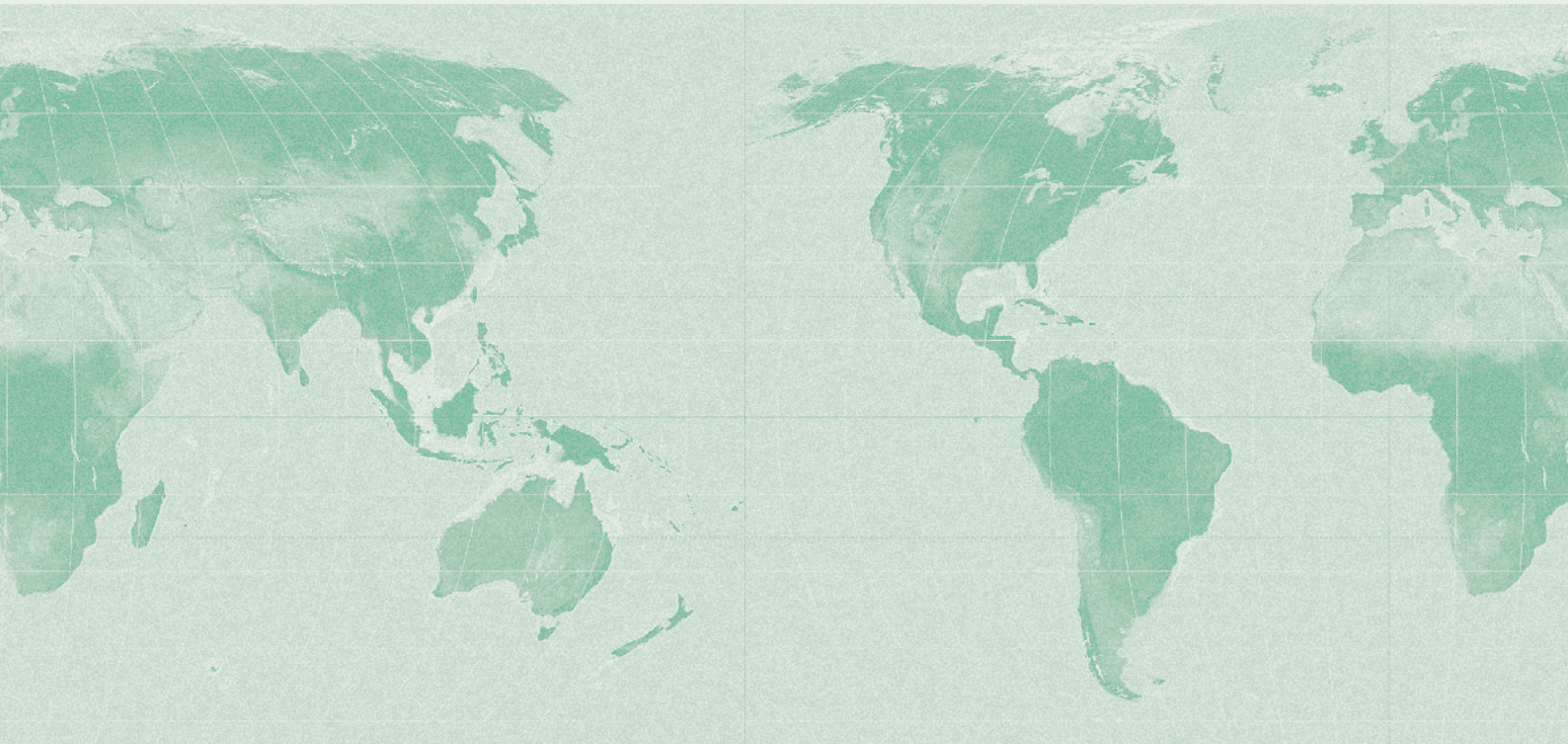
SECOND INTERNATIONAL LABOUR CONGRESS

20-21 NOVEMBER 2025
CONGRESS CENTER PLAZA,
LJUBLJANA, SLOVENIA

Concept Note

This concept note outlines three panels designed to foster in-depth debate on the future of labour and social policy in Europe amid ongoing geopolitical shifts. Each panel addresses critical themes: the tension between welfare and security in Europe's social model, the potential of employee ownership to enhance economic sovereignty, and the challenges of labour rights and democratic governance in the EU's enlargement process, with a particular focus on the Western Balkans. Together, these discussions aim to engage policymakers, experts, and stakeholders in identifying strategies to reinforce democratic institutions, protect labour rights, promote inclusive economic growth, and ensure social cohesion throughout Europe.



PANEL 1:

Welfare or Warfare? Europe's Social Model in the Age of Geopolitical Turbulence

Many observers have proclaimed 2025 as the end of the "American century". For the EU, the message coming from the other side of the Atlantic is clear: we are now on our own. Some of Europe's most powerful policymakers have interpreted that message as a threat. What will Europe do without its American partner? This panel, however, starts from the premise that the end of the unipolar era also presents an opportunity – to renovate Europe's social model, to reinvent its industrial base, and to rejuvenate its efforts to drive a just ecological transition. These are not easy tasks. In the age of automation, artificial intelligence, and geo-economic conflict, the old "European Social Model" is under existential strain.

External challenges are compounded by internal ones. The radicalised right-wing parties of Europe blame the welfare state for the loss of its competitiveness. There are many powerful voices today who claim that the EU should "trim its welfare state in order to build a warfare state". It is in this context that EU policymakers have called to "re-arm" the continent, ripping up the old fiscal rules to do so. With this panel, some of Europe's leading intellectuals and policymakers will examine the tension between Europe's competing priorities: welfare and warfare. The panellists will discuss national and continental approaches to defend and extend the European welfare state, placing the Social Pillar and Green New Deal back at the top of the agenda – even, and especially, in an economy warped by the increasing deployment of AI.

The dilemmas go deeper than short-term policy choices. A question that is at the core of the challenges we face is what kind of Europe do we want to build in the twenty-first century? Do we aspire to become a global power competing in military expenditure to achieve geoeconomic might, or do we insist on defining ourselves through the principles of solidarity, equality, and sustainability? The answers to these questions will determine the direction of the EU and of its democracies.

The European Social Model has historically been the backbone of social cohesion, reducing inequality and providing stability during crises. And, geopolitically speaking, it has also been the core of its normative power. As welfare protections weaken, disillusionment grows. Citizens who feel abandoned by the state may be more inclined to support populist or nationalist agendas. A strong social model is therefore not only an economic necessity, but also a political safeguard for democracy and unity within the EU. This panel will therefore touch on the most fundamental questions facing the EU today, its evolving place in the new geopolitical order, and the prospects for the prosperity of its hundreds of millions of working citizens.

PANEL 2:

Economic Sovereignty and Security: The Role of Employee Ownership in Europe's Industrial Future

Recent global political events have revealed vulnerabilities in Europe's strategic position. The continent is grappling with a series of overlapping challenges: geopolitical tensions, productivity and competitiveness concerns, an anticipated generational shift in business ownership, and the growing presence of predatory finance from global financial centres.

In this context, it is imperative for Europe to rethink its industrial strategy. How can we foster strength, stability, and competitiveness while preserving our economic autonomy?

The US, the UK, and Canada have already devoted political efforts to finding solutions of their own. Political parties across the spectrum support employee ownership as a priority for industrial development. One of the most successful and widely adopted models is the Employee Stock Ownership Plan (ESOP), which has been legislated for in all three countries. For example, in the UK, employee buyouts became the second most popular exit option for business owners after this legislation was adopted.

Europe lags behind in institutional support for employee ownership, but interest in the strategic question of business ownership is rising at the level of the EU and within Member States themselves. Slovenia is a leading example, with the government proposing dedicated ESOP legislation supported by a fiscal framework and using EU cohesion funds to provide guarantees for creditors supporting employee buyouts.

Other countries are following this lead. Spain's Economic Democracy Committee is discussing the employee buyout model as one of its working group's proposals, Denmark is currently holding a public hearing on ESOP legislation, and stakeholders in Northern Ireland are increasingly engaged in bringing employee ownership to the territory.

As hundreds of thousands of European business owners prepare to retire over the next decade, we need tools to ensure that ownership passes to stakeholders committed to the well-being of European citizens, communities, and the environment. Around the world, employee ownership has anchored jobs and added value in local communities, fostering inclusive growth and demonstrating its value as a strategic model for business ownership.

This panel will explore how international best practices can guide Europe's efforts, and examine where European and national contexts may require tailored solutions for building a resilient, employee-owned industrial strategy.

PANEL 3:

The EU's Democratic Dilemma: Labour, Rights, and Regional Integration

This panel will examine the evolving dynamics of EU enlargement in the Western Balkans, with particular attention to how the region's shifting geopolitical landscape influences labour movements, social rights, and democratic governance. Labour movements, long pivotal to Europe's democratic advancement, are not only influenced by these changes but also remain key actors in ensuring that enlargement is rooted in social justice.

Since Russia's full-scale invasion of Ukraine in 2022, the EU's merit-based approach to enlargement, based on the Copenhagen criteria, has been questioned. The urgent need to stabilise the Western Balkans, a region long characterised by ethnic tensions and fragile institutions, has led to a reassessment of EU enlargement strategies. Differentiated integration, once seen as an exception that allowed member states to opt out of certain policies, is now increasingly regarded as a strategic necessity and proposed as a phased model for accession.

This would let the Western Balkan countries join parts of the EU economy, like the single market and customs union, before fully meeting political and social standards. But ignoring labour rights risks weakening the European social model. Allowing market access without strong worker protections could create a divided Europe with unequal social rights. While this might bring short-term political benefits, it also raises concerns. Delaying political requirements could weaken the EU's role as a leader in setting norms and reduce motivation for real reforms. It might also support "stabilitocracies" – governments that maintain stability at the expense of democratic accountability – making it harder for trade unions and civil society to operate.

Labour movements have often led democratic change by fighting authoritarianism and helping build welfare systems in Europe. In the Western Balkans, their continued resilience positions them not merely as stakeholders but as potential agents of renewal, capable of aligning the enlargement process with the EU's social acquis. Moreover, separating economic integration from political and social rules could increase inequality, since market access would come without proper worker protections. This is especially paradoxical given that workers from the Western Balkans are already connected to European labour markets through migration, remittances and transnational union networks, showing labour integration often happens before political integration.

This panel brings together policymakers, scholars, and activists to foster a nuanced dialogue on the complex interplay among geopolitics, enlargement strategy, and social transforma-

tion in the Western Balkans. It aims to highlight pathways for strengthening the EU's normative leadership and ensuring that enlargement remains a credible driver of democratic governance, labour empowerment, and social inclusion in a region shaped by competing global influences. Focusing on the perspectives of labour movements and civil society actors across the Western Balkans, the panel will address key tensions at the heart of the process. Beyond immediate policy concerns, it will also consider broader questions about the future of Europeanisation itself.