

# ed



Deutsche Sozialversicherung  
Europavertretung | DSV

1/2024



**Europe in transition**  
Review and outlook on the new legislative period

Dear reader,

The start of a new legislative period is very exciting at both the national and the European level. New members of parliament (MEPs) move into the European Parliament (EU Parliament) and bring with them not only their staff but also curiosity about what may lie ahead. In the EU Parliament, the political groups and committees come together and elect their presidents, chairpersons and coordinators. In the process, the European elections determine the political balance of power in the plenary assembly.

In the future, the new MEPs will be concerned with the question: how can majorities be found in favour of their political objectives? It is good that there are the "old hands" – the MEPs with European political experience who have made it back into the EU Parliament. While I am happy to make new contacts, I am also very happy to see many familiar faces.

The elections will also result in a new composition of the European Commission (EU Commission). This is where "reshuffle" is the order of the day. An old European rule states: No European Commissioner will remain in the position they held during their last term in office. Here, too, there will be many new heads shaping the policies of the EU Commission.

The German Social Insurance (DSV) stands for a democratic and social Europe. This is why I am looking forward to continuing to help shape European policy in this spirit in the coming legislative period. However, a change in the balance of power means more difficult discussions on some important topics, that much is clear already. Against this backdrop, I ask myself: how important will health and social policy be in the next parliamentary term?

This ed\* will show you: the past 9th legislative period was a complete success in terms of social and health policy. The two social summits in Porto and La Hulpe substantiate this. Such success is not assured for the new parliamentary term. The wars in Ukraine and the Middle East as well as criticism from the business community and public protests against climate-related restrictions and subsidy cuts may shift political priorities. The majority ratios in the EU Parliament and the Council of the European Union (Council) also contribute to this, as the political balance shifts with each new government. Elections will be held in five Member States this year alone.

With our ed\*, we have made an attempt to see which political issues are on the agenda and, based on the election programmes of the European parties, to ask ourselves what might lie ahead for the social insurance.

I hope you find our new issue interesting. Please feel free to get in touch with us either via our email account, LinkedIn or over the phone.

Yours



Ilka Wölfle LL.M.

# Health and social policy through the ages:

## taking stock of the last five years and future outlook

When Ursula von der Leyen applied for the highest post of the European Union (EU) on 16 July 2019, nobody could have guessed that the COVID-19 pandemic would shake up the political plans of the new EU Commission six months on.

2020 had just begun and the new EU Commission had only been in office for a short time when it was taken by surprise by COVID-19. The EU Commission tried to contain the COVID-19 pandemic and cushion its socio-economic impact with numerous measures at national and European level. It responded quickly with the NextGenerationEU economic stimulus package and provided the Member States with funds as high as EUR 723 billion for the reconstruction of Europe. With the SURE programme (Support to Mitigate Unemployment Risks in an Emergency), financial aid totalling EUR 100 billion saved millions of people from unemployment. Moreover, the legislative package on the European Health Union made public health protection a good deal more European. The EU has become an important player in health policy, not least due to the joint procurement of COVID-19 vaccines. Von der Leyen made it clear early on that she has particular ambitions in terms of health and social policy with her launch of “Europe’s beating cancer plan” at the beginning of February 2020.

### Guidelines of the European Commission 2019 to 2024

It is remarkable that the EU Commission continued the focused pursuit of its plans despite the sudden challenge posed by the pandemic. Its main guidelines are to:

- reduce greenhouse gas emissions by at least 55 per cent by 2030 and make the EU climate-neutral by 2050 (Green Deal).
- ensure the necessary structural change in ecological terms and organise it in a socially just manner (Just Transition).
- make responsible use of the opportunities offered by digitalisation, artificial intelligence (AI) and big data (Digital Decade).

The EU Commission has initiated a number of initiatives in these areas in recent years.

### Overcoming the challenges posed by climate change

Climate change and social justice go hand in hand. Climate change is already having an impact on various areas of life, including the world of work. UV radiation, storms and heat stress as well as increasing exposure to dust, pollen and tropical insects pose new challenges for the social insurance. It is important not to lose sight of particularly disadvantaged groups. Factory workers,

### Social Climate Fund (SCF)

The social climate fund is scheduled to start in 2026. Support is provided to households in need, small businesses and transport users who are most affected by energy and mobility poverty. Measures eligible for funding include the reduction of energy taxes or levies, financial incentives for the renovation of buildings or the transition of the energy supply to renewable sources, the switch from private to public transport, cycling or car sharing, and the development of a second-hand market for electric vehicles.

The SCF is part of the “Fit for 55” legislative package which aims to realise the objectives of the European Green Deal. It is financed by up to EUR 65 billion from the auctioning of certificates from the expansion of the emissions trading system. A further 25 per cent is to be provided by national funds.

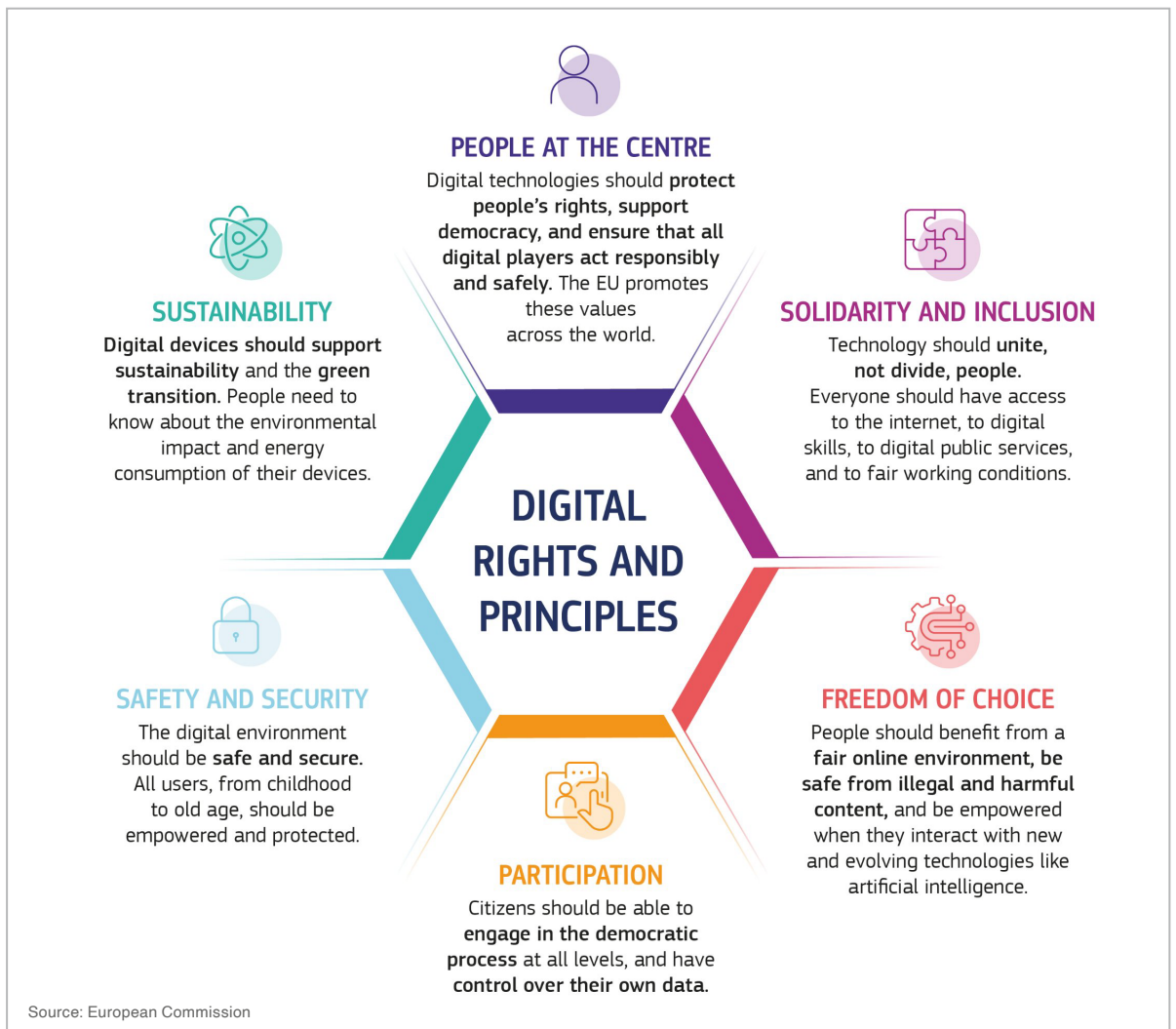
farmers and people in precarious living conditions, for instance, are feeling the effects of climate change very quickly. At the same time, these groups are disproportionately affected by a climate policy that has not been thought through to the end. With the establishment of the Social Climate Fund, the EU Commission has created an initial instrument to make the transition to climate neutrality socially equitable. The social insurance funds also recognise their responsibility to reduce their climate footprint and adapt

their services to the changed conditions. Be it in the medical and nursing care of the sick, prevention or protection of employees from heat, radiation and new workplace risks as well as rehabilitation. These challenges were discussed in depth at the DSV's anniversary event.

### Digital Decade and social protection

In addition to climate change, the digital transformation across Europe must also be managed. The Digital Decade programme, which was adopted at the

## Digital Rights and Principles



end of 2022, aims to ensure that at least 80 per cent of people in the EU have basic digital skills by 2030. At least 75 per cent of all companies are expected to use AI, big data or clouds. Special focus of the programme is on the digitalisation of public services.

Significant progress was made in the area of social security during the last legislative period. Since May, all intergovernmental processes of the social insurance agencies have been handled EU-wide via the Electronic Exchange of Social Security Information (EESSI). The Single Digital Gateway to public administration is online. Together with the regulation for a European Digital Identity, which is to be fully implemented by 2026, the course has been set for a European Social Security Pass (ESSPASS). This is intended to enable mobile workers to access important administrative documents throughout the EU and use them in their everyday dealings with the authorities. Mobility and thus the free movement of people in the EU are digitally supported in this way.

### **The digitalisation of social security strengthens the single market**

Digitalisation will certainly continue to be a high priority in the new parliamentary term. This is shown not least by the electoral manifestos of the major European political groups. The Christian Democrats (EPP), Liberals (ALDE), Greens (EGP) and Left (EL) want to advocate for the regulation and protection of workers' rights in the digital age, promote the digitalisation of the healthcare system, intensify imparting of digital skills (ALDE) or promote research into AI-based methods in health prevention and treatment or labour mobility through the ESSPASS (EPP). Two pilot projects are currently in progress for the latter, which are to lay the foundations for the A1 certificate for posted workers and thereafter the European Health Insurance Card (EHIC)

to be used electronically by April 2025. The German Federal Pension Insurance (Deutsche Rentenversicherung Bund) and the National Association of Statutory Health Insurance Funds (GKV-Spitzenverband) are also actively involved here, along with numerous other social insurance organisations from Europe. The DSV believes that the digitalisation of social security must be consistently implemented in order to further develop the coordination of social security systems and thus the free movement of workers in a citizen-friendly manner as well as to strengthen the single market.

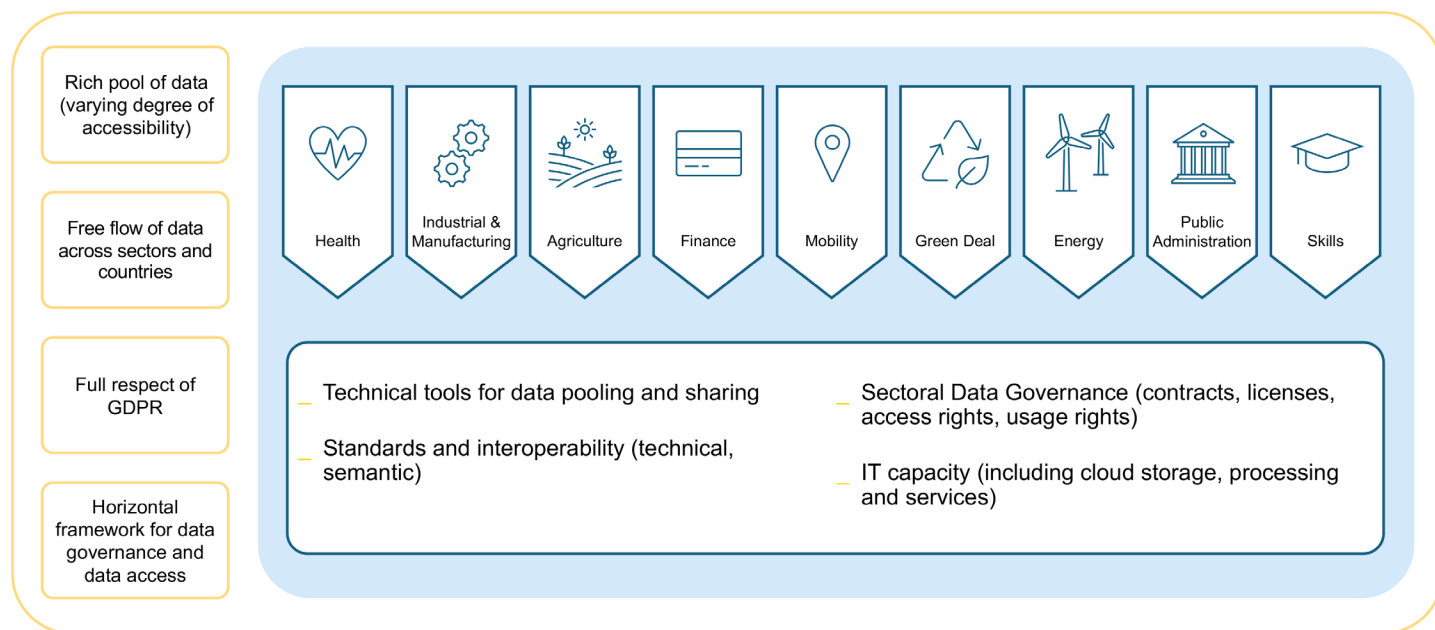
### **Digitalisation will not be able to resolve the conflict over the "883"**

Digitalisation will certainly help to defuse the controversy surrounding the reform of the regulation on the coordination of social security systems – the "883" in short. However, it will not fully resolve the substantive disagreement. After consensus could not be reached on the reform in 18 trilogues, further course of action remains to be seen. Inaction is not an option. The DSV has issued repeated warnings: cross-border employees and companies need modern legislation on the coordination of social security. It would be unacceptable if a dispute over a few points – primarily the exceptions to the advance notification of the A1 certificate and the legal structure of unemployment benefits in the case of cross-border job searches – were to result in the loss of essential, settled compromises, such as the handling of cross-border care services. A solution must be sought with high priority.



**"Foster vocational programmes to urgently upskill key professions, in areas such as manufacturing, education, cybersecurity, healthcare, and agriculture with digital know-how, to accelerate the digital transition and increase competitiveness."**

## Common European Data Spaces



Source: Illustration of the DSV based on data of the European Commission.

### EU HTA: What takes a while finally becomes good

With the new EU HTA Regulation, the benefit assessment of new medicinal products and medical devices is regulated and carried out at European level for the first time. The aims are to speed up access to new therapies, reduce duplication of work and harmonise clinical assessment. However, the Member States will continue to be free to carry out their own benefit assessment procedures. This was also a key demand of the DSV.

### European Health Data Space (EHDS)

The next major digital project is at the ready. Following just over two years of negotiations, the political compromise on the European Health Data Space from March 2024 will come into force at the end of the year. This will give an enormous boost to the utilisation of health data and improve medical care for citizens – also across borders. The protection of sensitive health data has long been the subject of debate that was important in order to gain confidence in this significant healthcare project. As a result, each individual will be able to decide whether or not to authorise the use of their health data.

### Health policy remains on the European agenda

With Europe's beating cancer plan, the European Health Union, the adoption of the EU HTA Regulation, as well as environmentally driven issues such as the ban on dental amalgam, the last legislative period saw a strong emphasis on health policy. According to the European political parties EPP, PES, EGP and EL, this should continue. Medicinal products and medical devices will also continue to be addressed.

### **Medical devices – new regulations after expiry of the transitional periods**

Last year, the transitional periods for the application of the new provisions of the Medical Devices Regulation were extended. The backlog of work at too few regulatory authorities but also difficulties on the part of the manufacturers have made this step necessary to avoid supply bottlenecks. Regardless of this, health policymakers from Germany have been campaigning for a further revision for some time now. It should be remembered that it was deficits in patient safety that made the reform of medical device legislation necessary in the first place. Readjustments must not lead to the standard of protection guaranteed by the new medical device regulations being weakened.

### **Medicines**

In April this year, the EU Parliament surprisingly succeeded in adopting a position on the draft legislation to reform European pharmaceutical legislation. These form the legislative core of the European pharmaceutical strategy, which aims to improve the accessibility, availability and affordability of medicinal products. At the same time, the competitiveness of European pharmaceutical companies is to be strengthened. It can be assumed that the discussion about how long medicinal products should enjoy exclusive rights and be protected from imitators will flare up again in the triilogue in the coming legislative period.

The “Critical Medicines Alliance” was also launched in April 2024, calling on the pharmaceutical industry to find new answers to avoid supply and delivery bottlenecks. Starting with eleven products from the list of critical medicinal products, their supply chains are to be examined and made resilient.

Recommendations should be available by the end of 2024. The DSV believes in working together to tackle these challenges. This requires especially one thing: transparency.

### **Demographics, care, mental health**

In addition to dealing with and overcoming the pandemic, demographic trends were also the subject of intense debate at the beginning of the legislative period. European societies are ageing. The “Green Paper on Ageing” published by the EU Commission in January 2021 has also brought long-term care and mental health more into the political spotlight. The EU Commission, Council and EU Parliament have addressed the issue. Even if there has been no “hard legislation”, the political debate is ongoing. Against this backdrop, the Christian Democrats, Social Democrats and Greens are calling for a strong EU



“We advocate universal and free access to health care and the strengthening of public health systems to reduce social inequalities.”



Stella Kyriakides, European Commissioner for Health and Food Safety

“With the launch of the Critical Medicines Alliance, we are opening a new, industrial chapter for a European Health Union determined to turn vision into reality.”



“Mental and physical health must have parity of esteem.”

#### Feedback and position papers

From 2019 to 2024, the DSV drafted position papers on numerous EU initiatives. 30 of the position papers were clearly related to health policy and, in addition to the major reform proposals, also related to topics such as vaccinations against carcinogenic viruses, tobacco control and the taxation of alcohol. A further 29 had a social policy or more horizontal orientation. These include, for example, the position papers on platform work, the legal framework for AI, the Supply Chain Act and the harmonisation of insolvency law.

initiative in the form of a strategy (PES) or an action plan (EPP). Mental health should be given the same priority as physical health (EGP).

#### Safe and healthy workplaces

Mental health has also reached occupational health and safety. Both the Council and the EU Parliament have engaged intensively with this aspect and identified precarious work as a major cause. In addition, the relevant European agencies have worked together with the EU Commission to further develop the applicable occupational health and safety regulations. For example, the directive on the protection of employees against the risks posed by asbestos in the workplace has been made more stringent and adapted to modern technological possibilities. The exposure limits for lead have been lowered and limit values for diisocyanates have been set for the first time.

#### Use of chemicals in the workplace

In October 2020, the EU Commission presented the Chemicals Strategy for Sustainability. Among other things, it made far-reaching proposals to address contamination by per- and polyfluoroalkyl substances (PFAS). Initial measures have been initiated under the Persistent Organic Pollutants Regulation, among others. In January 2023, five countries, including Germany, have also submitted a request to the European Chemicals Agency (ECHA) to significantly restrict the use of PFAS. It can be assumed that the topic will be prioritised in the next legislative period.

Further reform of the directive on chemical agents and the directive on carcinogens, mutagens and reprotoxic substances is also planned. But also other substances such as bisphenol and boron are already on the ECHA's agenda. The “One substance, one assessment” reform package published

in December 2023 also aims at a coherent safety assessment of chemicals and, as a first step, will create the legislative basis for a common data platform and a monitoring and forecasting framework for chemicals. Whether and when the revision of the REACH regulation announced by Ursula von der Leyen to simplify the legal framework for chemicals will take place is still uncertain. The EU Commission also wants to clarify in principle what a practicable approach to the risk assessment of substances should look like. In the view of the DSV, the hazard-based approach pursued in the chemicals strategy is not realistic in all areas, for example in occupational safety. It should remain possible to use hazardous substances industrially if the protection of employees is adequately guaranteed.

#### New forms of work and platform work

The 9th legislative period had a clear social policy focus with a plethora of health and social policy initiatives. It should be emphasised that, in addition to pure legislation, a high-level expert group on the future of social protection was set up at the end of 2021, chaired by the former EU Commissioner Anna Diamantopoulou. The group presented its report in February 2023: In addition to digitalisation and demographics, the focus was also placed on new forms of work. In this context, the fact that the EU Parliament and the Council were able to agree on a directive to improve working conditions in platform work despite the most difficult negotiations should be viewed as a highlight of the 9th legislative period. This means that in future, the question of whether someone is employed or in self-employment will be approached in a standardised way throughout the EU. From the DSV's point of view, it is important that the use of AI in the context of algorithmic management is regulated here for the first time. This means that platform operators using this management tool



have to answer questions about how their AI works and why it arrives at certain results. This approach is to be extended to other economic sectors in future.

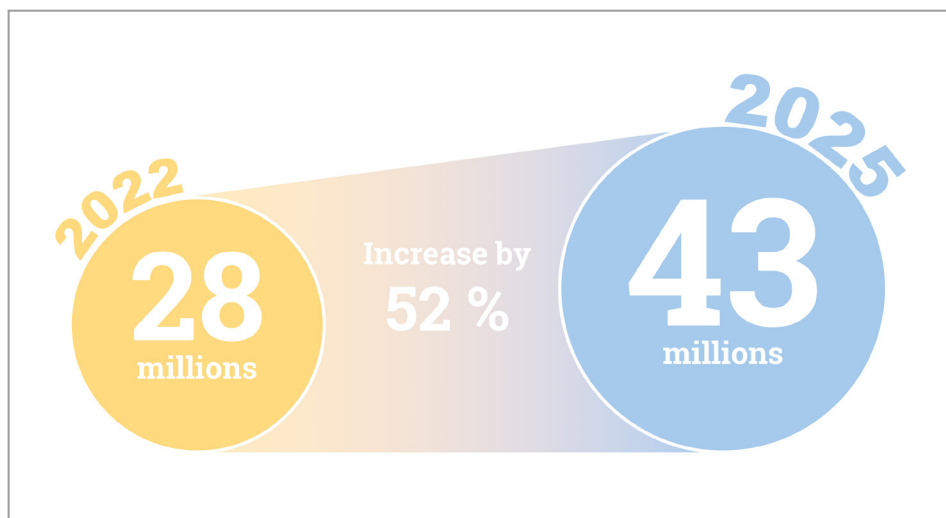
### **Adequate and sustainable pension schemes**

Pension provision also remains a topic on the European agenda. Following the presentation of the Ageing Report on the long-term financial sustainability of public pension schemes, the report by the EU Commission and Council on the adequacy of pension systems is expected before the summer break. It will specifically focus on reducing the gender pension gap. The Belgian Council Presidency, supported by Germany, has proposed establishing a “Gender Pension Gap Network” to evaluate the progress made by Member States in reducing the pension gap.



“Developments in our century are largely defined by volatility and uncertainty. Fighting climate crisis, managing digital disruption, reaffirming the importance of social protection and the role of the State in upholding human dignity, are some of the major challenges facing Europe. Social protection is EU’s crown jewel.”

## **Digital Platform Workers in the EU**



Source: Illustration of the DSV based on data of the European Commission.

### **Porto Social Summit and implementation of the EPSR**

2021 was also the year in which the EU put its heart and soul into social policymaking. The further agenda for implementing the European Pillar of Social Rights (EPSR) was set at the Social Summit in Porto in May 2021. Social declarations of intent have been replaced by concrete social policy goals to be achieved by 2030. It is undisputed that good social policy needs a solid economic foundation. At the Tripartite Social Summit on 22 March 2023, EU leaders and social partners worked together on this foundation and responded to the challenges facing Europe concerning competitiveness.

### **Paradigm shift in fiscal policy?**

The will to ensure that social policy continues to play an important role in European politics in the future became very clear during the Spanish and

Belgian Council Presidencies. This is reflected, among other things, in the utilisation of the results of the expert group on the future of social protection. For example, informal working groups of the Council Presidencies are currently looking at how to deal with social investments, for example in education and training, but also at the growth-promoting potential of expenditure on prevention and rehabilitation. This indicates a paradigm shift in terms of fiscal and budgetary policy: in the future, investment in social areas could be seen as a contribution to increasing Europe's competitiveness and its single market. This means that the single market and social policy would be viewed as complementary.

### **Signpost from La Hulpe?**

At the end of the legislative period, the social policy will to act was once again impressively underpinned with a declaration and guidelines for the further development of the EPSR. The core message of the high-level conference in La Hulpe, to which the Belgian Council Presidency had invited, summarises Europe's perspective in a nutshell: "A Europe that is strong and competitive on the outside must show solidarity within." From July 2024, Hungary's task as the last country to hold the trio presidency will be to continue the initiatives of Spain and Belgium and to shape the transition to the new legislative period on the Council side. However, the fact that Sweden and Austria have not signed the La Hulpe Declaration indicates that interest in strengthening Europe's social dimension might be waning.



Frank Vandenbroucke, Belgian Deputy Prime Minister and Minister of Health and Social Affairs

**"A Europe that is strong and competitive on the outside must show solidarity within."**

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## Outlook on the new parliamentary term

After the last five years have been characterised by a particularly strong European social and health policy, the question arises as to how important these issues will be in the coming years.

The EPSR will certainly remain the EU's social compass. The conference in La Hulpe reconfirmed this. However, this does not rule out the possibility of social policy projects such as combating labour shortage or fighting poverty being relegated to the sidelines. After all, the mood in the Council changes slightly with every change of government in a Member State. And there are new heads in the EU Parliament. The Social Democrats, the Greens and the Left want to continue to work towards strengthening Europe's social dimension. The PES and the Left even want to include a protocol on social progress in the EU treaties. There were already discussions about this during the negotiations on the Treaty of Lisbon. However, the Christian Democrats insist on the competence of the Member States for social policy. Setting standards for social benefits at EU level is rejected, as is a resulting "EU social bureaucracy". For the Liberals, too, social issues play only a subordinate role.

It is safe to say that the overarching themes of the previous legislative period – green and digital transformation and just transition – will remain. However, the specific objectives or the pace of implementation may change. The Green Deal was the core political project of EU Commission President von der Leyen's first term in office. However, it enjoys little sympathy within her own party family. Only the centre-left parties continue to push for a socially equitable green transition.

In terms of healthcare policy, however, things will certainly continue to be intense. Particularly in the areas of medicinal products and medical devices that are relevant to the single market. It is likely to be more difficult for initiatives that prioritise consumer and patient rights over economic interests. Trends that can already be observed today, such as in the case of tobacco legislation or the labelling of alcoholic beverages, will probably continue. There is little to suggest that the 10th parliamentary term will promote the further expansion of the European Health Union – neither in terms of healthcare policy nor in terms of the reorganisation of the European distribution of responsibilities. The group of opponents in the Council and the EU Parliament is too large, while the group of those who want Europe to take the lead is too small.



**"We reject a sprawling EU social bureaucracy."**



**"Social rights must take precedence over economic interests, reinforcing the social dimension of the European Union."**

The EU will continue to put its heart and soul into social policymaking in the new legislative period. The Spanish and Belgian Council Presidencies have done a good job preparing for this. Occupational health and safety legislation is firmly established in Europe. The EU mechanism for the protection of workers' health guarantees continuous further development, regardless of individual legislative periods.

Of particular interest will be whether the paradigm shift in fiscal policy is successful and whether social investments can be regarded as relevant to growth and therefore to the budget in future. The digitalisation of social security and public administrations will also challenge the DSV over the coming years. However, at the end of the 9th legislative period, there is not much to suggest that there will be much commitment in terms of social policy beyond the issues that have been set already.

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