



Deregulating Social Europe

How the 2026 European Semester Spring Package Drives the EU's Competitiveness and Deregulation Agenda

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This report was drafted by Marie-Amah Kouadio, EAPN Senior Policy & Advocacy Officer, reviewed by Juliana Wahlgren, EAPN Director and Jessica Machacova, EAPN Senior Policy & Advocacy Officer. It was designed by Socheath Kan, EAPN Multimedia Communication Officer.

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Introduction

In 2025, **92.7 million people**, more than **one in five people living in the European Union (EU)**¹, were at risk of poverty or social exclusion. Although this represents a slight improvement on the previous year, progress remains far too slow to meet the commitments under the European Pillar of Social Rights (EPSR) Action Plan, including the **Porto target of lifting at least 15 million people out of poverty or social exclusion by 2030**². It also falls short of placing the Union on a credible path towards its longer-term objective of **eradicating poverty by 2050**³.

Against a backdrop of persistent inequalities and rising cost of living, the challenge is no longer simply to reaffirm Europe's social ambitions but to ensure that its economic governance actively contributes to delivering them.

This challenge comes at a pivotal moment for the European Union. On **16 July 2025**, the European Commission (EC) presented its proposal for the **2028–2034 Multiannual Financial Framework (MFF)**, setting out the financial framework that will underpin the Union's priorities during that period. On **6 May 2026**, the Commission published its **first-ever EU Anti-Poverty Strategy (EU APS)**, marking a long-awaited political commitment to eradicate poverty by 2050. The European Anti-Poverty Network (EAPN) welcomed this important milestone while highlighting that the strategy lacks the comprehensive implementation framework, robust governance mechanisms and dedicated financial resources needed to translate this ambition into tangible progress. On 22 July 2026, the EC also published a new **European Pillar of Social Rights (EPSR) Action Plan**, which presented similar shortcomings.

Alongside these initiatives, the Commission has placed **competitiveness, simplification and defence** at the heart of its political programme. Building on the political direction set out in Mario Draghi's report, *The Future of European Competitiveness*, the **Competitiveness Compass** and the **Better Regulation** agenda seek to strengthen Europe's economic position through regulatory simplification, accelerated permitting, industrial policy and reduced administrative burdens. As this report argues,

¹ Eurostat (2025), *Living conditions in Europe – poverty and social exclusion*, Statistics Explained. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Living_conditions_in_Europe_-_poverty_and_social_exclusion

² European Commission, Directorate-General for Employment, Social Affairs and Inclusion (2021), *European Pillar of Social Rights Action Plan*. https://employment-social-affairs.ec.europa.eu/policies-and-activities/european-pillar-social-rights-building-fairer-and-more-inclusive-european-union/european-pillar-social-rights-action-plan_en

³ European Commission, *State of the Union 2026*. https://commission.europa.eu/strategy-and-policy/state-union_en

these priorities are increasingly shaping the broader architecture of EU economic governance.

The **2026 European Semester Spring Package**⁴ sits at the intersection of these priorities. Far from being a purely technical exercise in economic policy coordination, the Spring Package translates the Commission's political agenda into concrete guidance for Member States through the Country-Specific Recommendations (CSRs). It therefore provides an opportunity to assess whether the EU's renewed commitment to poverty eradication and social rights are aligned with its broader objectives of competitiveness, fiscal discipline and deregulation.

EAPN's **analysis of the 2025 Spring Package**⁵ highlighted the growing prominence of competitiveness and defence objectives within the European Semester, often at the expense of social priorities and the just transition. The **2026 Spring Package** goes a step further, increasingly positioning the Semester as a vehicle for implementing the Commission's competitiveness and deregulation agenda.

In this analysis, we will see that the CSRs encourage Member States to pursue regulatory simplification, reductions in administrative burdens and investment-friendly reforms, while social policies are predominantly framed in terms of their contribution to labour market participation, productivity and economic growth. This raises fundamental questions about the coherence between the EU's **commitments to poverty eradication and social rights** and the **governance mechanisms shaping its economic priorities**.

This report therefore examines the following research question:

How does the 2026 European Semester Spring Package reflect and operationalise the European Commission's competitiveness and deregulation agenda, and what are the implications for achieving the EU's objective of eradicating poverty by 2050?

This report argues that the 2026 Spring Package illustrates how the European Semester is increasingly mobilised to advance the European Commission's competitiveness and deregulation agenda. It first examines how the Semester translates these priorities into national reform guidance, before analysing their implications for **Social Europe, the social acquis and the EU's capacity to deliver on its social commitments**.

⁴ See the annex

⁵ European Anti-Poverty Network (EAPN) (2025), *Competitiveness or Social Justice: a Choice to Make*. <https://www.eapn.eu/semester-report-spring-package-2025/>

The Semester as a driver of competitiveness and deregulation

The 2026 European Semester cycle illustrates the growing centrality of competitiveness within the EU's policy agenda. Regulatory simplification and the reduction of administrative burdens are promoted as key means of advancing this objective, with the Semester translating these priorities into national reform guidance.

This section examines how competitiveness shapes the Semester's overarching priorities and how the CSRs channel the Commission's deregulation agenda into proposed national reforms.

Competitiveness as the overarching objective of the Semester

The 2026 Spring Package places competitiveness at the centre of the European Semester. Building on the EC's Competitiveness Compass and the broader political direction outlined in Mario Draghi's report, *The Future of European Competitiveness*⁶, the Semester continues to frame national reforms through their contribution to productivity, investment, industrial capacity and economic resilience.

"At a time of major geopolitical shifts and tensions, the EU needs to continue strengthening its competitiveness and strategic autonomy to sustain its economic and social resilience and cohesion. (...) It is implementing an ambitious competitiveness agenda and is making progress on digital innovation, decarbonisation goals, and economic security."

2026 European Semester – Spring Package Communication

As EAPN's analysis of the 2025 Spring Package⁷ demonstrated, **competitiveness is not presented as one policy objective among others but as the overarching framework** through which different policy areas are assessed. Reforms related to investment, energy, skills, innovation and infrastructure are increasingly framed in terms of their contribution to strengthening economic performance and addressing structural barriers to growth.

This framing is reflected across the CSRs: **23 of the 27 Member States receive at least one recommendation explicitly linked to regulatory simplification, administrative**

⁶ Draghi, M. (2024), *The Future of European Competitiveness – Part A: A Competitiveness Strategy for Europe*. European Commission. https://commission.europa.eu/document/download/97e481fd-2dc3-412d-be4c-f152a8232961_en

⁷ European Anti-Poverty Network (EAPN) (2025), *Competitiveness or Social Justice: a Choice to Make*. <https://www.eapn.eu/semester-report-spring-package-2025/>

burdens, regulatory barriers, the business environment, competitiveness or productivity⁸. These recommendations span different policy areas and are frequently presented as means of improving productivity, investment conditions and economic dynamism.

The recommendation for Luxembourg illustrates this approach, explicitly linking competitiveness to financial-sector diversification, digitalisation, business scale-up and productivity, while also calling for the removal of barriers to competition:

"(...) Boost competitiveness by promoting diversification in the financial sector, accelerating the uptake of advanced digital technologies by SMEs, and enabling business scale-up and productivity growth. (...) Remove barriers to competition, such as to the provision of services and in regulated professions."

2026 European Semester: Country-Specific Recommendation – Luxembourg

The prominence given to defence further illustrates the hierarchy of priorities underpinning the current Semester cycle. In 2026, all 27 Member States have received recommendations encouraging increased defence spending and improved defence readiness, including through the possibility of using the national escape clause (NEC)⁹. Since 2025, **18 Member States have activated the NEC**, allowing them to deviate temporarily from the expenditure paths set under the EU fiscal framework to accommodate higher defence spending, subject to fiscal sustainability safeguards¹⁰.

The Semester also plays a role in promoting this flexibility, with CSRs explicitly encouraging its use, as illustrated by the recommendation addressed to Portugal below. This differentiated treatment highlights the adaptability of fiscal constraints when priorities are considered strategically important, raising questions about the more limited flexibility available for social and green investment.

"(...) ensure that net expenditure respects the maximum growth rates recommended by the Council on 21 January 2025, while making use of the flexibility under the national escape clause for higher defence expenditure. Reinforce defence spending and readiness while ensuring spending efficiency and gradually adapting the budget to sustain structurally higher defence spending."

⁸ European Commission (2026), *2026 European Semester: Country-Specific Recommendations / Commission Recommendations*. European Commission, 3 June 2026. Available at: https://ec.europa.eu/economy_finance/country-specific-recommendations-database/

⁹ Ibid.

¹⁰ Council of the European Union (2026), *National escape clause for defence expenditure*, last reviewed 12 June 2026. <https://www.consilium.europa.eu/en/policies/national-escape-clause-for-defence-expenditure-nec/>

2026 European Semester: Country-Specific Recommendation – Portugal

This prioritisation is also closely connected to the competitiveness agenda. The Commission explicitly links increased defence investment to the strengthening of Europe's industrial base, technological innovation, investment and competitiveness, while the ReArm Europe/Readiness 2030 framework seeks to expand European defence production, simplify rules and mobilise investment in strategic technologies¹¹.

Together, these priorities form **a mutually reinforcing policy narrative in which defence spending is presented not only as a security objective but also as a driver of industrial capacity and competitiveness, supported by greater fiscal flexibility.**

How CSRs translate deregulation into national reforms

“The 2026 CSRs are geared to lifting restrictions to the single market, strengthening the rule of law, and ensuring an effective institutional framework. (...) Measures are also called for to simplify regulatory frameworks, reduce gold-plating, and lower administrative burdens affecting market entry and cross-border activity.”

2026 European Semester – Spring Package Communication

Beyond promoting competitiveness as a political objective, the 2026 Spring Package also demonstrates how the European Semester is increasingly used to implement the Commission's deregulation agenda. Through the CSRs, Member States are encouraged to simplify regulatory frameworks, reduce administrative burdens and streamline administrative procedures that delay investment and economic activity.

Understanding deregulation and simplification

The Commission's deregulation and simplification agenda predates the 2026 Better Regulation Communication. Earlier initiatives, including the first Omnibus packages adopted in 2025, sought to reduce regulatory burdens and revise existing EU legislation¹². These efforts have increasingly moved beyond simplifying the implementation of new legislation towards reopening, revising or delaying rules that have already been agreed.

¹¹ European Commission (2025), *Commission outlines priorities to boost EU competitiveness in its 2026 European Semester Autumn Package*, 25 November 2025.

https://cyprus.representation.ec.europa.eu/news/commission-outlines-priorities-boost-eu-competitiveness-its-2026-european-semester-autumn-package-2025-11-25_en

¹² The Good Lobby (2026), *Deregulation Monitor*. The Good Lobby. Available at: <https://thegoodlobby.eu/deregulation-monitor/>

On **28 April 2026**, the European Commission adopted the Communication "[A Simpler, Clearer and Better Enforced EU Rulebook](#)", setting out a renewed Better Regulation framework for simplifying, implementing and enforcing EU legislation. The Communication forms a central part of the Commission's competitiveness agenda, establishing principles intended to guide future legislative initiatives throughout the current mandate.

The Commission's approach forms what is likely to be the EU's most far-reaching deregulation exercise to date¹³. It combines the withdrawal, postponement or revision of existing legislation with a series of cross-sectoral [Omnibus packages](#) designed to reopen and simplify EU rules. Ten Omnibus packages have already been announced, with further initiatives expected in areas including energy, taxation and digital policy.

The Better Regulation Communication introduces several changes to the way EU legislation is developed and implemented. These include:

- **Reducing regulatory burdens** through a "regulatory deep cleaning" exercise across major policy areas.
- **Limiting regulatory gold-plating**, encouraging Member States not to go beyond minimum EU requirements when transposing legislation.
- **Expanding the use of sunset and evaluation clauses**, requiring legislation to be periodically reviewed and, in some cases, actively renewed.
- **Streamlining consultations and impact assessments**, with more flexible procedures and a stronger focus on rapid implementation and enforcement.

Regulatory simplification is presented as a necessary condition for improving Europe's competitiveness. Across Member States, CSRs call for reforms aimed at reducing administrative obstacles, streamlining procedures and creating more predictable regulatory environments for businesses. Reforms to permitting procedures are a recurring priority, with recommendations encouraging faster approval processes and the removal of administrative bottlenecks, particularly in infrastructure, energy and industrial investment. The recommendations and country reports for Italy and Germany illustrate how these priorities convert into specific national reforms:

- In Italy, the Commission identifies *delays in the judicial system, administrative complexity and lengthy permitting procedures* as obstacles to business

¹³ Ibid.

investment, while encouraging regulatory simplification and reductions in administrative burdens for small and medium-sized enterprises (SMEs)¹⁴.

- In Germany, the 2026 CSR calls for faster permitting and implementation procedures for public investment, alongside regulatory simplification and reduced administrative burdens. It also recommends modernising public administration by reducing complexity between different levels of government¹⁵.

The use of the Semester to advance this agenda illustrates how its established coordinating role is increasingly being directed towards the Commission's current political priorities. Alongside monitoring economic and social developments, the Semester provides a mechanism for translating these priorities into national reform commitments. The CSRs therefore function not only as economic guidance but also as a means of steering Member States towards a model of economic governance centred on competitiveness, investment facilitation and regulatory efficiency.

This approach is accompanied by broader changes in how EU rules are developed and implemented. The Commission's emphasis on speed and simplification has been reflected in the use of accelerated procedures, implementation dialogues and reduced consultation requirements.

While presented as necessary to respond to an “economic emergency”¹⁶ and improve policy delivery, these developments raise **questions about transparency and democratic participation**. When legislative timelines are compressed and consultation opportunities reduced, civil society organisations and communities affected by new rules may have less scope to assess their consequences, raise concerns and influence decisions. Without adequate safeguards, the pursuit of regulatory efficiency therefore risks coming at the expense of meaningful scrutiny and participation.

Taken together, these changes suggest that simplification is reshaping not only the content of EU rules but also the processes through which they are developed, reviewed and implemented.

¹⁴ European Commission (2026), *Country Report – Italy*. Published as part of the Spring Package, 3 June 2026. Available at: https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/country-report-italy_en

¹⁵ European Commission (2026), *2026 European Semester: Country-Specific Recommendation / Commission Recommendation – Germany*. European Commission. Available at: https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/country-report-germany_en

¹⁶ European Commission (2025), *[Press release IP/25/614]*.
https://ec.europa.eu/commission/presscorner/detail/en/ip_25_614

In short

- The **2026 Spring Package continues to place competitiveness at the centre of the European Semester**, with CSRs increasingly aligned with objectives related to productivity, investment, industrial capacity and economic resilience.
- The Semester is increasingly mobilised as **an implementation tool for the Commission's deregulation agenda**, promoting regulatory simplification, administrative burden reduction and faster procedures as pathways to competitiveness.
- This approach shifts the Semester's role from a framework for coordinating multiple policy objectives to a governance instrument focused on delivering the Commission's competitiveness priorities.
- This raises questions about **the Semester's capacity to support the EU's commitments to poverty reduction and upward social convergence while increasingly prioritising competitiveness**.

Social Europe under the competitiveness and deregulation agendas

The growing prominence of competitiveness, defence and deregulation within the European Semester is reshaping the governance of economic reforms but also the way social objectives are understood and pursued. While social priorities remain present throughout the 2026 Spring Package, they are increasingly subordinated to broader objectives of economic performance, labour market participation and strategic competitiveness.

At the same time, the governance tools accompanying the Commission's deregulation agenda raise important questions about the future of the social acquis and the EU's capacity to deliver on its social commitments.

Social policy through the lens of competitiveness

Alongside the Spring Package, the European Commission adopted its first-ever EU APS and published a renewed **EPSR Action Plan on 22 July 2026**. The latter sets out measures intended to support Member States in achieving the Porto social targets by 2030, including lifting at least 15 million people out of poverty or social exclusion.

Although the adoption of the EU APS increased the visibility of poverty and social policy within the Semester, it has not fundamentally changed the Semester's underlying logic. The strategy explicitly relies on the European Semester as a mechanism for providing

guidance to Member States and integrating anti-poverty objectives into economic governance¹⁷.

Yet this integration largely involves incorporating selected social priorities into the existing economic coordination framework rather than rebalancing it around poverty eradication and social rights. In each of the previous two cycles, more than one third of Member States had already received at least one poverty-related CSR, demonstrating that such recommendations predate the EU APS itself¹⁸.

The 2026 cycle therefore represents a continuation and consolidation of this approach rather than a substantive shift in the role of social objectives within economic governance¹⁹. **Social concerns may be more visible, but they remain largely embedded within a framework whose overarching priorities continue to be competitiveness, productivity, labour market performance and fiscal sustainability.**

This framing is particularly visible in the CSRs, where investments in education, training, employment services and social inclusion are frequently linked to addressing labour shortages, improving labour market participation and strengthening competitiveness. For example, the CSR for Bulgaria calls on the government to:

"Strengthen competence-based learning. Further improve teaching quality with needs-based teacher training. Improve the quality, labour market relevance and inclusiveness of education and training. Increase the employment of underrepresented groups. Strengthen skills acquisition, including adult learning, to boost competitiveness."

2026 European Semester: Country-Specific Recommendation – Bulgaria

This approach is particularly striking given the broader political context. The [Joint Employment Report 2026](#) itself recognises that while the EU is on track to achieve its employment target, progress on poverty reduction remains insufficient. Between 2019 and 2024, the number of people at risk of poverty or social exclusion fell by around 2.9 million, far short of the target of reducing this figure by at least 15 million by 2030²⁰. The report concludes that "efforts would need to accelerate significantly in the remainder of

¹⁷ European Commission (2026), *EU Anti-Poverty Strategy*. European Commission, 6 May 2026. Available at: https://employment-social-affairs.ec.europa.eu/policies-and-activities/social-protection-social-inclusion/addressing-poverty-and-supporting-social-inclusion/eu-anti-poverty-strategy_en

¹⁸ European Commission (2026), *2026 European Semester: Country-Specific Recommendations / Commission Recommendations*. European Commission, 3 June 2026. Available at: https://ec.europa.eu/economy_finance/country-specific-recommendations-database/

¹⁹ Ibid.

²⁰ European Commission (2024), *Proposal for a Joint Employment Report from the Commission and the Council*, COM(2024) 701 final, 17 December 2024. <https://webgate.ec.europa.eu/circabc-ewpp/d/d/workspace/SpacesStore/e78b59af-bbfd-47a7-ab3d-48893e702588/download>

the decade" if the Union is to meet its social objectives and remain on a credible path towards eradicating poverty by 2050²¹.

These findings call for greater coherence between the Union's social ambitions and its economic governance. Yet the 2026 Semester continues to place strong emphasis on labour market participation, skills and activation as key routes out of poverty, while evidence from several Member States points to the limits of an employment-centred approach.

In **France**, for example, the Commission reports that in-work poverty has increased, while child poverty remains among the highest in the EU, pointing to the need for action on childcare, housing and healthcare alongside employment²². In **Italy**, social transfers other than pensions are less effective at reducing poverty than the EU average, while the reformed minimum-income scheme has reduced its adequacy and coverage²³. In **Lithuania**, meanwhile, poverty and inequality are rising, particularly in remote regions, prompting recommendations to strengthen the adequacy and coverage of social protection and social housing²⁴.

The same economic framing is evident in the Semester's approach to digitalisation and artificial intelligence (AI) where technological transformation is assessed primarily through its contribution to competitiveness, while its implications for social rights and inequalities receive comparatively less attention. The Commission's [2026 Digital Decade reporting](#), for example, places considerable emphasis on AI adoption, digital infrastructure and the digitalisation of businesses and public administrations.

However, the Commission's own country reports also reveal persistent inequalities in people's ability to benefit from digital transformation. In **Belgium**, 80% of respondents consider digital policy a high or very high priority for the EU and 80% support careful regulation of AI yet significant digital-skills gaps persist among older people and women²⁵. In **Bulgaria**, basic digital skills remain well below the EU average, particularly

²¹ Ibid.

²² European Commission (2026), *Country Report – France*. European Commission, 3 June 2026. Available at: https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/country-report-france_en

²³ European Commission (2026), *Recommendation for a Council Recommendation on the economic, social, employment, structural and budgetary policies of Italy*. COM(2026) 212 final, 3 June 2026.

²⁴ European Commission (2026), *Country Report – Lithuania*. European Commission, 3 June 2026. Available at: https://economy-finance.ec.europa.eu/economic-surveillance-eu-member-states/country-pages-including-country-reports/country-report-lithuania_en

²⁵ European Commission (2026), *Belgium's 2026 Digital Decade Country Report*. European Commission, 2026. Available at: <https://digital-strategy.ec.europa.eu/en/factpages/belgiums-2026-digital-decade-country-report?utm>

among disadvantaged groups²⁶, while in **Romania**, low levels of basic digital skills continue to hinder the use of digital public services²⁷.

From EAPN's perspective, this represents a significant blind spot. The increasing use of AI and automated decision-making in public services has the potential to transform access to social protection, employment support and essential public services²⁸. Without adequate safeguards, these technologies may reinforce existing discrimination, widen digital exclusion and contribute to the gradual disappearance of in-person support on which many people experiencing poverty rely.

Yet these risks receive insufficient attention in the Semester's analysis and recommendations, despite their direct relevance to the implementation of the EPSR and the objective of eradicating poverty by 2050. Digital transformation must therefore be assessed not only through its contribution to competitiveness but also through its impact on equality, accessibility and the effective enjoyment of social rights.

Overall, the challenge is not that social issues have disappeared from the European Semester. Rather, social policy is increasingly expected to demonstrate its economic value. Employment, education, social services and technological transformation are principally assessed according to their contribution to labour supply, productivity and competitiveness, while their role in guaranteeing rights, preventing poverty and promoting social inclusion receives comparatively less attention.

Belgium: when activation overlooks social protection

The Belgian example illustrates the limitations of assessing social protection reforms primarily through the lens of labour market participation. In its 2026 Spring Package Communication, the European Commission highlights Belgium's decision to limit unemployment benefits to two years for most jobseekers as an example of reforms contributing to labour market performance:

“There has been some improvement in the functioning of labour markets and boosting human capital development, but further action is needed to strengthen Europe's competitiveness and productivity. (...) For example, in Belgium, the duration of

²⁶ European Commission (2026), *Bulgaria's 2026 Digital Decade Country Report*. European Commission. Available at: https://digital-strategy.ec.europa.eu/en/factpages/bulgarias-2026-digital-decade-country-report?utm_

²⁷ European Commission (2026), *Romania's 2026 Digital Decade Country Report*. European Commission, 24 August 2026. Available at: https://digital-strategy.ec.europa.eu/en/factpages/romanias-2026-digital-decade-country-report?utm_

²⁸ *An Exploratory Study on the Use of Digital Tools by People Experiencing Poverty*, European Anti-Poverty Network (EAPN). <https://www.eapn.eu/an-exploratory-study-on-the-use-of-digital-tools-by-people-experiencing-poverty/>

unemployment benefits has been limited to two years for most jobseekers, while strengthening ALMP and providing support to vulnerable groups.”

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From the perspective of the [Belgian Anti-Poverty Network \(BAPN\)](#), this assessment overlooks the social consequences of the reform. BAPN warns that limiting unemployment benefits is unlikely to increase employment among people facing multiple barriers to the labour market and instead risks pushing many households further into poverty²⁹.

Searching for work requires financial resources, including access to transport, childcare, the internet and training opportunities. When income support is withdrawn, people are more likely to experience housing insecurity, deteriorating health, debt and financial stress, all of which make labour market integration more difficult rather than easier.

BAPN also warns that the reform may increase non-take-up of benefits, as many people eligible for social assistance already fail to access the support to which they are entitled³⁰. Without adequate safeguards, those excluded from unemployment benefits risk losing contact with public support systems altogether, increasing pressure on health services, social services and local authorities.

The Belgian case illustrates a broader concern raised throughout this report: when labour market activation becomes the primary benchmark against which social policies are evaluated, the adequacy of social protection and its role in preventing poverty risk becoming secondary considerations.

The Better Regulation agenda and the future of the social acquis

The implications of the 2026 Spring Package extend beyond the framing of social policy. By promoting the Commission’s Better Regulation agenda through the European Semester, it also helps shape the regulatory environment in which Social Europe is developed and implemented. While many of the Better Regulation initiatives sit outside the Semester itself, the CSRs increasingly encourage Member States to reduce regulatory burdens, simplify administrative procedures and improve the business environment.

²⁹ Belgian Anti-Poverty Network (BAPN) (2025), *Pauvreté en Arizona : que nous réserve le nouveau gouvernement ?*, 1 February 2025. <https://www.bapn.be/fr/message/pauvrete-en-arizona-que-nous-reserve-le-nouveau-gouvernement>

³⁰ Ibid.

The inclusion of these priorities in the CSRs is significant because it translates a Commission-wide political agenda into guidance for national reforms.

One illustration is the renewed emphasis on limiting so-called **gold-plating**, which the Commission identifies as an obstacle to competitiveness:

“The Commission will further deepen its analysis of single market barriers and gold-plating that increase the regulatory burden and compliance costs for businesses and hamper intra-EU business dynamics.”

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While presented as a means of reducing regulatory complexity and ensuring a level playing field for businesses, and overly restrictive approach to gold-plating could discourage Member States from adopting more ambitious social, labour or consumer protections. In practice, this risks turning **minimum EU standards into a ceiling rather than a common floor for social rights**.

More broadly, the Better Regulation agenda raises questions about the future development of the social acquis. Measures aimed at simplifying legislation, accelerating implementation and reducing administrative burdens may constrain Member States’ capacity to strengthen social protections and leave existing rights more vulnerable to deregulation pressures.

They may also **weaken democratic scrutiny and participation** by reducing opportunities for civil society organisations and affected communities to examine proposals, raise concerns and influence decisions.

This concern is particularly relevant in light of the EPSR and the EU APS, which recognise the importance of meaningful participation of people experiencing poverty in developing and implementing policies that affect them.

Accelerated policymaking processes may reduce opportunities for civil society organisations and people experiencing poverty to shape decisions, undermining commitments to participation and weakening the effectiveness of future social policies.

In short

- Social policy is increasingly instrumentalised: employment, skills and social investment are primarily framed as **drivers of competitiveness and labour market performance**, rather than as means to advance social rights and reduce poverty.

- **Activation cannot replace a rights-based approach to poverty eradication.** The Semester's focus on labour market participation pays insufficient attention to income adequacy, access to services and the structural drivers of poverty.
- The Better Regulation agenda creates risks for Social Europe. By prioritising simplification, regulatory efficiency and implementation speed, it may constrain the development of stronger social protections and upward social convergence.
- Greater coherence between economic governance and social commitments is needed. **The EU's ambition to eradicate poverty by 2050 requires a Semester that supports, rather than constrains, the implementation of social rights and poverty reduction measures.**

Conclusion

The EU's objective of eradicating poverty by 2050 requires more than political commitment. **It requires economic governance frameworks that consistently support poverty eradication, strengthen social rights and promote upward social convergence.** The 2026 European Semester Spring Package raises important questions about whether the current direction of EU economic governance is aligned with these objectives.

The analysis shows that the 2026 Spring Package reflects more than a continuation of previous trends. **It increasingly mobilises the European Semester as a vehicle for implementing the Commission's competitiveness and deregulation agenda.** Through the CSRs, Member States are encouraged to pursue regulatory simplification, administrative burden reduction, fiscal adjustment and industrial competitiveness, while social policies are increasingly framed according to their contribution to labour market performance, productivity and economic growth.

At the same time, the growing integration of the Better Regulation agenda into economic governance raises concerns about the future development of Social Europe. Approaches centred on simplification, efficiency and accelerated implementation risk undermining stronger social protections, meaningful participation and upward social convergence. The treatment of social investment, digital transformation and labour market reforms illustrates a broader tendency to assess policy choices primarily through their contribution to competitiveness rather than through their capacity to advance social rights and reduce poverty.

The differentiated treatment of defence and social objectives further highlights the political choices shaping the current Semester cycle. While fiscal flexibility has been made available to support higher defence expenditure, comparable flexibility has not been mobilised to enable stronger investment in poverty reduction, social protection or

essential services. This demonstrates that **fiscal constraints are not only technical parameters but also reflect political priorities.**

As the EU strengthens its commitments through the EU APS and the renewed EPSR Action Plan, ensuring coherence between these social ambitions and economic governance becomes increasingly urgent. The future role of the European Semester should be measured not only by its capacity to deliver competitiveness and growth but also by its ability to support the implementation of social rights and contribute to the EU's objective of eradicating poverty by 2050.

Annex

What is the European Semester?

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 an annual cycle:**

- **Autumn Package (November to December):** The European Commission sets out its economic and social priorities for the upcoming year, launching the Semester cycle.
- **Spring Package (May to June):** Based on the **National Reform Programmes (NRPs)** and **Stability or Convergence Programmes (SCPs)** submitted by Member States, the Commission publishes:
 - **Country Reports**, which assess each Member State's economic and social situation, including its reform efforts.
 - **Country-Specific Recommendations (CSRs)**, which offer tailored policy guidance to each Member State.

The European Semester is a mandatory governance tool for coordinating and monitoring the implementation of social and economic policies across the EU. Member States are obliged to implement the CSRs or provide clear justification for non-compliance.

For EAPN, ensuring that the Semester delivers **strong, binding and socially ambitious CSRs** is a key advocacy priority. The **Social Scoreboard**, as the main monitoring instrument for the EPSR, must be used more effectively to hold governments accountable and trigger corrective recommendations where social progress is lacking.



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