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## European Semester for economic policy coordination: employment and social priorities for 2025

European Parliament resolution of 12 March 2025 on the European Semester for economic policy coordination: employment and social priorities for 2025 (2024/2084(INI))

(C/2025/3149)

*The European Parliament,*

- having regard to Article 3 of the Treaty on European Union (TEU),
- having regard to Articles 9, 121, 148 and 149 of the Treaty on the Functioning of the European Union (TFEU),
- having regard to the European Pillar of Social Rights (EPSR) proclaimed and signed by the Council, Parliament and the Commission on 17 November 2017,
- having regard to the Commission communication of 4 March 2021 entitled ‘The European Pillar of Social Rights Action Plan’ (COM(2021)0102) and its proposed 2030 headline targets on employment, skills and poverty reduction,
- having regard to the Commission communication of 17 December 2024 entitled ‘2025 European Semester – Autumn package’ (COM(2024)0700),
- having regard to the Commission communication of 26 November 2024 entitled ‘2025 European Semester: bringing the new economic governance framework to life’ (COM(2024)0705),
- having regard to the Commission proposal of 17 December 2024 for a joint employment report from the Commission and the Council (COM(2024)0701),
- having regard to the Commission recommendation of 17 December 2024 for a Council recommendation on the economic policy of the euro area (COM(2024)0704),
- having regard to the Commission report of 17 December 2024 entitled ‘Alert Mechanism Report 2025’ (COM(2024)0702),
- having regard to the Commission staff working document of 26 November 2024 entitled ‘Fiscal statistical tables providing relevant background data for the assessment of the 2025 draft budgetary plans’ (SWD(2024)0950),
- having regard to the Commission staff working document of 17 December 2024 on the changes in the scoreboard the Macroeconomic Imbalance Procedure Scoreboard in the context of the regular review process (SWD(2024)0702),
- having regard to its resolution of 22 October 2024 on the Council position on Draft amending budget No 4/2024 of the European Union for the financial year 2024 – update of revenue (own resources) and adjustments to some decentralised agencies <sup>(1)</sup>,
- having regard to Mario Draghi’s report of 9 September 2024 entitled ‘The future of European competitiveness’,
- having regard to Enrico Letta’s report of April 2024 on the future of the single market <sup>(2)</sup>,
- having regard to the La Hulpe Declaration on the Future of the European Pillar of Social Rights signed by Parliament, the Commission, the European Economic and Social Committee and the Council on 16 April 2024,
- having regard to the Regulation (EU) 2023/955 of the European Parliament and of the Council of 10 May 2023 establishing a Social Climate Fund and amending Regulation (EU) 2021/1060 <sup>(3)</sup>,

<sup>(1)</sup> OJ C, C/2025/491, 29.1.2025, ELI: <http://data.europa.eu/eli/C/2025/491/oj>.

<sup>(2)</sup> Letta, E., *Much more than a market – Speed, security, solidarity – Empowering the Single Market to deliver a sustainable future and prosperity for all EU Citizens*, April 2024.

<sup>(3)</sup> OJ L 130, 16.5.2023, p. 1, ELI: <http://data.europa.eu/eli/reg/2023/955/oj>.

- having regard to the Regulation (EU) 2024/1263 of the European Parliament and of the Council of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97 <sup>(4)</sup>, and in particular to Articles 3, 4, 13 and 27 thereof,
  - having regard to the Commission communication of 17 January 2023 entitled ‘Harnessing talent in Europe’s regions’ (COM(2023)0032),
  - having regard to the Commission communication of 20 March 2024 entitled ‘Labour and skills shortages in the EU: an action plan’ (COM(2024)0131),
  - having regard to the 2020 European Skills Agenda,
  - having regard to the Commission communication of 7 September 2022 on the European care strategy (COM(2022)0440),
  - having regard to the Council Recommendation on access to affordable, high-quality long-term care <sup>(5)</sup>,
  - having regard to the EU Social Scoreboard and its headline and secondary indicators,
  - having regard to the Commission communication of 3 March 2021 entitled ‘Union of Equality: Strategy for the Rights of Persons with Disabilities 2021-2030’ (COM(2021)0101),
  - having regard to the Commission report of 19 September 2024 entitled ‘Employment and Social Developments in Europe (ESDE): upward social convergence in the EU and the role of social investment’,
  - having regard to the Council Decision on Employment Guidelines, adopted by the Employment, Social Policy, Health and Consumer Affairs Council on 2 December 2024, which establishes employment and social priorities aligned with the principles of the EPSR,
  - having regard to the Tripartite Declaration for a thriving European Social Dialogue and to the forthcoming pact on social dialogue,
  - having regard to Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union <sup>(6)</sup> (Minimum Wage Directive),
  - having regard to the European Social Charter, referred to in the preamble of the EPSR,
  - having regard to the EU Roma strategic framework for equality, inclusion and participation for 2020-2030,
  - having regard to the United Nations Sustainable Development Goals (SDGs),
  - having regard to the Gender Equality Strategy 2020-2025,
  - having regard to the EU Anti-Racism Action Plan 2020-2025,
  - having regard to the LGBTIQ Equality Strategy 2020-2025,
  - having regard to Rule 55 of its Rules of Procedure,
  - having regard to the report of the Committee on Employment and Social Affairs (A10-0023/2025),
- A. whereas progress has been made towards achieving the EU’s employment targets, namely that at least 78 % of people aged 20 to 64 should be in employment by 2030, despite the uncertainty created by Russia’s war of aggression against Ukraine and the impact of high inflation; whereas, according to the Commission’s 2025 autumn economic forecast, EU employment has reached a rate of 75,3 %; whereas growth in employment in the EU remained robust in 2023; whereas in two thirds of the Member States, employment growth in 2023 was on track to reach the national 2030 target; whereas significant challenges nevertheless persist, such as high unemployment rates in some Member States, particularly among young people and persons with disabilities, as do significant inequalities between sectors and regions, which can negatively affect social cohesion and the well-being of European citizens in the long term;

<sup>(4)</sup> OJ L, 2024/1263, 30.4.2024, ELI: <http://data.europa.eu/eli/reg/2024/1263/oj>.

<sup>(5)</sup> OJ C 476, 15.12.2022, p. 1.

<sup>(6)</sup> OJ L 275, 25.10.2022, p. 33, ELI: <http://data.europa.eu/eli/dir/2022/2041/oj>.

- B. whereas the European Semester combines various different instruments in an integrated framework for multilateral coordination and surveillance of economic, employment and social policies within the EU and it must become a key tool for fostering upward social convergence; whereas the Social Convergence Framework is a key tool for assessing social challenges and upward convergence within the European Semester and for monitoring social disparities across Member States, while addressing the challenges identified in the Joint Employment Report (JER);
- C. whereas the Union has adopted the 2030 target of reducing the number of people at risk of poverty and social exclusion by at least 15 million compared to 2019, including at least 5 million children; whereas in nearly half of the Member States the trend is heading in the opposite direction; whereas one child in four in the European Union is still at risk of poverty and social exclusion; and whereas the current trend will not make it possible to meet the 2030 target; whereas public spending on children and youth should not be seen only as social expenditure but as an investment in the future; whereas the promotion of strong, sustainable and inclusive economic growth can succeed only if the next generation can develop their full educational potential in order to be prepared for the changing labour market, whereas to meet the 2030 Barcelona targets for early childhood education and care, the EU should invest an additional EUR 11 billion per year <sup>(7)</sup>;
- D. whereas despite a minimal reduction in the number of people at risk of poverty or social exclusion in the EU in 2023, approximately one in five still faces this challenge, with notable disparities for children, young and older people, persons with disabilities, LGBTI, non-EU born individuals, and Roma communities;
- E. whereas significant disparities are observed among children from ethnic or migrant backgrounds and children with disabilities; whereas 83 % of Roma children live in households at risk of poverty; whereas the EU and national resources currently deployed are in no way sufficient for addressing the challenge of child poverty in the EU and, therefore, a dedicated funding instrument for the European Child Guarantee as well as synergies with other European and national funds are of the utmost importance;
- F. whereas the EPSR must be the compass guiding EU social and economic policies, whereas the Commission should monitor progress on the implementation of the EPSR using the Social Scoreboard and the Social Convergence Framework;
- G. whereas poor quality jobs among the self-employed are disproportionately widespread while the rate of self-employment is declining, including among young people;
- H. whereas there are still 1,4 million people residing in institutions in the EU; whereas residents of institutions are isolated from the broader community and do not have sufficient control over their lives and the decisions that affect them; whereas despite the fact that the European Union has long been committed to the process of deinstitutionalisation, efforts are still needed at both European and national level to enable vulnerable groups to live independently in a community environment;
- I. whereas demographic challenges, including an ageing population, low birth rates and rural depopulation, with young people in particular moving to urban areas, profoundly affect the economic vitality and attractiveness of EU regions, the labour markets, and consequently, the sustainability of welfare systems, and further aggravate the regional disparities in the EU, and hence represent a structural challenge for the EU economy; and whereas, as underlined in the Draghi report, sustainable growth and competitiveness in Europe depend to a large extent on adapting education and training systems to evolving skills needs, prioritising adult learning and vocational education and training, and the inclusion of the active population in the labour market and on a robust welfare system;
- J. whereas 70 % of workers in Europe are in good-quality jobs, 30 % are in high-strain jobs where demands are more numerous than resources available to balance them leading to overall poor job quality; whereas in many occupations suffering from persistent labour shortages the share of low-quality jobs is higher than 30 %;

<sup>(7)</sup> European Commission, 'Employment and Social Developments in Europe (ESDE) 2024', September 2024.

- K. whereas the Letta report states that there is a decline in the birth rate, noting the importance of creating a framework to support all families as part of a strategy of inclusive growth in line with the EPSR; whereas the report notes that the free movement of people remains the least developed of the four freedoms and argues for reducing barriers to intra-EU occupational mobility while addressing the social, economic and political challenges facing the sending Member States and their most disadvantaged regions, as well as safeguarding the right to stay; whereas there is a need to promote family-friendly and work-life balance policies, ensuring accessible and professional care systems as well as public quality education, family-related leave and flexible working arrangements in line with the European Care Strategy;
- L. whereas inflation has increased the economic burden on households, having a particularly negative impact on groups in vulnerable situations, such as single parents, large families, older people or persons with disabilities, whereas housing costs and energy poverty remain major problems; whereas housing is becoming unaffordable for those who live in households where housing costs account for 40 % of total disposable income; whereas investment in social services, housing supply – including social housing – and policies that facilitate the accessibility and affordability of housing play a key role in reducing poverty among vulnerable households;
- M. whereas the EU's micro, small and medium-sized enterprises face particular challenges such as staying competitive against third-country players, maintaining production levels despite rising energy costs and finding the necessary skills for the green and digital transitions; whereas they need financial and technical support to comply with regulatory requirements and take advantage of the opportunities offered by the twin transitions;
- N. whereas labour and skills shortages remain a problem at all levels, and are reported by companies of all sizes and sectors; whereas these shortages are exacerbated by a lack of candidates to fill critical positions in key sectors such as education, healthcare, transport, science, technology, engineering and construction, especially in areas affected by depopulation; whereas these shortages can result from a number of factors, such as difficult working conditions, unattractive salaries, demand for new skill sets and a shortage of relevant training, the lack of public services, barriers of access to medium and higher education and lack of recognition of skills and education;
- O. whereas the Union has adopted the target that at least 60 % of adults should participate in training every year by 2030; whereas the Member States have committed themselves to national targets in order to achieve this headline goal and whereas the majority of Member States lost ground in the pursuit of these national targets; whereas further efforts are needed to ensure the provision of, and access to, quality training policies that promote lifelong learning; whereas upskilling, reskilling and training programmes must be available for all workers, including those with disabilities, and should also be adapted to workers' needs and capabilities;
- P. whereas in 2022, the average Programme for International Student Assessment (PISA) score across the OECD on the measures of basic skills (reading, mathematics and science) of 15-year-olds dropped by 10 points compared to the last wave in 2018; whereas underachievement is prevalent among disadvantaged learners, demonstrating a widening of educational inequalities; whereas this worrying deterioration calls for reforms and investments in education and training;
- Q. whereas the EU's capacity to deal with future shocks, crises and 'polycrises' while navigating the demographic, digital and green transitions, will depend greatly on the conditions under which critical workers will be able to perform their work; whereas addressing the shortages and retaining all types of talent requires decent working conditions, access to social protection systems, and opportunities for skills development tailored to the needs; and whereas addressing skills shortages is crucial to achieving the digital and green transitions, ensuring inclusive and sustainable growth and boosting the EU's competitiveness;
- R. whereas it is essential to promote mobility within the EU and consider attracting skilled workers from third countries, while ensuring respect for and enforcement of labour and social rights and channelling third-country nationals entering the EU through legal migration pathways towards occupations experiencing shortages, supported by an effective integration policy, in full complementarity with harnessing talents from within the Union;
- S. whereas gender pay gaps remain considerable in most EU Member States and whereas care responsibilities are an important factor that continue to constrain women into part-time employment or lead to their exclusion from the labour market, resulting in a wider gender employment gap;
- T. whereas the JER highlights the right to disconnect, in particular in the context of telework, acknowledging the critical role of this right in ensuring a work-life balance in a context of increasing digitalisation and remote working;

- U. whereas challenges to several sectors, such as automotive manufacturing and energy intensive industries, became evident in 2024 and a number of companies announced large-scale restructuring;
- V. whereas there are disparities in the coverage of social services, including long-term care, child protection, domestic violence support, and homelessness aid, that need to be addressed through the European Semester;
- W. whereas there is currently no regular EU-wide collection of data on social services investment and coverage; whereas collecting such data is key for an evidence-based analysis of national social policies in the European Semester analysis; whereas this should be addressed through jointly agreed criteria and data collection standards for social services investment and coverage in the Member States; whereas the European Social Network's Social Services Index is an example of how such data collection can contribute to the European Semester analysis;
- X. whereas the crisis in generational renewal, demographic changes, and lack of sufficient investment in public services have led to an increased risk of poverty and social exclusion, particularly affecting children and older people, single-parent households and large families, the working poor, persons with disabilities, and people from marginalised backgrounds; whereas an ambitious EU anti-poverty strategy will be essential to reverse this trend and provide responses to the multidimensional phenomenon of poverty;
- Y. whereas Eurofound research shows that suicide rates have been creeping up since 2021, after decreasing for decades; whereas more needs to be done to address causes of mental health problems in working and living conditions (importantly social inclusion), and access to support for people with poor mental health remains a problem;
- Z. whereas there were still over 3 300 fatal accidents and almost 3 million nonfatal accidents in the EU-27 in 2021; whereas over 200 000 workers die each year from work-related illnesses; whereas these data do not include all accidents caused by undeclared work, making it plausible to assume that the true numbers greatly exceed the official statistics; whereas in 2017, according to Eurofound, 20 % of jobs in Europe were of 'poor quality' and put workers at increased risk regarding their physical or mental health; whereas 14 % of workers have been exposed to a high level of psychosocial risks; whereas 23 % of European workers believe that their safety or their health is at risk because of their work;
- AA. whereas the results of the April 2024 Eurobarometer survey on social Europe highlight that 88 % of European citizens consider social Europe to be important to them personally; whereas this was confirmed by the EU Post-Electoral Survey 2024, where European citizens cited rising prices and the cost of living (42 %) and the economic situation (41 %) as the main topics that motivated them to vote in the 2024 European elections;
- AB. whereas according to Article 3 TEU, social progress in the EU is one of the aims of a highly competitive social market economy, together with full employment, a high level of protection and improvement of the quality of the environment; whereas Article 3 TEU also states that the EU 'shall combat social exclusion and discrimination, and shall promote social justice and protection, equality between women and men, solidarity between generations and protection of the rights of the child';
- AC. whereas the new EU economic governance framework entered into force in April 2024 and aims to promote sustainable and inclusive growth and to give more space for social investment and achievement of the objectives of the EPSR; whereas, for the first time, the revision includes a social convergence framework as an integrated part of the European Semester;
- AD. whereas under the new EU economic governance framework, all Member States have to include reforms and investments in their medium-term plans addressing common EU priorities and challenges identified in country-specific recommendations in the context of the European Semester; whereas the common EU priorities include social and economic resilience, including the EPSR;

- AE. whereas public investment is expected to increase in 2025 in almost all Member States, with a significant contribution from NextGenerationEU's Recovery and Resilience Facility (RRF) and EU funds and will contribute to social spending, amounting to around 25 % of the total estimated expenditure under the RRF, securing growth and economic resilience <sup>(8)</sup>; whereas social investments and reforms in key areas can boost employment, social inclusion, competitiveness and economic growth <sup>(9)</sup>; whereas social partners are essential for designing and implementing policies that promote sustainable and inclusive growth, decent and quality work, and fair transitions and must be involved at all levels of governance in accordance with the TFEU;
- AF. whereas according to the Organization for Economic Co-operation and Development (OECD), on average across OECD countries, occupations at highest risk of automation account for about 28 % of employment <sup>(10)</sup>; whereas social dialogue and collective bargaining are crucial in this context to ensure a participatory approach to managing change driven by technological developments, addressing potential concerns, while fostering workers' adaptation (including via skills provision); whereas digitalisation, robotisation, automation and artificial intelligence (AI) must benefit workers and society by improving working conditions and quality of life, ensuring a good work-life balance, creating better employment opportunities, and contributing to socio-economic convergence; whereas workers and their trade unions will play a critical role in anticipating and tackling risks emerging from those challenges;
- AG. whereas social dialogue and collective bargaining are essential for the EU's competitiveness, labour productivity and social cohesion;
1. Considers that the Commission and the Council should strengthen their efforts to implement the EPSR, in line with the action plan of March 2021 and the La Hulpe Declaration, to achieve the 2030 headline targets; calls on the Commission to ensure that the JER 2026 analyses the implementation of all the principles of the EPSR in line with Regulation (EU) 2024/1263 and includes an analysis of the social dimension of the national medium-term fiscal structural plans related to social resilience, including the EPSR; welcomes, in this regard, the announcement of a new Action Plan on the implementation of the EPSR <sup>(11)</sup> for 2025 to give a new impetus to social progress; welcomes the fact that almost all Member States are expected to increase public investment in 2025, which is necessary to ensure access to quality public services and achieve the aims of the EPSR; recalls that the Member States can mobilise the RRF within the scope defined by the Regulation (EU) 2021/241 <sup>(12)</sup> until 31 December 2026 on policies for sustainable and inclusive growth and the next generation;
  2. Stresses the importance of using the Social Scoreboard and the Social Convergence Framework to identify risks to, and to track progress in, reducing inequalities, strengthening social protection systems and promoting decent working conditions and supportive measures for workers to manage the transitions; stresses that in this regard, it is necessary to ensure a sustainable, fair and inclusive Europe where social rights are fully protected and safeguarded at the same level as economic freedoms; recalls that EU citizens identify social Europe as one of their priorities;
  3. Regrets the lack of data on and analysis of wealth inequality and wealth concentration in the EU as this is one of the main determinants of poverty; points out that according to Distributional Wealth Accounts, a dataset developed by the European System of Central Banks, the share of wealth held by the top 10 % stood at 56 % in the fourth quarter of 2023, while the bottom half held just 5 %;
  4. Welcomes the inclusion of analysis on the positive contribution of the SDGs and the European equality strategies in the JER 2025 and calls on the Commission to ensure that the JER 2026 includes both a section analysing the progress towards the SDGs related to employment and social policy, and another on progress towards eliminating social and labour discrimination in line with the Gender Equality Strategy 2020-2025, the EU Anti-Racism Action Plan 2020-2025, the EU Roma strategic framework for equality, inclusion and participation 2020-2030, the LGBTIQ Equality Strategy 2020-2025, and the Strategy for the rights of persons with disabilities 2021-2030;

<sup>(8)</sup> 2025 European Semester: Commission proposal of 17 December 2024 for a joint employment report from the Commission and the Council (COM(2024)0701).

<sup>(9)</sup> European Commission, 'Employment and Social Developments in Europe (ESDE) 2024', September 2024.

<sup>(10)</sup> OECD Social, Employment and Migration Working Papers No. 282.

<sup>(11)</sup> von der Leyen, U., 'Europe's Choice, Political Guidelines for the Next European Commission 2024-2029', 18 July 2024.

<sup>(12)</sup> Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility (OJ L 57, 18.2.2021, p. 17, ELI: <http://data.europa.eu/eli/reg/2021/241/oj>).

5. Calls on the Member States to implement the updated employment guidelines, with an emphasis on education and training for all, new technologies such as AI, and recent policy initiatives on platform work, affordable and decent housing and tackling labour and skills shortages, with a view to strengthening democratic decision-making;
6. Reiterates the importance of investing in workforce skills development and occupational training and of ensuring quality employment, with an emphasis on the individual right to training and lifelong learning; urges the Member States to develop upskilling and reskilling measures in collaboration with local stakeholders, including educational and training bodies and the social partners, in order to reinforce the link between the education and training systems and the labour market and to anticipate labour market needs; welcomes the fact that employment outcomes for recent graduates from vocational education and training (VET) continue to improve across the EU; is concerned about young people's declining educational performance, particularly in basic skills; welcomes, in this regard, the announcement of an Action Plan on Basic Skills and a STEM Education Strategic Plan; calls on the Member States to invest in programmes to equip learners with the basic, digital and transversal skills needed for the world of work and its digitisation as well as to help them to contribute meaningfully to society; recalls the important role that the European Globalisation Adjustment Fund for displaced workers can play in supporting and reskilling workers who were made redundant as a result of major restructuring events;
7. Welcomes the announcement of a quality jobs roadmap to ensure a just transition for all; calls on the Commission to include in this roadmap considerations for measures linked to the use of AI and algorithmic management in the world of work so that new technologies are harnessed to improve working conditions and productivity while respecting workers' rights and work-life balance as recognised in the JER <sup>(13)</sup>;
8. Stresses that the response to labour shortages in the European Union also involves improving and facilitating labour mobility within the Union; calls on the Member States to strengthen and facilitate the recognition of skills and qualifications in the Union, including those of third-country nationals; calls on the Commission to analyse the effectiveness of the European Employment Services (EURES) platform with a view to a potential revision of its operation;
9. Notes that the number of early leavers from education and training, people with lower levels of education, young people not in education, employment or training (NEETs) and among them vulnerable groups, including Roma, women, older people, low- and medium-qualified people, persons with disabilities and people with a migrant or minority background, depending on the country-specific context, remains high in several Member States, despite a downward trend in the European Union; calls on the Member States to reinforce the Youth Guarantee as stated in Principle 4 of the EPSR; in order to support young people in need throughout their personal and professional development; reiterates the pivotal role that VET plays in providing the knowledge, skills and competencies necessary for young people entering the labour market; emphasises the need to invest in the quality and attractiveness of VET through the European Social Fund Plus (ESF+); recalls, therefore, the need to address this situation and develop solutions to keep young people in education, training or employment and the importance of ensuring their access to traineeships and apprenticeships, enabling them to gain their first work experience and facilitating their transition from education to employment as well as to create working conditions that enable an ageing workforce to remain in the labour market;
10. Considers that, although there has been an improvement, persons with disabilities, especially women with disabilities, still face significant obstacles in the labour market, and that there is therefore a need for vocational and digital training, while promoting the inclusion of persons with disabilities, targeting the inactive labour force and groups with low participation in the labour market, including women, young people, older workers and persons with chronic diseases; calls on the Commission to update the EU Disability Strategy with new flagship initiatives and actions from 2025 onwards, such as a European Disability Employment and Skills Guarantee and the sharing of best practices such as the disability card, in particular to address social inclusion and independent living for people with disabilities, also ensuring their access to quality education, training and employment through guidance on retaining disability allowances;

<sup>(13)</sup> Commission proposal of 17 December 2024 for a joint employment report from the Commission and the Council (COM(2024)0701).

11. Expresses concern that Roma continue to face significant barriers to employment, with persistent biases limiting their prospects; notes that the EU Roma strategic framework for equality, inclusion, and participation highlights a lack of progress in employment access and a growing share of Roma youth not in employment, education, or training; emphasises the framework's goal of halving the employment gap between Roma and the general population and ensuring that at least 60 % of Roma are in paid work by 2030; urges the Member States to adopt an integrated, equality-focused approach and to ensure that public policies and services effectively reach all Roma, including those in remote rural areas;
12. Stresses the need to pay attention to the social and environmental aspects of competitiveness, emphasising the need for investments in education and training for all to ensure universal access to high-quality public education and professional training programmes, as well as sustainable practices to foster inclusive growth; underlines that social partners should play a key role in identifying and addressing skills needs across the EU;
13. Calls on the Commission and the Member States to include specific recommendations on housing affordability in the European Semester and to promote housing investment; urges the Member States to ensure that housing investments support long-term quality housing solutions that are actually affordable for low-income and middle-income households, highlighting that investments in social and affordable housing are crucial in order to ensure and improve the quality of life for all; stresses the need for a better use of EU funding, such as through European Investment Bank financial instruments, in particular to support investments to increase the energy efficiency of buildings; calls on the Commission and the Member States to take decisive action to provide an assessment of Union policies, funds and bottlenecks that should facilitate the construction, conversion and renovation of accessible, affordable and energy-efficient housing, including social housing, that meets the needs of young people, people with reduced mobility, low- and middle-income groups, families at risk and people in more vulnerable situations, while protecting homeowners and those seeking access to home ownership from a further reduction in supply;
14. Welcomes the announced European Affordable Housing Plan to support Member States in addressing the housing crisis and soaring rents; calls on the Commission to assess and publish which potential barriers on State aid rules affect housing accessibility; recalls that the Social Climate Fund aims to provide financial aid to Member States from 2026 to support vulnerable households, in particular with measures and investments intended to increase the energy efficiency of buildings, decarbonisation of heating and cooling of buildings and the integration in buildings of renewable energy generation and storage;
15. Considers that homelessness is a dramatic social problem in the EU; calls for a single definition of homelessness in the EU, which would enable the systematic comparison and assessment of the extent of homelessness across different EU Member States; calls on the Commission to develop a strategy and work towards ending homelessness in the EU by 2030 by promoting access to affordable and decent housing as well as access to quality social services; urges the Member States to better use the available EU instruments, including the ESF+, in this matter <sup>(14)</sup>;
16. Calls on the Member States to design national homelessness strategies; welcomes the intention to deliver a Council recommendation on homelessness <sup>(15)</sup>; urges the Commission to further increase the ambition of the European Platform on Combating Homelessness;
17. Considers that EU action is urgently needed to address the persistently high levels of poverty and social exclusion in the EU, particularly among children, young and older people, persons with disabilities, non-EU born individuals, LGBTI and Roma communities; highlights that access to quality social services should be prioritised and should ensure energy security for vulnerable households; calls on the Commission to adopt the first-ever EU Anti-Poverty Strategy;

<sup>(14)</sup> Opinion of the European Economic and Social Committee of 13 December 2023 on For an EU framework for national homeless strategies based on the principle of 'Housing First' (OJ C, C/2024/1567, 5.3.2024, ELI: <http://data.europa.eu/eli/C/2024/1567/oj>).

<sup>(15)</sup> Opinion of the European Economic and Social Committee of 13 December 2023 on For an EU framework for national homeless strategies based on the principle of 'Housing First'.



18. Recalls the Union objective of transitioning from institutional to community or family-based care; calls on the Commission to put forward an action plan on deinstitutionalisation; stresses that this action plan should cover all groups still living in institutions, including children, persons with disabilities, people with mental health issues, people affected by homelessness and older people; calls on the Member States to make full use of the ESF+ funds as well as other relevant European and national funds in order to finalise the deinstitutionalisation process so as to ensure that every EU citizen can live in a family or community environment;
19. Calls on the Commission to deliver a European action plan for mental health, in line with its recent recommendations<sup>(16)</sup>; calls on the Member States to strengthen access to mental health services and emotional support programmes for all, particularly children, young people and older people; requests a better use of the Social Scoreboard indicators to address the impact of precarious living conditions and uncertainty on mental health;
20. Calls on the Commission to address loneliness by promoting a holistic EU strategy on loneliness and access to professional care; calls also for this EU strategy to address the socio-economic impact of loneliness on productivity and well-being by tackling issues such as rural isolation; urges the Member States to continue implementing the Council recommendation on access to affordable, quality long-term care with a view to ensuring access to quality care while ensuring decent working conditions for workers in the care sector, as well as for informal carers;
21. Recognises that 44 million Europeans are frequent informal long-term caregivers, the majority of whom are women<sup>(17)</sup>;
22. Recognises the unique role of carers in society, and while the definition of care workers is not harmonised across the EU, the long-term care sector employs 6.4 million people across the EU;
23. Is concerned that, in 2023, 94,6 million people in the EU were still at risk of poverty or social exclusion; stresses that without a paradigm shift in the approach to combating poverty, the European Union and its Member States will not achieve their poverty reduction objectives; believes that the announcement of the first-ever EU Anti-Poverty Strategy is a step in the right direction towards reversing the trend, but must provide a comprehensive approach to tackling the multidimensional aspects of poverty and social exclusion with concrete actions, strong implementation and monitoring; calls for this Strategy to encompass everybody experiencing poverty and social exclusion, first and foremost the most disadvantaged, but also specific measures for different groups such as persons experiencing in-work poverty, homeless people, people with disabilities, single-parent families and, above all, children in order to sustainably break the cycle of poverty; stresses that the transposition of the Minimum Wage Directive will be key to preventing and fighting poverty risks among workers, while reinforcing incentives to work, and welcomes the fact that several Member States have amended or plan to amend their minimum wage frameworks; is concerned about the rise of non-standard forms of employment where workers are more likely to face in-work poverty and find themselves without adequate legal protections;
24. Reiterates its call on the Commission to carefully monitor implementation of the Child Guarantee in all Member States as part of the European Semester and country-specific recommendations; reiterates its call for an increase in the funding of the European Child Guarantee with a dedicated budget of at least EUR 20 billion and for all Member States to allocate at least 5 % of their allocated ESF+ funds to fighting child poverty and promoting children's well-being; considers that the country-specific recommendations should reflect Member States' budgetary compliance with the minimum required allocation for tackling child poverty set out in the ESF+ Regulation<sup>(18)</sup>; calls on the Commission to provide an ambitious budget for the Child Guarantee in the next MFF in order to respond to the growing challenge of child poverty and social exclusion;
25. Is concerned about national policies that create gaps in health coverage, increasing inequalities both within and between Member States; warns that this also undermines the implementation of principle 16 of the EPSR and of SDG 3.8 on universal health coverage, as well as the EPSR's overall objective of promoting upward social convergence in the EU, leaving no one behind; believes that the indicators used in the Social Scoreboard do not provide a comprehensive understanding of healthcare affordability;

<sup>(16)</sup> Commission communication of 7 June 2023 on a comprehensive approach to mental health (COM(2023)0298).

<sup>(17)</sup> European Commission: Directorate-General for Employment, Social Affairs and Inclusion, *Long-term care report – Trends, challenges and opportunities in an ageing society. Volume I*, Publications Office, 2021, <https://data.europa.eu/doi/10.2767/677726>.

<sup>(18)</sup> Article 7(3) of Regulation (EU) 2021/1057 of the European Parliament and of the Council of 24 June 2021 establishing the European Social Fund Plus (ESF+) (OJ L 231, 30.6.2021, p. 21, ELI: <http://data.europa.eu/eli/reg/2021/1057/oj>).

26. Underlines that employers need to foster intergenerational links within companies and intergenerational learning between younger and older workers, and vice versa; underlines that an ageing workforce can help a business develop new products and services to adapt to the needs of an ageing society in a more creative and productive way; calls, furthermore, for the creation of incentives to encourage volunteering and mentoring to induce the transfer of knowledge between generations;
27. Warns that, according to European Central Bank reports, real wages are still below their pre-pandemic level, while productivity was roughly the same; agrees that this creates some room for a non-inflationary recovery in real wages and warns that if real wages do not recover, this would increase the risk of protracted economic weakness, which could cause scarring effects and would further dent productivity in the euro area relative to other parts of the world; believes that better enforcement of minimum wages and strengthening collective bargaining coverage can have a beneficial effect on levels of wage inequality, especially by helping more vulnerable workers at the bottom of the wage distribution who are increasingly left out;
28. Calls for the Member States to ensure decent working conditions, comprising among other things decent wages, access to social protection, lifelong learning opportunities, occupational health and safety, a good work-life balance and the right to disconnect, reasonable working time, workers' representation, democracy at work and collective agreements; urges the Member States to foster democracy at work, social dialogue and collective bargaining and to protect workers' rights, particularly in the context of the green and digital transitions, and to ensure equal pay for equal work by men and women, enhance pay transparency and address gender-based inequality to close the gender pay gap in the EU;
29. Recalls the importance of improving access to social protection for the self-employed and calls on the Commission to monitor the Member States' national plans for the implementation of the Council Recommendation of 8 November 2019 on access to social protection for workers and the self-employed <sup>(19)</sup> as part of the country-specific recommendations; recalls, in this regard, as the rate of self-employed professionals in the cultural and creative sectors is more than double that in the general population, the 13 initiatives laid down in the Commission's 21 February 2024 response to the European Parliament resolution of 21 November 2023 on an EU framework for the social and professional situation of artists and workers in the cultural and creative sectors <sup>(20)</sup> and calls on the Commission to start implementing them in cooperation with the Member States;
30. Calls for the implementation of policies that promote work-life balance and the right to disconnect, with the aim of improving the quality of life for all families and workers, for ensuring the implementation of the Work-Life Balance Directive <sup>(21)</sup> and of the European Care Strategy; calls on the Commission to put forward a proposal to address teleworking and the right to disconnect; as well as a proposal for the creation of a European card for all types of large families and a European action plan for single parents, offering educational and social advantages; calls, ultimately, for initiatives to combat workforce exclusion as a consequence of longer periods of sick leave, to adapt the workplace and to promote flexible working conditions and to develop strategies to support workers' return after longer periods of absence;
31. Calls for demographic challenges to be prioritised in the EU's cohesion policy and for concrete action at EU and national levels; calls on the Commission to declare a 'European Year of Demography' and to prioritise the development of the Commission communication on harnessing talent in Europe's regions and the 'Talent Booster Mechanism' in order to promote social cohesion and to step up funding for rural and outermost areas and regions with a high rate of depopulation, supporting quality job creation, public services, local development projects and basic infrastructure that favour the population's 'right to stay', especially in the case of young people; highlights the importance of introducing specific measures to address regional inequalities in education and training, ensuring equal access to high-quality and affordable education for all;

<sup>(19)</sup> OJ C 387, 15.11.2019, p. 1.

<sup>(20)</sup> European Parliament resolution of 21 November 2023 with recommendations to the Commission on an EU framework for the social and professional situation of artists and workers in the cultural and creative sectors (OJ C, C/2024/4208, 24.7.2024, ELI: <http://data.europa.eu/eli/C/2024/4208/oj>).

<sup>(21)</sup> Directive (EU) 2019/1158 of the European Parliament and of the Council of 20 June 2019 on work-life balance for parents and carers and repealing Council Directive 2010/18/EU (OJ L 188, 12.7.2019, p. 79, ELI: <http://data.europa.eu/eli/dir/2019/1158/oj>).

32. Is concerned that, despite improvements, several population groups are still significantly under-represented in the EU labour market, including women, older people, low- and medium-qualified people, persons with disabilities and people with a migrant or minority background; warns that educational inequalities have deepened, further exacerbating the vulnerabilities of students from disadvantaged and migrant backgrounds; points out that, according to the JER, people with migrant or minority backgrounds can significantly benefit from targeted measures in order to address skills mismatches, improve language proficiency and combat discrimination; stresses the importance of strengthening efforts in the implementation of the 2021-27 Action Plan on Integration and Inclusion, which provides a common policy framework to support the Member States in developing national migrant integration policies;
33. Calls on the Commission and the Council to prioritise reducing administrative burdens with the aim of simplification while respecting labour and social standards; believes that better support for SMEs and actual and potential entrepreneurs will improve the EU's competitiveness and long-term sustainability, boost innovation and create quality jobs; notes that SMEs and self-employed professionals in all sectors are essential for the EU's economic growth and thus the financing of social policies; urges the implementation of specific recommendations to improve the single market; takes note of the Commission's publication of the 'Competitiveness Compass' on 29 January 2025 <sup>(22)</sup>;
34. Calls on the Commission to conduct competitiveness checks on every new legislative proposal, taking into account the overall impact of EU legislation on companies, as well as on other EU policies and programmes;
35. Considers that the social economy is an essential component of the EU's social market economy and a driver for the implementation of the EPSR and its targets, often providing employment to vulnerable and excluded groups; calls on the Commission and the Member States to strengthen their support for all social economy enterprises but especially non-profit ones, as highlighted in the Social Economy Action Plan 2021 and the Liège Roadmap for the Social Economy, in order to promote quality, decent, inclusive work and the circular economy, to encourage the Member States to facilitate access to funding and to enhance the visibility of social economy actors; calls for the Commission to explore innovative funding mechanisms to support the development of the social economy in Europe <sup>(23)</sup> and to foster a dynamic and inclusive business environment;
36. Believes that, in this year of transition, with the implementation of the revised economic governance rules, the Member States should align fiscal responsibility with sustainable and inclusive growth and employment, notes that the involvement of social partners, including in the development of medium-term fiscal structural plans, should be enhanced to contribute to the goals of the new economic governance framework;
37. Welcomes the fact that the national medium-term fiscal structural plans, under the new economic governance framework, have to include the reforms and investments responding to the main challenges identified in the context of the European Semester and also to ensure debt sustainability while investing strategically in the principles of the EPSR with the aim of fostering upward social convergence;
38. Is concerned that compliance with the country-specific recommendations (CSRs) remains low; reiterates its call, therefore, for an effective implementation of CSRs by the Member States so as to promote healthcare and sustainable pension systems, in line with principles 15 and 16 of the EPSR, and long-term prosperity for all citizens, taking into account the vulnerability of those workers whose careers are segmented, intermittent and subject to labour transitions; insists that the Commission should reinforce its dialogues with the Member States on the implementation of existing recommendations and of the Employment Guidelines as well as on current or future policy action to address identified challenges;

<sup>(22)</sup> Commission communication of 29 January 2025 entitled 'A Competitiveness Compass for the EU' (COM(2025)0030).

<sup>(23)</sup> Resolution of 6 July 2022 on the EU action plan for the social economy (OJ C 47, 7.2.2023, p. 171).

39. Welcomes the establishment of a framework to identify risks to social convergence within the European Semester, for which Parliament called strongly; recalls that under this framework, the Commission assesses risks to upward social convergence in Member States and monitors progress on the implementation of the EPSR on the basis of the Social Scoreboard and of the principles of the Social Convergence Framework; welcomes the fact that the 2025 JER delivers country-specific analysis based on the principles of the Social Convergence Framework; calls on the Commission to further develop innovative quantitative and qualitative analysis tools under this new Framework in order to make optimal use of it in the future cycles of the European Semester;
40. Welcomes the fact that the first analysis based on the principles of the Social Convergence Framework points to upward convergence in the labour market in 2023 <sup>(24)</sup>; notes with concern that employment outcomes of under-represented groups still need to improve and that risks to upward convergence persist at European level in relation to skills development, ranging from early education to lifelong learning, and the social outcomes of at-risk-of-poverty and social exclusion rates; calls on the Commission to further analyse these risks to upward social convergence in the second stage of the analysis and to discuss with the Member States concerned the measures undertaken or envisaged to address these risks;
41. Recognises the cost of living crisis, which has increased the burden on households, and the rising cost of housing, which, in conjunction with high energy costs, is contributing to high levels of energy poverty across the EU; calls, therefore, on the Commission and Member States to comprehensively address the root causes of this crisis by prioritising policies that promote economic resilience, social cohesion, and sustainable development;
42. Warns of the social risks stemming from the crisis in the automotive sector, which is facing unprecedented pressure from both external and internal factors; calls on the Commission to pay attention to this sector and enhance social dialogue and the participation of workers in transition processes; stresses the urgent need for a coordinated EU response via an emergency task force of trade unions and employers to respond to the current crisis;
43. Calls on the Commission to monitor data on restructuring and its impact on employment, such as by using the European Restructuring Monitor, to facilitate measures in support of restructuring and labour market transitions, and to consider highlighting national measures supporting a socially responsible way of restructuring in the European Semester;
44. Is concerned about the Commission's revision of the Macroeconomic Imbalance Procedure (MIP) Scoreboard, particularly the reduction in employment and social indicators, which are crucial for assessing the social and labour market situation in the Member States; regrets the fact that youth unemployment is no longer considered as a headline indicator, despite its relevance in identifying and addressing specific labour market challenges and in adopting adequate public policies; stresses that social standards indicators should be given greater consideration in the decision-making process; regrets the fact that the Commission did not duly consult Parliament and reminds the Commission of its obligation to closely cooperate with Parliament, the Council and social partners before drawing up the MIP scoreboard and the set of macroeconomic and macro-financial indicators for Member States; stresses that the implementation of the principles of the EPSR must be part of the MIP scoreboard;
45. Considers that territorial and social cohesion are essential components of the competitiveness agenda, and legislation such as the European Instrument for Temporary Support to Mitigate Unemployment Risks in an Emergency (SURE) remain a positive example to inspire future EU initiatives;
46. Considers that the Commission and the Member States should ensure that fiscal policies under the European Semester support investments aligned with the EPSR, particularly in areas such as decent and affordable housing, quality healthcare, education, and social protection systems, as these are critical for social cohesion and long-term economic sustainability and to address the challenges identified through social indicators;
47. Stresses the need to address key challenges identified in the Social Scoreboard as 'critical' and 'to watch', including children at risk of poverty or social exclusion, the gender employment gap, housing cost overburden, childcare, and long-term care the disability employment gap, the impact of social transfers on reducing poverty, and basic digital skills <sup>(25)</sup>;

<sup>(24)</sup> Commission proposal of 17 December 2024 for a joint employment report from the Commission and the Council (COM(2024)0701).

<sup>(25)</sup> Commission proposal of 17 December 2024 for a joint employment report from the Commission and the Council (COM(2024)0701).

48. Stresses the negative impacts that the cost of living crisis has had on persons with disabilities;
  49. Urges the Member States to consider robust policies that ensure fair wages and improve working conditions, particularly for low-income and precarious workers;
  50. Stresses the need for timely and harmonised data on social policies to improve evidence-based policymaking and targeted social investments; calls for improvements to be made to the Social Scoreboard in order to cover the 20 EPSR principles with the introduction of relevant indicators reflecting trends and causes of inequality, such as quality employment, wealth distribution, access to public services, adequate pensions, the homelessness rate, mental health and unemployment; recalls that the at-risk-of-poverty-or-social-exclusion (AROPE) indicator fails to reveal the causes of complex inequality; calls on the Commission and the Member States to develop a European data collection framework on social services to monitor the investment in and coverage of social services;
  51. Instructs its President to forward this resolution to the Council and the Commission.
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