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Competitiveness kills the EU's social protection star

Introduction

In the contemporary era, as the European Union strives to define its position in an ever-changing global landscape, it is clear that social issues are not a key focus of the EU's policy agenda. This was evident during the campaign for the European Parliament elections in June 2024. The war in Ukraine, Russia's imperialist ambitions, the erratic leadership of Donald Trump's second term, and the looming collapse of the global trade and security order have collectively diverted attention away from pressing matters such as employment, poverty, and social cohesion.

From 2014 to 2024, the European social dimension played a leading role in the political arena in Brussels and Strasbourg. This followed another decade, from 2004 to 2014, during which social issues were first subordinated to economic coordination efforts and then completely disappeared amid the austerity measures adopted in response to the economic crisis. Former Commission president Jean-Claude Juncker summed this up in 2014 when, in his speech to the European Parliament, he demanded: "What I want is for Europe to have a social

triple-A rating – that is just as important as an economic and financial triple-A rating" (Juncker, 2014).

The European Pillar of Social Rights (EPSR), proclaimed in 2017, was the key instrument for implementing a wide range of social policies within the EU. Among other things, the EU adopted a revised posted workers directive, established a European Labour Authority, created a social climate fund, devised a Support Instrument to mitigate Unemployment Risks in an Emergency (SURE), and concluded an EPSR Action Plan. There was also an important focus on social aspects in the NextGenerationEU 750 bn. Euro crisis support instrument in the COVID-19 pandemic, and a directive was introduced to improve working conditions in platform work and another one to ensure adequate minimum wages.

What are the plans for the next legislative period regarding social affairs? In the following, we will examine the proposals for a Social Europe set out in some of the EU institutions' main statements and publications. We will then take a look at the social situation in the European Union as reported in the European Semester and the new Social Convergence Framework.

Social Europe in the guidelines

On 27 June 2024, the European Council adopted its strategic agenda for the period up to 2029. Two main objectives prevail at its core: security and defence capabilities, and European economic competitiveness. The agenda mentions solidarity, the social market economy, and economic welfare, albeit rather vaguely. Regarding climate policy, the agenda calls for pragmatism and stresses that the transition must be fair and just. Demographic change and competences in education and training are viewed through the lens of competitiveness. The EPSR is referenced as a goal for increasing labour market participation, strengthening social dialogue, upholding equal opportunities, and reducing inequalities. Similarly, the agenda states: “We will uphold the social dimension of the European Union” (European Council, 2024, p. 8). ‘Uphold’ is very different from ‘progress’ or ‘enhance’.

On 18 July 2024, Ursula von der Leyen presented her political guidelines for another term as Commission President in a speech to the European Parliament. Like the European Council, she prioritised the changing geopolitical and geoeconomic landscape. “Our first priority will be prosperity and competitiveness”, she said (von der Leyen, 2024a), focusing on the latter with plans to deepen the single market, dismantle bureaucracy, and boost private investment with the help of the Capital Markets Union. She also proposed increasing public investment in cross-border projects through a new European Competitiveness Fund, which would be part of a larger EU budget that could also better finance security and defence policies.

In her speech, the social dimension is not mentioned very prominently, first appearing when she praises the “historic steps forward on our Pillar of Social Rights” and SURE. In view of new challenges, she called for a new action plan to implement the EPSR, ensure fair transitions and good working conditions, and strengthen social dialogue. Housing is to become a new topic of European action. The next Commission intends to appoint a Commissioner to oversee this and develop a plan for affordable housing. Poverty is mentioned several times as a pressing challenge, and von der Leyen focuses on closing the pay and pension gap between men and women as part of a broader Roadmap for Women’s Rights.

The written political guidelines published in parallel to her speech (von der Leyen, 2024b) provide further insight into the new Commission’s plans in the social realm. The European Social Model is the third chapter (out of seven), following the top priorities of (green) competitiveness, security and defence. The new action plan to implement the EPSR is mentioned again, along with the following concrete proposals:

- introduction of a Right to Disconnect in new digital forms of work;
- a Quality Jobs Roadmap to support fair wages and good working conditions;
- better funding for the just transition to a carbon-free economy;
- a pact for European Social Dialogue;
- an EU Anti-Poverty Strategy, including strengthening the Child Guarantee;
- an Affordable Housing plan for Europe, the establishment of an investment platform for affordable and sustainable housing, and the roll-out of the Social Climate Fund;
- an updated LGBTIQ+ Strategy;
- a new Gender Equality Strategy and a Roadmap for Women’s Rights.

These proposals go beyond the scope of the European Council’s strategic agenda. They not only set out concrete actions, but also provide a clearer vision of the need for the European Social Model to be part of shaping the EU’s capabilities in an rapidly changing global environment. In this respect, Von der Leyen follows the ideas of former Italian Prime Minister Enrico Letta, who submitted a report to the European institutions in April 2024 for deepening the single market. In this report, he clearly states that “Further development of the Single Market can only be successful if it includes a genuine social dimension that ensures social justice and cohesion” (Letta, 2024, p. 101). He mentions the need for transnational social dialogue in particular, as well as the risks of a race to the bottom through unfair competition on wages and social rights. Nevertheless, von der Leyen shares the priorities set out by the heads of state and government, focusing mainly on competitiveness (including the green transition) and security and defence. As well, there is not much indication of concrete legislative proposals besides the Right to Disconnect, which was started already in the last legislative term.

Social Europe in the European Commission

Given this agenda on social affairs, it was surprising that the elected Commission President von der Leyen did not foresee a portfolio for an Employment and Social Rights Commissioner. The portfolios of the new College of Commissioners include many social policies, albeit not in a concentrated manner. Eight Commissioners in total have social affairs policies in their portfolios (see the mission letters to the designated commissioners from the European Commission, 2024a):

- Dan Jörgensen, responsible for energy and housing, should address energy poverty and oversee the European affordable housing plan and its respective investment platform.
- Hadja Lahbib is responsible for preparedness, crisis management and equality. She should develop the Roadmap for Women's Rights, the new Gender Equality Strategy, the renewed LGBTIQ equality strategy, and a Strategy for the Rights of Persons with Disabilities.
- Glenn Micallef, responsible for intergenerational fairness, youth, culture and sport, will prepare strategies on intergenerational fairness and children's rights. He is also responsible for strategic foresight on society-shaping trends.
- Olivér Várhelyi, who is responsible for health and animal welfare, is set to complete the European Health Union.
- Valdis Dombrovskis, responsible for the economy, productivity, implementation and simplification, should coordinate the European Semester, including social fairness, using the new Economic Governance Framework and ensuring the full implementation of NextGenerationEU.
- Teresa Ribeira Rodríguez, Executive Vice-President for a clean, just and competitive transition, will address energy poverty and oversee the Social Climate Fund and the Just Transition Fund.
- Raffaele Fitto, Executive Vice-President for Cohesion and Reforms, will address regional disparities, contribute to the European Affordable Housing Plan, and focus on the full implementation of NextGenerationEU.

Roxana Mînzatu, Vice-President for Social Rights, Skills, Quality Jobs and Preparedness, was given the biggest portfolio on social issues. She will strengthen the EPSR and help to achieve the three social headline targets for 2030 by developing a new EPSR Action Plan. She shall develop a Quality Jobs Roadmap together with the social partners by boosting Social Dialogue with a new pact. She will as well lead the work on the Anti-Poverty Strategy and contribute to the Affordable Housing Plan. Furthermore, this portfolio will introduce the Right to Disconnect, address occupational health and safety, and tackle long-term work challenges. Financially, the agenda includes the use of the ESF+ and the implementation of the Social Climate Fund. Regarding coordination processes, Roxana Mînzatu will report social, educational and employment-related policies to the European Semester. She is also responsible for education policies, with the overarching strategy of building a Union of Skills for all types of learning, training, recognition and investment in this area.

The vast distribution of social policies across many different portfolios, partly with double occupancy, risks unclear competencies and disputes over responsibilities. Clearly, Roxana Mînzatu will be responsible for the main projects in the social realm, but it will be a complex organisational task to bring together the different DGs and clarify who is responsible for developing and rolling out a project. Close cooperation between the different portfolios appears to be a conscious decision by von der Leyen, as stated in all mission letters: "I expect cooperation at all levels and for you to take an active role across all priorities and to facilitate access to your services where other Commissioner's responsibilities require it" (European Commission 2024a, p. 2).

In addition to the allocation of social policies, there was some surprise regarding the suggested portfolio title given to Roxana Mînzatu. While the titles of former social Commissioners directly referenced employment and social affairs, von der Leyen wanted to rename it "People, Skills and Preparedness". This was later amended following protests by lawmakers in the European Parliament, with the addition of the terms 'Social Rights' and 'Quality Jobs'. While one should not overinterpret von der Leyen's move, one could read it as a political vision moving away from collective social rights and decommodification and moving towards the individualisation of social risks through an emphasis on individual skills, as well as a broadening of responsibilities from classical working relationships to all sorts of target groups (Crespy/Kenn, 2024). This would align with findings on the impact of the EPSR: its first pillar, equal opportunities and access to the labour market, is easier to implement in an economic integration model than policies on fair working conditions and social protection (Hacker, 2019; 2024).

What has been done so far on Social Europe?

In its 2025 work programme, the Commission has stuck with the same categories and running order as in the political guidelines. Regarding social affairs, three projects are highlighted: 1) the new EPSR Action Plan; 2) a new Pact for Social Dialogue; and 3) the evolution of a Union of Skills, together with the Quality Jobs Roadmap (European Commission, 2025a).

At the beginning of the year, a significant development in the area of competitiveness was the presentation of a Competitiveness Compass for the EU. As well as the expected focus on innovation, decarbonisation, reducing dependencies, simplification and de-bureaucratisation, the compass also includes a horizontal layer on "promoting skills and quality jobs while ensuring social fairness". Here, the EPSR is considered essential for creating a competitive EU and outlines plans for a Union of Skills, a Quality Jobs Roadmap and an Affordable Housing Plan, with the aim of better aligning education and labour market demands, increasing the working population and

supporting underrepresented groups. The Commission also expects Member States to modernise their social protection systems to provide better protection for all workers and promote longer working lives through pension reforms (European Commission 2025b, p. 22f). One could argue that these social plans primarily serve to make individuals more competitive in the labour market. There are only a few references to better workers' protection, affordable housing, decent wages and work-life balance in the traditional areas of social affairs.

The Commission quickly delivered on two of its promises in the first half of 2025:

- Building on the 2024 Val Duchesse Social Partner Summit, a Pact for European Social Dialogue was signed on 5 March 2025 by employers' organisations, trade unions, and the Commission. The objective of increased consultation with social partners will be achieved through the appointment of an envoy on European Social Dialogue, improved exchange on the Commission's work programme for the coming years, and extended consultation on all policy initiatives relevant to social partners (European Commission, 2025c).
- In April, the Commission began discussions with social partners regarding the Quality Jobs Roadmap and introduced its concept of a Union of Skills. While the former initiative focuses on fair wages, good working conditions, and increased collective bargaining coverage, the latter focuses on "lifelong learning, upskilling, and reskilling, empowering individuals and businesses to adapt, grow, and remain competitive" (European Commission, 2025d).

The von der Leyen Commission explicitly bases these projects on recommendations not only from Enrico Letta (see above), but also from a report by former ECB president Mario Draghi on the future competitiveness of the EU, published in September 2024. This report identifies three areas of action: 1) innovation, particularly in advanced technologies; 2) decarbonisation and competitiveness; 3) security and reduced dependencies. When describing the challenges that the EU will face in the 21st century, Draghi issues a warning that, in its attempts to become more innovative and produce higher growth rates, the EU should under no circumstances copy the American social model, which is based on high levels of inequality. Instead, he calls for a dual strategy of boosting competitiveness in skills while preserving the robust public services and social protections of European welfare states. To guarantee popular support for this approach, Draghi advocates "empowering people" through "effective and proactive citizen involvement and social dialogue, combining trade unions, employers, and civil society actors" (Draghi, 2024, p. 15). The Commission is clearly applying this dual strategy by simultaneously promoting the Skills Union and the Quality Jobs Roadmap while incorporating the social partners.

Since summer 2025, the Commission also put forward further social policy proposals:

- A public consultation on reviews on the impact of the 2021 Action Plan for implementing the EPSR was started in June, and was open until September 2025, with the aim of defining the content of the announced new Action Plan, which is expected to be published in the first half of 2026.
- The consultation of social partners on the Right to Disconnect and Fair Teleworking began in July and remained open until October 2025. This followed a first round of public consultations organised by the Commission in the last legislative term. The European Parliament demanded this project as early as 2021.
- Another consultation with a broader public on the EU Anti-Poverty Strategy, which aims to provide essential protection to poor people and tackle the causes of poverty, started in July and was open until October 2025, followed by a survey on the European Child Guarantee until December 2025.
- In December 2025 the Quality Jobs Roadmap was published and a new consultation on a Quality Jobs Act was opened. As well the Commission published the Affordable Housing Plan.
- For 2026, the Commission states in its work programme besides the last mentioned initiatives a fair labour mobility package, an education package, and an intergenerational fairness strategy.

The social situation and the European Semesters' recommendations

While inflation has fallen significantly, there has been little economic growth in the EU and the Eurozone. Growth rates in 2024 were +1.0% of GDP, with a forecast of +1.4% for 2025 and 2026.

With only moderate growth rates, employment rates are not expanding as much as in previous years. However, unemployment remained at a low level of 5.9% of the workforce in 2024 and is expected to remain at this level in 2025 and 2026. Nevertheless, disparities in the unemployment rate across the EU remained high in 2024, ranging from 11.4% in Spain and 10.1% in Greece to full employment in countries such as the Czech Republic (2.6%) and Poland (2.9%). Nominal wages increased by 5.3% in 2024 and are expected to grow by 3.9% in 2025. As the inflation rate in the eurozone fell to the European Central Bank's reference value of 1.9% in May 2025, real wages were able to offset previous losses. This has led to an increase in households' gross domestic income. However, due to precautionary savings in view of geopolitical turmoil, consumer confidence remains low.

Even though energy prices have fallen, they could rise again quickly depending on the situation of the war in the Middle East. Additionally, trade tensions between the US and the EU, and between the US and other trade partners, could significantly impact European economies. In its spring forecast, the Commission adds difficult-to-estimate economic and fiscal costs due to climate impacts, as well as stimulating effects on economic activity due to higher defence spending (European Commission 2025e, p. 5).

In the 2024/25 European Semester, the Commission similarly forecasts moderate EU growth (+1.5% of GDP) in 2026, alongside a favourable business and investment environment, but also significant disruption risks (European Commission 2025f, p. 4f). The recommendations refer to the new Competitiveness Compass and include the standard neoclassical measures: improving the efficiency and quality of public finances, closing the innovation gap, simplifying regulations and reducing the administrative burden, utilising the full potential of the single market, and establishing a Savings and Investments Union – a new term for the stalled development of a Capital Markets Union. Additionally, a joint roadmap for decarbonisation, competitiveness and security is recommended.

With regard to the section on “promoting skills and quality jobs while ensuring social fairness”, reference is made to the three social headline objectives agreed at the Porto Social Summit in 2021 and set out for 2030. While the EU is on track to increase the employment rate, with only a 2.2 percentage point gap between the 2024 rate and the 2030 target of 78%, recent data show that significant progress is needed to achieve the objectives set for education and poverty reduction (see table 1).

The European Commission (2025: 23–27) and the Council provide an account of individual national progress on the three headline objectives in their Joint Employment Report 2025. Slovakia, the Netherlands, Ireland, Estonia and Sweden have already achieved an employment rate

higher than their respective national targets. 22 countries are still facing gaps towards their 2030 national targets, with Belgium, Italy and Spain having the furthest to go. Regarding the educational objective, the Commission and the Council speak of a “very mild upward trend” (ibid., p. 25), with only ten countries having made recent progress and three countries (Sweden, Hungary and Romania) already exceeding their national targets. The largest gaps are found in Slovenia, Cyprus, Croatia, Poland and Italy. Since 2019, only half of the EU states have reduced the risk of poverty; however, Austria, Denmark, Estonia, Finland, France, Germany, Luxembourg, the Netherlands, Slovakia, Slovenia, Spain and Sweden went in the opposite direction and have experienced an increase in poverty. Child poverty has fallen in 13 countries, but has risen in Austria, the Czech Republic, France, Germany, Luxembourg, Poland, Slovakia and Spain. The percentage at risk of poverty or social exclusion (Eurostat data) has fallen since its peak of 24% in 2015. However, the 2024 rate of 21% shows little improvement since the onset of the pandemic. Regarding child poverty, 2024 saw a slight decrease for the first time in four years, with 24.2% of the EU’s population under the age of 18 affected (2023: 24.8%). One cause of poverty is unaffordable housing. In 2024, 8.2% of the EU population spent over 40% of their total disposable income on housing costs. This represents a slight decline from 8.8% in 2023 but remains 0.4 percentage points higher than in 2020.

Recommendations in the European Semester call for improvements to public employment services, labour mobility and targeted support for women, older workers, young people, the low-skilled, persons with disabilities and migrants, with the aim of enhancing their participation in the labour force. The Commission asks Member States to implement more effective active labour market policies and incentives to encourage work through tax and benefit systems, as well as upskilling and reskilling efforts. Access to affordable early childhood education and care services should be made available to all. Wage developments should “strike a balance between ensuring productivity and competitiveness, on the one hand, and addressing the cost of living, on the other” (European Commission, 2025f, p. 14). In 2024, only nine Member States provided more than 50% of children under three with formal early childhood care. The Commission emphasises the need to boost human capital, in line with its plans for the Union of Skills initiative and the proposal for a Council recommendation on human capital, published in November 2025. It is recommended that more be invested in lifelong learning, that the recognition of qualifications be facilitated, that teaching positions be made more attractive and that the focus be placed on people with educational deficits, given that half of the EU population lacks basic digital skills and adult learning is far away from the 2030 objective. In the field of social protection, the Commission also wants to ensure that vulnerable groups and children are given special attention. Member States should take care for “adequate and efficient social protection, inclusion and pension systems in place, and [...] foster access to

EU social headline objectives for 2030

Tab. 1

	2022	2024	2030 target
1. Employment rate in percent (20-to-64-year-olds)	74.6	75.8	78.0
2. Participation in continuing education in the last 12 months in percent (16-to-74-year-olds)	30.6	33.8	60.0
3. Number of people at risk of poverty or social exclusion in thousands (AROPE)	94.564	93.250	80.431

Sources: Eurostat; own calculations. For the 2nd target Labour Force Survey data is used. For the 3rd target the number of people affected is expected to be reduced by at least 15 million until 2030 compared to 2019 levels.

affordable housing, and social services” (ibid., p. 15). Non-discrimination and gender equality are sidelined somewhat, being mentioned only in passing, as is the case with the Just Transition Fund and the Social Climate Fund, which are mentioned only in the broadest terms in relation to supporting a fairer climate transition of the economy (ibid., p. 15f).

Social convergence in the new Economic Governance Framework

The reform of the Economic Governance Framework was formally adopted in April 2024. Whether its aim to simplify budgetary rules and enable more public investment has been achieved is a matter of controversy. While Darvas et al. (2024) see less constraints for Member States to tighten their fiscal policies, Boivin and Darvas (2025) report a fiscal policy tightening at the expense of public investments. The European Trade Union Confederation (ETUC, 2025) has criticised “austerity cuts in various European countries” and called for the suspension of the governance framework. The situation became more complex in spring 2025 when the Council permitted the national escape clause of the Stability and Growth Pact for the development of defence capabilities. 16 countries have already requested this exemption. Additionally, in March 2025, Germany reformed its constitutional debt brake in order to finance a one-off €500 billion budgetary fund for infrastructure investments, as well as exemptions for the financing of all defence expenditure above one per cent of GDP. The Commission was urged to adopt a broad interpretation of the new spending rules when it approved the German medium-term fiscal structural plan in July 2025. Theodoropoulou and Pierros (2025, p. 48) argue that exceptions to fiscal rules in favour of security and defence spending could limit investment in decarbonisation and social infrastructure. They argue that defence expenditure has a low fiscal multiplier and therefore has little impact on EU economies’ growth.

The new Stability and Growth Pact does indeed refer to social aspects on several occasions, which must be given due consideration. National medium-term fiscal structural plans should include reforms and investments in “social and economic resilience and the implementation of the European Pillar of Social Rights, including the related targets on employment, skills, and poverty reduction by 2030” (Recital 10 of Regulation 2024/1263). Furthermore, the new Governance Framework obliges the Commission to consider the social developments of the Member States when monitoring the economic situation: “As part of its integrated analysis of employment and social developments in the context of the European Semester, the Commission assesses risks to upward social convergence in Member States and monitors progress on the implementation of the principles of the European Pillar of Social Rights on the basis of the Social Scoreboard and of the principles of the Social Convergence

Framework” (Recital 8 of Regulation 2024/1263). This holistic governance approach attempts to resolve the long-standing debate concerning the general asymmetry of the economic-driven European Semester at the expense of employment and social policies. The first step was the integration of the EPSR and its accompanying Social Scoreboard into the European Semester (cf. Hacker, 2019), while the second step was taken when the European Parliament pushed successfully for the aforementioned Social Convergence Framework to be integrated.

Initially named the “Social Imbalance Procedure” by the governments of Belgium and Spain (2021), this Social Convergence Framework was first proposed at the Porto Social Summit and launched under its new name at the end of 2023, finally endorsed by the Council in March 2024. The idea was first discussed ten years earlier in concepts for reforming the Economic and Monetary Union during the Eurozone crisis. At that time, László Andor, the then social affairs Commissioner, planned to establish an indicator-based monitoring system for social developments in relation to the recently implemented Macroeconomic Imbalance Procedure. The agreement reached by the Member States ten years later was not as extensive as originally planned, nor did it mirror the macroeconomic and deficit rules for the social realm. For example, the Belgian and Spanish governments proposed a broad set of quantitative social indicator objectives and an alert mechanism if a Member State deviates from the agreed social development path. In fact, the EU has implemented a monitoring system based on the current 16 headline indicators of the Social Scoreboard, which identifies deviations of Member States from the EU mean in terms of both the absolute level of indicator values and their change compared to the previous year. If the Commission detects a potential risk of upward social convergence with six or more indicators flagging as ‘critical situation’ or ‘to watch’ (meaning a significant deviation from the mean), a more in-depth second-stage analysis is conducted for the identified countries.

The Social Convergence Framework in practice

While the first-stage analysis has been part of the Joint Employment Report since the implementation of the EPSR and its first use in the 2017/18 European Semester, the second-stage analysis is a recent addition, introduced in 2024, and can be considered a simplified version of an alert mechanism. For each identified country, the Commission describes the social risks in three fields: a) education and skills; b) social protection and social inclusion; and c) the labour market. These fields are broadly identical with the three EPSR pillars. All relevant individual developments in the country are examined using more indicators than are available in the Social Scoreboard. Ongoing and planned policy responses are evaluated to determine whether they are sufficient, or whether the Member State should consider further

measures. The outcome may confirm or deny certain risks, as well as judge whether policy responses are sufficient or whether more could be done. The new Government Framework regulations should ensure that the results are fed into the Country-Specific Recommendations given by the Council to each Member State's economic and social situation every year.

It is too early to tell whether this approach will boost awareness of social and employment policies within the Economic Governance Framework and lead to stronger synergies between the Stability and Growth Pact and social policy objectives and mechanisms (Dermine, 2025, p. 54). In 2024, the Commission issued alerts to seven Member States for endangering upward convergence: Bulgaria, Estonia, Hungary, Italy, Lithuania, Romania and Spain. Most of the identified risks were related to the following indicators: the share of the population with at least basic digital skills; the disability employment gap; the impact of social transfers on poverty reduction; the at-risk-of-poverty and social exclusion rate; the share of children under three in formal childcare; the share of early leavers from education and training; the income quintile share

ratio; and the risk of poverty rate for children. In 2025, the Commission identified three more Member States with potential risks to upward convergence: Greece, Croatia and Luxembourg. In addition to the high-risk indicators from the previous year, the Commission identified young people not in education, employment or training, as well as adult participation in training, as additional risk factors. Conversely, the share of children under three in formal childcare and the share of early leavers from education and training are no longer considered to be among the highest risk factors.

Mapping the outcome of the second state analysis of the Social Convergence Framework for the ten countries with the most severe social risks in 2024 and 2025 indicates where the most pressing social problems in the EU are located (see table 2).

In line with our knowledge of the labour market, which is still performing well, we see few risks in this section of the EPSR, while more can be found in the skills and education section, and the most in the field of social protection and inclusion. In all three categories we find in 2025 more

Number of severe risks identified in the Social Convergence Framework

Tab. 2

Member States	Year	Equal opportunities (skills and education)	Fair working conditions (labour market)	Social protection and inclusion	sum	change
Bulgaria	2024	2	no risk	6	8	-2
	2025	3	no risk	3	6	
Estonia	2024	2	no risk	3	5	+1
	2025	1	2	3	6	
Spain	2024	1	no risk	3	4	+/-0
	2025	1	no risk	3	4	
Italy	2024	3	2	3	8	-2
	2025	3	3	no risk	6	
Lithuania	2024	1	no risk	2	3	+1
	2025	3	1	no risk	4	
Hungary	2024	1	no risk	4	5	-1
	2025	1	no risk	3	4	
Romania	2024	3	1	6	10	+/-0
	2025	5	1	4	10	
Greece	2024	-	-	-	-	-
	2025	4	no risk	5	9	
Croatia	2024	-	-	-	-	-
	2025	2	1	2	5	
Luxembourg	2024	-	-	-	-	-
	2025	no risk	1	5	6	
sum	2024	13	3	27	43	+17
	2025	23	9	28	60	

Sources: European Commission 2024b: 74-77; 2025h: 92-97. Own compilation.

indicators at risk than the year before, which is not alone a factor of three more countries forming part of the analysis, if one looks at the categories for equal opportunities and fair working conditions. In these two sectors although the countries in the monitoring in 2024 show increased risks in the following year. This is different from social protection and inclusion, a field in which the seven countries with high risks in 2024 achieved better results overall in 2025, but with Greece and Luxembourg, two countries with many risks in that respect, joining them. Of the changes made by individual Member States, only three – Bulgaria, Italy and Hungary – made positive efforts to reduce some of the risks identified in 2024 without increasing others. Estonia and Lithuania worsened their balance sheet, while Spain and Romania showed no overall development since 2024.

In conclusion, the social convergence analysis of 2025 identifies a risky social situation in more Member States than in 2024, affecting more than one third of all EU countries. This includes many poorer Eastern and Central European countries, as well as Italy and Greece, which were hit hardest by economic crises. However, it also includes Luxembourg, a relatively wealthy Western European country. The risks are concentrated in various social protection, gender and educational matters, and are comparatively small in the employment sector. It seems to be a very difficult exercise to eliminate social risks.

Conclusions

The social integration strategy observed over the last ten years appears to have come to an end. This does not mean that austerity is back on the agenda, but rather that the new Commission and the Member States are setting the course towards individual social responsibility instead of collective solidarity. Upskilling, reskilling, training and education are the new buzzwords and are perfectly aligned with the economic competitiveness agenda. This is reminiscent of 2003, when the Barroso Commission invited former Dutch Prime Minister Wim Kok to write a report on employability, adaptability, active labour market policies and human investment. His report was aptly titled “Jobs, Jobs, Jobs”. At the time, it marked the beginning of a shift away from the original dual focus of the Lisbon Strategy on economic competitiveness and social cohesion, prioritising the former.

History does not repeat itself, and the von der Leyen Commission is still paying attention to the social portfolio, with several initiatives planned. However, it is clear that, over the next five years, competitiveness and defence will take precedence over EU social policies. While the number of projects presented by the Commission may look impressive, concrete legislative action has been confirmed only for the Right to Disconnect initiative. All other measures are likely to remain in the form of pacts, roadmaps, plans and strategies, and will therefore not contribute anything substantial to the EU’s social acquis. Even worse, they may soon fall apart when confronted

with legislative proposals in the economic area. To avoid falling into the trap of the EU’s famous “constitutional asymmetry” (Fritz W. Scharpf), what is needed is a set of social minimum standards, a tool to enable social investments, a distributional plan for the Social Climate Fund, and a protective instrument to tackle economic shocks. The plan to develop a European Unemployment Reinsurance Scheme, which was proposed by von der Leyen in her first term as Commission President, has somehow disappeared, as have plans to transform the successful SURE mechanism into a permanent instrument, or to create other forms of financial support against economic crises. While the ECJ ruling on the Minimum Wage Directive in December 2025 saved this important instrument of social legislation, it is completely unclear, if the Quality Jobs Act and the New EPSR Action Plan will contain any concrete legislative proposal. It is not unlikely, that further social progress in the EU is solely tied to soft governance.

Experience with the Open Method of Coordination in the 2000s does not inspire optimism that the new Economic Governance Framework will enable the social dimension to play a key role in the EU’s coordination framework. The Social Convergence Framework is, of course, a step towards better consideration of the social situation of the Member States. Whether a holistic approach can be realised also depends on the existence of an enforcement tool when social risks have been identified. Currently, there are no plans for anything resembling a ‘social imbalance procedure’. Given the severe and difficult-to-overcome social risks revealed by the social convergence analysis, this would give substance to the new EPSR Action Plan.

Recommendations

- Don’t allow the social dimension of the EU to be sidelined. Security and defence investments are important in the new global context, but they cannot boost economies sustainably or provide answers to people’s daily social challenges.
- Distinguish between inner and outer economic competitiveness. The latter is indispensable in the new geoeconomic situation and refers to the entire EU bloc. However, strengthening outer competitiveness cannot simply be achieved through higher inner competitiveness, as this could lead to a race to the bottom in factors such as social investments, social services, wages, social protection standards and taxes.
- Be aware of the experiences made with the Lisbon Strategy and the Open Method of Coordination in the 2000s. While skills and education are important for getting and keeping a job, and for business careers, they’re individual goals. They can’t replace the collective social security and labour protection needed to cover all life’s risks.

- Demand that the European Commission's initiatives entail concrete legislative proposals. The social situation in the EU is precarious; we cannot afford to refrain from concrete mechanisms and processes to combat social risks.
- Use your networks and opportunities to start a national discussion on the social risks in your country. Social upward convergence is not only a helpful monitoring exercise, but also a treaty provision.

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