she wanted to establish a portfolio for protecting the European way of life etc. Eventually, it became one to promote the European way of life. Though the issue became slightly less controversial this way, the concern remained that von der Leyen is focusing on the wrong types of assurances towards the European citizens, and the Conference on the Future of Europe can help by refocusing on real social solidarity and cohesion.

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<sup>9</sup> „Regrettably, no word on the conference is mentioned in the first draft of the priorities of the German EU presidency. Here it would be important for the German government to change course and anchor a look into Europe's future in the presidency's programme. Europe cannot be rebuilt solely via new funds and aid packages. Broad dialogue close to the citizens is needed for a new start in a crisis-resilient Europe!“ (Selle 2020)

## Conclusions

For the upcoming Council presidency, German originally did not intend to come forward with a particularly robust social agenda. However, the coronavirus crisis is having a noticeable effect, at least as concerns the expectations regarding the need to deal with the economic and the social consequences of the pandemic simultaneously. Since the von der Leyen Commission has already put forward ambitious new initiatives, there is no real need for inventing proposals, while keeping the existing ones on track is important.

The German presidency can oversee critical decisions on some of these, and promote the debate on others and prepare the ground for decisions under the subsequent Portuguese and Slovenian presidencies. Very importantly, new regulations on the ESF and related instruments have to be launched under the German presidency, and the process has to be fast since the new MFF period begins immediately after this term.

A crisis often means that members of the group pull together and set aside cleavages. This looks like a major trend today in the EU, but the group is still large enough to sustain significant policy divergence as well, including in the field of social policy. The formal and informal power of Germany can turn out to be decisive during this presidency on Social Europe but also in more general terms. Irrespective of the domestic political situation in Germany, its presidency can be a decisive one for the EU, including for the further development of its social dimension.

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## ANNEX

### Informal council meetings, high-level conferences & other presidency events

Informal council meetings, high-level conferences

<i>Date</i>	<i>Event</i>
<i>17 July</i>	<i>Informal videoconference of the Ministers for Employment and Social Policy</i>
<i>16 September</i>	<i>High level Conference “Our Social Europe – Strong Together”</i>
<i>6/7 October</i>	<i>High level Conference “Global Supply Chains – Global Responsibility”</i>
<i>2 November</i>	<i>Informal meeting of the Council of Ministers for Labour and Social Policy</i>
<i>3 November</i>	<i>Conference “New Work – Human-centric Work”</i>

List of other presidency events

<i>Date</i>	<i>Event</i>
<i>14/15 September</i>	<i>Social Protection Committee (SPC) meeting hosted by the presidency</i>
<i>17/18 September</i>	<i>Employment Committee (EMCO) meeting hosted by the presidency</i>
<i>21/22 October</i>	<i>Senior Labour Inspectors Committee (SLIC): Plenary and Thematic Day of the EU</i>
<i>9/10 November</i>	<i>Occupational Health and Safety: EU-Conference “STOP Cancer at Work”</i>
<i>25/27 November</i>	<i>Mutual Information System on Social Protection (MISSOC) Network Meeting</i>
<i>7/8 December</i>	<i>European Network of Public Employment Services (PES) Board Meeting</i>

Source: BMAS (German labour ministry)

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