

EU Policy Updates Note

03 / April - June 2024





EU Policy Updates Note 3

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1. Introduction

This Note provides an overview of relevant EU policy developments in the four domains covered by the DignityFIRM project, taking place between April and June 2024. In this period, the European Parliament (EP) and Council adopted the revised Single Permit and Anti-Trafficking directives, as well as the Corporate Sustainability Due Diligence Directive. The EP and Council also formally adopted the New Pact on Migration and Asylum, concluding a long and difficult negotiation. Meanwhile, farmers' protests continued to draw public attention, also leading to changes to the current Common Agriculture Policy (CAP). In early June, all eyes turned to the **EP** elections. As predicted, the vote saw a shift to the right, with parties campaigning on anti-immigration positions increasing their presence in the EP. While pro-EU groups will still hold a majority in the new cycle, progressive voices with human rights agendas may struggle to be heard. The follow-up to the elections, including the nomination of a new Commission and the definition of new policy priorities, will be covered in upcoming Notes. Other developments not covered in this Note which will be later examined in greater detail include the extension of temporary protection for Ukrainian refugees until 2026, proposed by the Commission on 13 June, as well as the Council's negotiating positions on the Victims' Rights Directive (see Note n.1) and the EU Talent Pool proposal (see Note n. 2).

2. EU Legislative Developments

Recast of the EU Anti-Trafficking Directive adopted with a stronger focus on law enforcement

The revised EU Anti-trafficking Directive was proposed by the <u>European Commission</u> in 2022. It broadens the scope of exploitative behaviours, aiming to **strengthen victims' protection** through the mandatory establishment of **Formal Referral Mechanisms** for

early detection of victims, and a stronger focus on law enforcement. Following a provisional agreement on the file in January 2024, the final agreement received the EP's greenlight in April, followed by the Council in May. Contrary to the EP's suggested amendments to the proposal, the adopted text fails to recognise systemic factors that exacerbate migrants, refugees, and asylum-seekers' exposure to traffickers, such as a lack of safe and legal migration opportunities (see Note n. 1). Notwithstanding, the text foresees stronger collaboration between anti-trafficking and asylum authorities to ensure that victims of trafficking who are also in need of international protection are swiftly identified and supported. On the other hand, following a deterrent logic, the Directive foresees the criminalisation of the known use of services of exploited victims of trafficking. It remains unclear if this provision will apply to the employment of trafficked persons, and, in that event, how it will interact with the Employers Sanctions Directive, in instances where it can be proven that irregular migrant workers were also victims of trafficking.

Faster labour market access under the 2024 Recast Reception Conditions Directive

In 2016, the European Commission presented a proposal to reform the Reception Conditions Directive, aiming to further harmonise material reception conditions and improve the integration prospects for asylum seekers. This included a proposal to reduce the 9 month waiting period before they can access the labour market after lodging an asylum application. Following lengthy negotiations, the EP and Council adopted the final text in April. The new waiting period is set at 6 months. This reduction could decrease asylum seekers' vulnerability to undeclared work. However, member states can still apply labour market tests, giving priority to their own nationals, EU citizens, and lawfully residing third-country nationals, as under the previous Directive. For asylum seekers



whose application is "likely to be unfounded", the Directive foresees their **exclusion from the labour market**, potentially pushing them into **irregular work**. In this context, <u>critics</u> argue that the new Directive presents a missed opportunity to improve the integration prospects for all asylum seekers in the EU.

CAP reform targets environmental requirements and controls

In spring 2024, farmers' protests continued across the EU (See Note n. 2). Under pressure to show support as the EP elections approached, EU policymakers and national authorities proposed introducing greater flexibility into the current CAP, especially in relation to its environmental conditionalities. Among others, the measures include a reduction of compliance controls and ensuing penalties by up to 50%, with small farmers benefiting from an outright exemption. While employers' organisations have welcomed the measures, experts regret that the increased flexibility prioritises short-term resilience at the expense of long-term (environmental) sustainability targets. Despite calls to the contrary, the social conditionality mechanism remains intact, to the potential benefit of workers. However, considering the reduced controls, which include on-farm visits, labour exploitation may fly under the radar. Ongoing discussions in the context of the European Commission's Strategic Dialogue on the future of EU agriculture present an opportunity to reconcile these concerns with a view to the new policy cycle (see Note n. 1).

Strengthened efforts against Unfair Trade Practices
In response to the recent farmers' protests, measures
were also proposed to improve farmers' position in
the food supply chain. In this context, the Commission
presented its report on the implementation of the 2019
Unfair Trade Practices (UTP) Directive. UTPs refer to
dishonest business practices which are unilaterally
imposed by one trading partner, such as late payments
or purchasing below production costs. With larger
retailers holding disproportionate purchasing and
bargaining power in the food supply chain, farmers and
small suppliers are especially vulnerable to UTPs.

Placing undue financial constraints on farmers, UTPs may push them to cut labour costs, which could lead to further risks of undignified working conditions and reliance on irregular work. Having found challenges in the implementation of the Directive, the Commission will propose new rules on strengthening cross-border investigations and enforcement later this year. Complementary to these efforts, the Commission has also proposed the establishment of an EU agri-food chain observatory (AFCO), to improve transparency on UTPs.

Fair working conditions key to the transition pathway for the agrifood industrial ecosystem

In March 2024, the European Commission published a strategy to support the EU's transition to a green, digital and resilient agrifood industrial ecosystem, with a focus on continued consultation with agri-food stakeholders. The strategy focuses on measures to increase the attractiveness of EU exports whilst guaranteeing fair returns for all actors in the value chain, in an effort to bolster the EU's strategic autonomy and food security. The strategy contains eight building blocks, including a skills component and a social dimension, which acknowledge that the transition will not be possible without decent working conditions. It underscores the need for fair wages and job security, as well as enhanced support for migrant workers in particular. Furthermore, before the end of the year, the Commission will set up a Transition Pathway Platform (TPP), to disseminate information and facilitate stakeholder interaction. This builds on the consultative nature of the strategy. While generally welcomed by stakeholders, it is worth noting that the strategy lacks a standalone monitoring mechanism, and currently relies on monitoring efforts in place for related policy areas.

3. Other Relevant Developments

Spanish regularisation proposal could benefit up to 500,000 people

In recent years, <u>member states</u> have put in place regularisation procedures, improving irregular





migrants' <u>access to rights</u> while decreasing their exposure to precarity and exploitative employment conditions. Following this trend, in <u>September 2023</u>, a <u>civil society platform</u> put forward a <u>legislative proposal</u> in Spain to grant residency to irregular migrants who had arrived in the country before 2021. In April 2024, the <u>Spanish Parliament</u> voted in favour of considering the proposal with the <u>support of all political groups except Vox</u>. The proposal will now go

through the <u>legislative process</u>. If adopted, it could benefit up to <u>500,000 people</u>, significantly <u>improving</u> their <u>access to legal protections and integration prospects</u>, whilst at the same time <u>increasing contributions to Spain's social security system</u>. As political groups now prepare to submit their amendments to the proposal, <u>experts</u> worry that it could be <u>watered down</u> during the legislative process.

This note is published on a quarterly basis.



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ABOUT DignityFIRM

Towards becoming sustainable and resilient societies we must address the structural contradictions between our societies' exclusion of migrant workers and their substantive role in producing our food.

www.dignityfirm.eu

