European Semester for economic policy coordination: employment and social priorities – annual report 2026

2025/2183(INI) - 11/03/2026 - Text adopted by Parliament, single reading

The European Parliament adopted, by 404 votes to 208, with 20 abstentions, a resolution on the European Semester for economic policy coordination: employment and social priorities – annual report 2026.

The EU’s employment target of having at least 78 % of people aged 20 to 64 in employment by 2030 is on track to be achieved. In October 2025, the unemployment rate in the EU stood at 6 %, ranging from 2.6 % to 10.6 % among the Member States, while youth unemployment remains high at 13.2 %. Unemployment levels and precarious working conditions remain persistently high for young people, women, older workers, low- and medium-qualified third-country nationals, persons with disabilities, and Roma and other ethnic minorities.

Investing in the European social model

Underlining the competitive advantage of investing in the EU's social model, Parliament called for the recommendations of the High-Level Group on the future of social protection and of the welfare state, as well as the recommendations of the Letta and Draghi reports, to be integrated into the European Semester process in order to protect and reinforce the EU's social market economy. It stressed the need for a **balanced approach** that supports social rights, public services, structures, and collective bargaining coverage, as well as competitiveness.

Members called for the objectives of the **action plan on the European Pillar of Social Rights** to be placed at the core of the European Semester by making these objectives benchmarks in the evaluations of the European Semester.

Eradicate poverty

Parliament welcomed the Commission's ambition to eradicate poverty by 2050, its European plan for affordable housing, its intention to propose legislation on quality jobs, the first EU anti-poverty strategy, and the strengthening of the European Child Guarantee. It stressed the need for coherence between the European Semester, the follow-up to the Action Plan on the European Pillar of Social Rights, and these forthcoming instruments, with measurable targets and corresponding country-specific recommendations.

In this context, Members reiterated their call for a **substantial dedicated budget of at least EUR 20 billion** for the European Child Guarantee in the next multiannual financial framework and again called for Member States to allocate at least 5% of the European Social Fund Plus (ESF+) funds allocated to them to combat child poverty.

Youth unemployment

Concerned by the level of youth unemployment (which remains more than twice the overall EU unemployment rate), Parliament stressed the need for Member States to invest in the **reinforced Youth Guarantee** to ensure timely and high-quality support for all young people under 30 who are not in

employment, education, or training (NEETs). The Commission and Member States, within the framework of the European Semester, are urged to promote high-quality, fairly paid **traineeships** and to prevent their misuse as a substitute for regular employment.

Combating poverty and social exclusion

Members are convinced that action at EU and Member State level is necessary to prevent and address persistent high levels of poverty and social exclusion. Member States are urged to implement the directive on adequate minimum wages to combat in-work poverty and encourage employment.

Stressing the importance of improving **self-employed** people's access to social protection (particularly in the cultural and creative sectors), Parliament called on the Commission to use the European Semester process to monitor the national implementation of the Council Recommendation on access to social protection for employed and self-employed workers, including through country-specific recommendations. Member States are also urged to adopt an integrated approach and ensure that policies and public services effectively reach all **Roma**.

Recalling with concern the persistent disability employment gap of around 24%, Members called on the Commission to tackle this issue through the European Semester, including in the country-specific recommendations, and to update the EU strategy for the rights of persons with disabilities 2021-2030 in line with the UN Convention on the Rights of Persons with Disabilities, with new flagship initiatives, including a European disability employment and skills guarantee.

Social convergence

While welcoming the permanent inclusion of the social convergence framework in the European Semester, Members called on the Commission to improve and update the **social scoreboard**, ensuring that it reflects the drivers of inequality and their consequences, including with regard to equal opportunities, quality employment, wealth distribution, access to public and social services, adequacy of pensions, housing and homelessness, mental health, discrimination and the social consequences of environmental degradation and climate change.

Parliament recommended:

- taking into account the objectives of the action plan for **the social economy** in the European Semester;

- better integrating the Commission's plan for **affordable housing** into the European Semester;

- proposing concrete solutions to **skills shortages** and to address persistent problems by ensuring that the future initiative on skills transferability addresses current obstacles to skills recognition;

- studying how public-private partnerships between Member States and companies can finance the **training**, reskilling and professional development of workers, including the individual right to training for workers;

- integrating indicators on youth and old-age well-being, access to quality jobs, housing affordability, availability, physical accessibility, adequacy of minimum income and pensions, access to quality mental health services, and high-quality education and skills into the European Semester's assessment framework.

Parliament stressed that the recommendations of the European Semester in 2026 will be crucial in developing the next multiannual financial framework and expressed support for a **more democratic** European Semester process, with Parliament closely involved in setting economic and social policy priorities and taking economic governance decisions.