



EUROPEAN ANTI POVERTY NETWORK

# **EAPN REACTION TO THE 2025 EUROPEAN SEMESTER AUTUMN PACKAGE**

From a European Semester to a Social Semester:  
Aligning the European Semester with  
the EU Anti-Poverty Strategy

December, 2024

# EAPN Reaction to the 2025 European Semester Autumn Package

## From a European Semester to a Social Semester: Aligning the European Semester with the EU Anti-Poverty Strategy

EAPN position paper  
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### INTRODUCTION

**2025 is a pivotal year for social rights**, and particularly, the fight against poverty. For the first time, the EU will adopt an Anti-Poverty Strategy, as announced in the European Commission political guidelines 2024-2029<sup>1</sup>. Additionally, key frameworks such as the European Pillar of Social Rights Action Plan and the EU equality strategies will be renewed, paving the way for more ambitious and comprehensive measures to address poverty and social exclusion. The Multiannual Financial Framework (MFF) post-2027 is also starting to be discussed by EU institutions, with key implications on the priorities of the EU for the next years.

This year also marks the **first implementation cycle of the new Economic Governance Framework**, which entered into force on 30 April 2024. The European Semester is one of the components of this framework, alongside the Stability and Growth Pact (SGP), the Macroeconomic Imbalance Procedure (MIP), the Recovery and Resilience Facility (RRF) and the Banking Union & Financial Supervision.

### **What is the European Semester<sup>2</sup>?**

The European Semester is an annual exercise that coordinates the EU's economic and social policies. During the Semester, EU Member States align their budgetary and economic policies with the objectives and rules agreed upon at EU level.

The Semester timetable **follows a recurring cycle**:

- It starts with the **Autumn Package** in November or December, when the European Commission sets its priorities for the upcoming year.

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<sup>1</sup> European Commission - *Europe's Choice - Political Guidelines for the next European Commission 2024-2029* (18 July 2024)

<sup>2</sup> European Commission, [The European Semester](#) (checked on 20 February 2025)



- The **Winter Package**, in February or March, aims to analyse the socio-economic situation of each member state.
- The **Spring Package** in May or June provides tailored-made recommendations to each member state, also called Country Specific Recommendations (CSRs). They are based on National Reform Programmes (NRPs) and Stability & Convergence Programmes (SCPs) which are prepared by member states ahead of the Spring Package.
- The **Summer Package** in July closes the cycle by monitoring members' states performances.

The European Semester is of particular interest as a monitoring exercise of the implementation of social and economic policies. Advocating for **a European Semester process prioritising social policies and strong and socially ambitious country-specific recommendations** is a key objective for EAPN.

EAPN has been monitoring the European Semester cycle for more than a decade. We indeed believe that, with adequate objectives and priorities, the European Semester has the potential to contribute to the EU and national efforts to address poverty and social exclusion, by for instance promoting social investments, fairer tax and revenue collection, adequate wages and minimum income schemes, and inclusive green and digital transitions.

However, **the exact opposite happens**. As outlined in our previous analysis<sup>3</sup>, competitiveness and growth remain the main focuses of the European Semester cycle, contributing to weakening efforts to address poverty and social exclusion.

**This year did not see any changes**. Our present analysis of the Autumn Package, which marks the first step of the 2025 European Semester cycle, **shows the ever-growing clash with the headline targets of the European Pillar of Social Rights (EPSR), making it even more challenging to have a concrete impact against poverty and social exclusion**. By placing competitiveness, fiscal discipline, macroeconomic stability, and productivity growth above social investment, the Autumn Package neglects the urgent challenges faced by millions of citizens in the EU.

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<sup>3</sup> EAPN – [Reaction to the European Semester Autumn Package](#) (January 2023) and [position paper on the 2023 European Semester](#) (October 2023)

In 2023, 94.6 million people in the EU were at risk of poverty or social exclusion, representing at least 21.4% of the EU population. This is only 1.6 million people fewer compared to 2019, as mentioned by the European Commission proposal for a 2025 Joint Employment Report (JER)<sup>4</sup>. As per the EPSR Action Plan 2021-2027, the EU has committed to reduce poverty by 15 million people by 2030, including 5 million children. However, **as developed later in the paper, we are still far from reaching this headline target, despite its initial limited level of ambition**<sup>5</sup>.

**This position paper analyses the 2025 Autumn Package, which was published by the European Commission on 26 November and 18 December 2024.** It attempts to make the case for social inclusion to become the main priority of the European Semester, in a year of designing of the first-ever EU Anti-Poverty Strategy.

Our analysis is based on the following documents, which will be referenced throughout the paper:

- 2025 European Semester chapeau communication,
- 2025 Alert Mechanism Report,
- 2025 Draft Joint Employment Report,
- 2025 Recommendation on the Economic Policy of the Euro Area.

This year, the European Commission decided not to publish the Annual Sustainable Growth Strategy (ASGS). This document is, however, key to outline the European Commission economic and social priorities, with a focus on sustainability, productivity, fairness, and macroeconomic stability.

Our analysis is also compelled and illustrated by examples provided by EAPN national members, in the context of a written consultation undertaken in 2024 with the EAPN EU Inclusion Strategy Group (EUISG). The following EAPN national members contributed to the consultation:

- EAPN Austria
- EAPN Bulgaria
- EAPN Croatia
- EAPN Cyprus

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<sup>4</sup> European Commission, *2025 European Semester: Proposal for a Joint Employment Report* (18 December 2024)

<sup>5</sup> EAPN, *Social Europe will not be strengthened without binding measures - Reaction to the European Pillar of Social Rights Action Plan* (5 March 2021)

- EAPN Czechia
- EAPN Finland
- EAPN France
- EAPN Germany
- EAPN Greece
- EAPN Ireland
- EAPN Italy
- EAPN Lithuania
- EAPN Netherlands
- EAPN Poland
- EAPN Portugal
- EAPN Spain
- EAPN Sweden

## 1. The ever-growing clash between the European Semester and the European Pillar of Social Rights

This year again, the European Semester focus **remains on competitiveness and fiscal consolidation**. As stated in the European Commission chapeau communication<sup>6</sup>, *“the EU is determined to ensure its sustainable prosperity and competitiveness while strengthening its social market economy and safeguarding its sovereignty, economic security and global influence”*.

In the same way, in the European Commission proposal of Council Recommendation on the economic policy of the euro area<sup>7</sup>, the focus is put on competitiveness, resilience, macro-economic and financial stability. Investments are encouraged in critical technologies and infrastructures in areas such as the digital and green transitions and the build-up of defense capabilities through private and public investments. In the “resilience” part of the proposal of Council Recommendation,

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<sup>6</sup> European Commission, *Communication COM 2024 (700) final 2025 European Semester – Autumn Package* (17 December 2024)

<sup>7</sup> European Commission, *Recommendation for a Council Recommendation on the economic policy of the euro area* {SWD(2024) 704 final} (17 December 2024) & European Commission, *Communication COM(2024)600 European Semester – The Spring Package* (19 June 2024)

the European Commission also encourages member states to “*strengthen incentives to work by shifting the tax burden away from labour, including by targeted reforms of tax and benefit systems*”.

Even if eurozone member states are encouraged to fight “*poverty by safeguarding and strengthening sustainable social protection and inclusion systems, including access to affordable and sustainable housing*”, **public social investments are nowhere mentioned**. They are however crucial to address current socio-economic challenges and implementing principles of the EPSR, and a socially just transition where people experiencing poverty are disproportionately impacted by climate change and unjust green measures. To that end, **public investments in green jobs, social protection, including adequate minimum income, sustainable energy transition, housing, transport and food systems are urgently needed**<sup>8</sup>.

The EPSR and its 2030 headlines targets are merely absent from the Autumn Package. This is not only about a narrative issue or loophole. **This is about a political choice! It shows the lack of willingness to prioritise social rights over budgetary discipline private investments, with an alarming encouragement of defense capabilities.**

Encouraging investment in defense, while leaving aside public investments, especially in essential services, **is a dangerous discourse which is being normalised and less and less challenged among EU institutions**. EAPN is extremely worried that, a few months ahead of the Multiannual Financial Framework post-2027, political attention is put on defense at the cost of social protection policies.

On 29 January, we published, together with 11 other civil society organisations, a statement<sup>9</sup> expressing deep concerns following NATO Secretary General Mark Rutte declarations in front of the Sub-Committee on Security and Defense of the European Parliament on Monday, 13th January 2025 and at the World Economic Forum on Thursday, 23rd January 2025.

During his intervention, he called on the EU member states to increase national military defense spending and encouraged them to consider re-shuffling some parts of the national spending on pensions, health, and social security.

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<sup>8</sup> EAPN Position Paper – *Social and labour aspects of the just transition towards climate neutrality* (22 February 2022)

<sup>9</sup> Joint statement from civil society organisations, *The EU must protect welfare states at any costs* (29 January 2025)

Therefore, we called on the European Commission, member states and the European Parliament to **prioritise and protect social spending in the face of increased pressure to redirect funds toward military and defense budgets**, and to protect social welfare amidst competing budgetary pressures.

Indeed, under the new EU fiscal rules, which limit government deficits to 3% of Growth Domestic Product (GDP) and public debt to 60% of GDP, investment in defence capabilities is included in this calculation. In practice, it means an Excessive Deficit Procedure (EDP) cannot be triggered against a member state which does not comply with the rules because of spending too much in defense.

However, the EDP can be triggered against a member state that is considered to have spent “too much” in improving its social protection systems, setting up adequate minimum income schemes, investing in green jobs and public services, housing, transportation and food systems.

This shows how the European Commission and the Council of the EU frame public investment as a matter of profitability, when, in reality, **it is a deliberate political choice to prioritise profits over social needs**.

It is deeply concerning that, the upcoming EU Anti-Poverty Strategy is entirely absent from the Autumn Package documents. **Without ensuring synergies and coherence between the European Semester, the EPSR current and post-2025 Action Plan and the upcoming EU Anti-Poverty Strategy, how can the EU have a significant impact on poverty eradication in the EU?**

The lack of focus of the European Semester on addressing poverty and social exclusion was also highlighted by EAPN national members. For instance, in **Bulgaria**, the 2024 Country Specific Recommendations (CSRs) barely mention the European Pillar of Social Rights. In **Cyprus**, social care infrastructure is missing or insufficient in the 2024 CSR, despite consequential gaps in investments. In **Lithuania**, the alarming rise of homelessness is not addressed.

## **2. Stepping up efforts towards reaching the headline target on poverty**

This ever-growing clash between the European Semester and the EPSR is also illustrated by the startling high number of people living in poverty in the EU. As mentioned by the proposal of 2025 JER, there are only 1.6 million fewer in poverty compared to 2019.

The EPSR Action Plan 2021-2025 committed to reducing poverty by 15 million people by 2030, including 5 million children. As highlighted by EAPN, this headline target is a scaling back compared to the ambition of the EU2020 Strategy to reduce poverty by 20 million people between 2010 and 2020, and amidst the ever-growing socio-economic challenges<sup>10</sup>.

At this rate, **we have reasons to believe that the EU will not successfully reach the poverty headline target in 2030.**

EAPN national members in their assessment of the 2024 cycle, raised similar concerns regarding the discrepancy between the European Semester and the headline poverty reduction target. For instance, EAPN **Greece** and **Poland** highlighted that rising levels of homelessness were not addressed in the 2024 CSRs. In **Portugal**, the impact of the National Child Guarantee on child poverty was neither assessed nor included in the CSRs. In **Spain**, energy poverty was not addressed, despite the fact it rose from 7.5% in 2019 to 20.8% in 2023.

Another major issue which was barely considered in the 2024 CSRs and in the 2025 Autumn Package is the housing crisis, which leads to a lack of affordable and quality income for the lowest income. EAPN national networks from **Austria, Bulgaria, Croatia, Germany, Ireland, Lithuania, Netherlands, Portugal, and Spain** have reported that the lack of public investment in housing. Consequently, this is leading to exacerbate homelessness, as reported by **EAPN Finland, Germany and Greece**. In some countries, such as **Poland and Lithuania**, rising homelessness is not considered by the government as an issue to address.

First, this stems from the lack of coherent and comprehensive approach on eradicating poverty, which we urge the European Commission to address by **putting forward a rights-based and comprehensive EU Anti-Poverty Strategy with the long-term objective to work towards the eradication of poverty**<sup>11</sup>.

Second, EAPN believes that the European Semester cycles, by overlooking the EPSR and prioritising budgetary discipline and fiscal consolidation, **contributes to impede poverty eradication efforts, rather than stepping them up.**

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<sup>10</sup> EAPN, *Social Europe will not be strengthened without binding measures - Reaction to the European Pillar of Social Rights Action Plan* (5 March 2021)

<sup>11</sup> EAPN, *Roadmap towards an Anti-Poverty Strategy* (October 2024) & *Position Paper Towards the eradication of poverty – EAPN vision and recommendations for the EU Anti-Poverty Strategy* (March 2025)



Social and green investments are essential to create a sustainable safety net for all. However, according to the Institut Rousseau, the EU needs an increase of at least 260 billion EUR of public investments annually to meet its climate obligations<sup>12</sup>. In the same way, the annual gap in social infrastructure investment is 192 billion EUR<sup>13</sup>. Rather than encouraging social and green investments, the EU fiscal rules prevent member states from taking the risk to go beyond the allowed deficit of 3% of Growth Domestic Product GDP) and public debt to 60% of GD

EAPN, together with the Fiscal Matters coalition, has been advocating for an exception on social and green investments in the revision of the EU fiscal rules<sup>14</sup>, without success. The new EU fiscal rules, adopted in April 2024, confirm our fears expressed during the negotiations<sup>15</sup>: by including social and green investments in the debt and deficit limitations, these rules are a recipe for austerity for those member states which economies and societies were already devastated by massive public spending cuts in 2008-2010. They will prevent member states from investing in poverty eradication and social inclusion, leading to further exclusion of the most marginalised.

**This policy incoherence should urgently be addressed, otherwise, the EPSR current and renewed Action Plans, as well as the EU Anti-Poverty Strategy, will remain empty shells.**

### **3. Austerity policies and Excessive Deficit Procedures: the path towards more social exclusion**

Once again, budgetary discipline and fiscal consolidation remain at the core of the European Semester cycle. As mentioned in the European Commission proposal of Council Recommendation on the economic policy of the euro area, member states are encouraged to “*strengthen incentives to work by shifting the tax burden away from labour, including by targeted reforms of tax and benefit systems*” and to “*keep the national growth rates in net expenditure in each Member States as recommended by the Council.*”.

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<sup>12</sup> Institut Rousseau, *Bridging the green investment gap* (January 2024)

<sup>13</sup> European Commission, *Staff working document Identifying Europe’s recovery needs* (27 May 2020)

<sup>14</sup> Fiscal Matters, joint statement *Fiscal Follies: How new EU rules miss the mark on climate and prosperity* (24 March 2024)

<sup>15</sup> EAPN & 7 civil society organisations, *Joint statement No new straightjacket for EU fiscal rules!* (April 2023)

Social investments are merely absent, but also largely discouraged by the Stability and Growth Pact and the threat of an Excessive Deficit Procedure.

### **What is the Excessive Deficit Procedure?**

The Excessive Deficit Procedure (EDP) is a mechanism aiming to limit national deficits and debt levels under the Stability and Growth Pact (SGP). It requires member states to keep their budget deficit below 3% of GDP and public debt below 60% of GDP. If they do not do so, they can be fined, putting them in an even more challenging budgetary situation.

8 member states are currently under an ongoing excessive deficit procedure: **Belgium, France, Hungary, Italy, Malta, Poland, Romania and Slovakia**. On 21 January 2025, the Council of the EU adopted recommendations concerning seven of them, with a corrective budgetary path within a set deadline<sup>16</sup>. If member states do not comply, they can be fined.

These Council recommendations are solely based on growth in domestic product (GDP) and debt projections. They largely ignore the socio-economic situation and challenges faced by people, especially those living in poverty. In the same way, environmental challenges and climate change are totally overlooked from the Council recommendations.

According to a 2024 study by the European Trade Union Confederation (ETUC), under the EU economic governance rules, most member states would not be able to sufficiently invest in hospitals, education and affordable housing<sup>17</sup>.

**EAPN France**, in its assessment of the 2024 European Semester cycle, reported that the EDP against France overshadows poverty reduction strategies, with increased pressure to privatise public service sectors, with detrimental effects on healthcare and transport, among others.

**EAPN Italy** reported planned cuts in social welfare, with risks to increase poverty rates. In the same way, neither energy poverty nor the lack of affordable and quality housing is addressed by the government.

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<sup>16</sup> European Council & Council of the EU website, [Excessive Deficit Procedure](#) (last checked on 20 February 2025)

<sup>17</sup> European Trade Union Confederation (ETUC), study *Fiscal rules stop new schools and hospitals* (8 April 2024)

**EAPN Poland** reported that the freeze of public sector wages, as part the public spending reduction to reduce the deficit, impact the quality of healthcare and education services.

In Greece, despite economic growth recovery, the country remains constrained by long-term fiscal surveillance, limiting the capacity to implement robust anti-poverty measures. **EAPN Greece** has for instance reported that the cost of accessing essential services has increased because of the continued privatisation of public services, disproportionately affecting people living in poverty.

**The recent case of Belgium** illustrates the correlation between EDPs and austerity measures. Belgium is recommended to end its excessive deficit situation by 2027<sup>18</sup>. The new federal government agreement, which was adopted on 31 January 2025, aims to reduce the public deficit by 2030 while increasing public investments in security and defense and limiting social and green investments.

The Belgian Anti-Poverty Network, one of the 32 EAPN members, raised the alarm about the detrimental impact of the new federal agreement on the most marginalised, especially those living in poverty<sup>19</sup>.

For instance, the proposed measure to limit unemployment benefits to two years maximum will exclude further those who face obstacles with accessing the labour market. Limiting the number of social schemes to limit public spending will also contribute to further marginalise those who cannot already afford a house, energy and other essential needs.

Overall, it seems **austerity policies have become largely normalised across the EU**, leading to cuts in social protection, regressive tax policies and privatisation pressures of public services. This has been reported by almost all respondents to the consultation, namely **EAPN Austria, Croatia, Bulgaria, Cyprus, Czechia, Finland, France, Germany, Italy, Lithuania, Netherlands, Poland, Portugal, Spain and Sweden**.

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<sup>18</sup> Council Recommendation with a view to bringing an end to the situation of an excessive deficit procedure in Belgium (14 January 2025)

<sup>19</sup> BAPN - Réseau belge contre la pauvreté, *Pauvreté en Arizona : que nous réserve le nouveau gouvernement ?* (1 February 2025)

## 4. Minimum Income Schemes: missed opportunities to address poverty

As mentioned by the proposal of 2025 Joint Employment Report (JER)<sup>20</sup>, even if the situation improved in some member states, in general, minimum income schemes (MIS) **remain far from being adequate and thus efficient in lifting people out of poverty.**

Minimum Income Schemes (MIS) are an essential, integral part of universal social protection schemes and a comprehensive, rights-based, person-centered active inclusion approach. **When adequate, accessible and enabling and coupled with an effective access to essential services**, they can provide a route out of poverty to those people who are most in need. They are also the foundation for building more equal and socially-just societies, **if sustainably financed through redistributive progressive tax systems.**

According to EAPN members, investing in a strong MIS is essential. It creates an empowering system of support where adequate income and essential services act to enable individuals to live in dignity.

As a central measure for poverty eradication, **the European Semester must monitor and push for more ambitious implementation of MIS in all Members States.** It would send a strong signal that MI and social policies are inherent to the EU.

In all member states, MIS are below the at-risk-of-poverty threshold, rendering MIS inadequate and unable to lift people out of poverty.

In their assessment of the 2024 European Semester cycle, EAPN members also mentioned the fact that MIS and other social protection schemes are not automatically adjusted to the inflation, creating a disproportionate harmful impact on those with the lowest income. In **Austria**, measures to address the inflation remained temporary, not providing any long-term solutions for those living in poverty. **EAPN Germany** has reported that minimum subsistence level remains inadequate, notably because food price increase is not considered in the calculation of social schemes. **EAPN Finland** has reported that overall social schemes have diminished despite the inflation.

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<sup>20</sup> European Commission, *2025 European Semester: Proposal for a Joint Employment Report* (18 December 2024)

The **Council Recommendation on Minimum Income of 31 January 2023** recommends EU member states to ensure MIS enable “dignity at all stages of life” and to give attention to the minimum level of adequacy defined by the national at-risk-of-poverty (AROP) threshold and reference budgets. However, EAPN identified numerous loopholes in the Council Recommendation, including a lack of rights-based approach and the lack of common-wide framework and methodology on reference budgets <sup>21</sup>. The mere fact that a Council Recommendation is not a legally binding tool severely impedes any attempt to enshrine an effective right to an EU Minimum Income as a key pillar of anti-poverty strategies.

As highlighted by the JER, the adequacy of MIS has only improved in 7 member states: Estonia, the Netherlands, Luxembourg, Ireland, Belgium, Spain, Lithuania and Czechia. It even decreased in 6 member states: Italy, Austria, Cyprus, Poland, Greece and Hungary.

As the European Commission is currently preparing the progress report on the implementation report of the Council Recommendation on Minimum Income of 31 January 2023, the findings of the JER show that we are far from an adequate, accessible, and enabling minimum income for all in the EU, a prerequisite for implementing the principle 14 of the EPSR<sup>22</sup>.

**The example of the inadequacy of MIS illustrates the urge to put in coherence the European Semester, the EPSR Action Plan post-2025 and the EU Anti-Poverty Strategy.** Adequate, accessible and enabling MIS cannot be sustainably funded when member states are pressured to drastically limit public spending and focus fiscal consolidation rather than redistributive tax systems.

In the same way, the fact that, two years after the adoption of the Council Recommendation on Minimum Income, no member states have taken commitment toward an MIS above the poverty threshold, and even decreased the adequacy of MIS as mentioned above, **shows the urgent need for a binding EU Framework Directive on Adequate, Accessible and Enabling Minimum Income**<sup>23</sup>, which must be designed with the meaningful participation of civil society organisations and people experiencing poverty.

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<sup>21</sup> EAPN, toolkit on *Advocacy Toward Adequate Minimum Schemes* (4 December 2023)

<sup>22</sup> Principle of the EPSR states that *Everyone lacking sufficient resources has the right to adequate minimum income benefits ensuring a life in dignity at all stages of life, and effective access to enabling goods and services. For those who can work, minimum income benefits should be combined with incentives to (re)integrate into the labour market.*

<sup>23</sup> EAPN, *Expert Study on a Binding EU Framework on Adequate National Minimum Income Schemes* authored by A. Van Lancker, A. Aranguiz, H. Verschueren (15 October 2020)



## 5. Putting democracy at the core of the European Semester: For a meaningful involvement of those impacted by the European Semester

**The European Semester has very concrete implications for the daily life of millions of citizens.**

As we already mentioned, Excessive Deficit Procedures (EDP) put pressure on public spending with disastrous consequences on social investments and social welfare systems. Country Specific Recommendations (CSRs), which are the guidelines to EU member states issued by the European Commission as part of the European Semester Spring Package, prioritise most of the time economic and fiscal policies whilst overlooking social inclusion policies.

Despite its concrete implications, the European Semester process remains a highly opaque and technical process. Public and media scrutiny are nonexistent. The EU and national parliaments are not involved in the process, despite calls for greater involvement and democratic oversight in the process<sup>24</sup>. In addition, even if consultation of trade unions and civil society organisations, EAPN members keep on reporting weak consultation process, especially since the pandemic.

Official data on poverty does not consider those who are excluded from the traditional way of collecting statistics, also called the missing poor<sup>25</sup>. **In practice, it means that a policy process which negatively impacts almost one quarter of those living in the EU largely ignores their perspective and experience.**

**EAPN's position is that those impacted by public policies should have a say in shaping them.**

Their involvement should be concrete and meaningful, as we for instance outlined in our *2024 Roadmap towards an EU Anti-Poverty Strategy*<sup>26</sup>. We call on the European Commission to set up a

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<sup>24</sup> European Parliament resolution of 13 March 2024 on the European Semester for economic policy coordination 2024 (2023/2063(INI))

<sup>25</sup> EAPN talks about the “missing poor” to designate those who are invisibilised from traditional ways of collecting statistics on poverty, encompassing the following groups: racialized people, Roma people, people in informal or undeclared work, homeless people, undocumented migrants, refugees, and asylum seekers, children and youth, people in institutions, people deprived of liberty.

<sup>26</sup> EAPN, *Roadmap towards an Anti-Poverty Strategy* (October 2024)

Civil Society Organisation (CSO) and a Person Experiencing Poverty (PeP) Committee with the mandate to contribute to the shaping of the EU Anti-Poverty Strategy.

At a time where the European Commission is starting its new mandate and is working on shaping key initiatives such as the renew EPSR Action Plan and the first-ever EU Anti-Poverty Strategy, **we believe it should also engage in a reflection process on how to make the European Semester a democratic and transparent process.**

## Recommendations

Social justice, tax justice, and poverty eradication should be at the core of the EU economic governance framework. The following recommendations aim to ensure **the European Semester is at the service of social inclusion and the people living in poverty**, and not the other way around.

Ahead of the first-ever EU Anti-Poverty Strategy, **the European Semester must be shifted to a Social Semester as one of the crucial tools for its implementation.**

**The following recommendations are also outline in EAPN position paper on the EU Anti-Poverty Strategy<sup>27</sup>:**

- **Ensuring social and environmental objectives are overarching in the European Semester process.** Economic and fiscal policies should be at the service of the eradication of poverty,
- **Excluding social and green investments from the 3% deficit-to-GDP ratio outlined by the Stability and Growth Pact and the Excessive Deficit Procedure**, with no exceptions. As we have witnessed defense expenditure being excluded for the calculation of the deficit, we are now convinced that by passing Treaty rule is possible with political will.
- **Prioritising social investments in the CSRs** The European Commission should promote incentives to member states to increase their public expenditures in education, healthcare, social protection, and social inclusion in their National Reforms Plans (NRPs),

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<sup>27</sup> EAPN, position paper *Towards the Eradication of Poverty - EAPN vision and recommendations for the EU Anti-Poverty Strategy* (March 2025)

- **Put democracy, transparency and accountability at the centre** of the European Semester. Civil society organisations and marginalised groups should be consulted and involved meaningfully at every stage of the European Semester process.

## **EAPN members proposals of Alternative Country-Specific Recommendations**

### **Austria**

- 1- Expanding social housing investments to address the housing crisis.
- 2- Introducing progressive wealth taxation to reduce inequality.
- 3- Ensuring energy transition policies provide direct benefits to low-income households.

### **Bulgaria**

- 1- Adopting a well-being-centered economic model.
- 2- Reforming taxation to reduce income inequality, introducing a progressive tax system.
- 3- Increasing minimum income schemes to ensure adequate living standards.
- 4- Strengthening the link between environmental and social policies, ensuring that green transition measures do not increase inequality.

### **Croatia**

- 1- Implementing in-person service alternatives for social benefits and healthcare to mitigate digital exclusion.
- 2- Ensuring affordable housing measures target low-income and marginalized communities.
- 3- Establishing stronger fiscal safeguards to prevent regressive tax policies.
- 4- Increasing investment in long-term childcare and social protection.
- 5- Improving safeguards in algorithm-driven benefit administration.
- 6- Ensuring green investments prioritize vulnerable populations.

### **Cyprus**

- 1- Implementing in-person service alternatives for social benefits and healthcare to mitigate digital exclusion.
- 2- Ensuring affordable housing measures target low-income and marginalized communities.
- 3- Establishing stronger fiscal safeguards to prevent regressive tax policies.
- 4- Increasing investment in long-term childcare and social protection.
- 5- Improving safeguards in algorithm-driven benefit administration.
- 6- Ensuring green investments prioritize vulnerable populations.

## **Czechia**

- 1- Implementing progressive taxation to correct regressive policies that favor high-income earners.
- 2- Strengthening rental protections and increasing social housing stock.
- 3- Ensuring that green transition funds are directly allocated to households in energy poverty rather than landlords.

## **Finland**

- 1- Implementing progressive taxation to correct regressive policies that favor high-income earners.
- 2- Strengthening rental protections and increasing social housing stock.
- 3- Ensuring that green transition funds are directly allocated to households in energy poverty rather than landlords.

## **France**

- 1- Strengthening targeted financial support for energy poverty.
- 2- Addressing digital exclusion in job-seeking programs.
- 3- Expanding pension reform safeguards to prevent increased senior poverty.
- 4- Introducing fair wages to address labor shortages.
- 5- Increasing targeted assistance for energy-poor households.
- 6- Regulating rent increases in energy-renovated properties.
- 7- Improving public sector wages in critical service areas.

## **Germany**

- 1- Increasing minimum pension rates to prevent elderly poverty.
- 2- Ensuring public housing availability aligns with rising demand.
- 3- Expanding financial aid for low-income households adapting to green energy policies.

## **Greece**

- 1- Expanding social protections for non-standard workers.
- 2- Ensuring green transition policies prioritize employment security for vulnerable workers.
- 3- Improving administrative capacity to manage EU funds efficiently.
- 4- Implementing specific homelessness reduction strategies.
- 5- Strengthening regional social infrastructure balance in green transition investments.

## **Ireland**

- 1- Implementing binding housing affordability measures.
- 2- Strengthening regulation of private rental markets.
- 4- Introducing inclusive governance structures.
- 5- Introducing minimum income adequacy benchmarking.

## **Italy**

- 1- Implementing binding housing affordability measures.
- 2- Strengthening regulation of private rental markets.
- 4- Introducing inclusive governance structures.
- 5- Introducing minimum income adequacy benchmarking.

## **Lithuania**

- 1- Ensuring energy transition funds target the poorest households.
- 2- Expanding access to digital banking for elderly populations.
- 3- Enhancing tax progressivity to address wealth inequality.
- 4- Expanding targeted child benefits.

## **Netherlands**

- 1- Introducing legally binding and fair protections for gig workers.
- 2- Expanding targeted financial support for renters and invest in public housing.
- 3- Improving minimum wage-benefit linkage.
- 4- Investing in energy efficiency for low-income households.

## **Poland**

- 1- Increasing minimum income levels to at least 50% of the poverty threshold.
- 2- Expanding social housing programs to mitigate homelessness risk.
- 3- Ensuring green transition funds are distributed more equitably across all regions.

## **Portugal**

- 1- Expanding energy efficiency grants to prioritize low-income households.
- 2- Ensuring greater transparency in EU fund allocation to prevent mismanagement.



3- Strengthening labor market regulations to combat rising in-work poverty.

## **Spain**

- 1- Expanding housing support for low-income renters.
- 2- Implementing gender-sensitive social policies to tackle disproportionate poverty risks for women.
- 3- Improving affordability of social tariffs.
- 4- Increasing coverage of minimum income schemes

## **Sweden**

- 1- Expanding minimum social security payments to prevent increasing dependency on charitable aid.
- 2- Increasing social housing investment to address growing homelessness.
- 3- Ensuring energy transition funds are equitably distributed across all social groups.

## ACKNOWLEDGEMENTS

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