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From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	European Semester 2026: Promoting social inclusion and cohesion through coherent social and housing policies - <i>Exchange of views</i>

Delegations will find attached a Presidency steering note on the above subject, with a view to the exchange of views at the Council (EPSCO) on 1 December 2025.

**Steering note for exchange of views on the
European Semester 2026: Promoting social inclusion and cohesion
through coherent social and housing policies**

Context – Social Inclusion and the European Semester

The European Union's commitment to social fairness, equality, and inclusion is enshrined in the European Pillar of Social Rights, which serves as the compass for the European Union's social policy agenda. The European Pillar of Social Rights Action Plan sets out three headline targets for 2030, including a reduction of at least 15 million people at risk of poverty or social exclusion.

While some progress has been achieved, increased effort is needed in order to meet the 2030 target. In 2024, on average 21% of the EU population remained at risk of poverty or social exclusion, with significant variations across Member States (ranging from around 15% to over 25%). This highlights the need for further upward convergence. Certain groups, for instance children, remain particularly vulnerable. Many Europeans continue to face difficulties meeting basic needs, and this reflects broader challenges in the context of social inclusion: across the EU, 8.5% of people cannot afford a proper meal every second day, 9.2% of people cannot keep their home adequately warm, and 9.4% of people cannot afford an internet connection.

The European Semester provides a key analytical and political framework to support Member States' reforms and investments to promote social inclusion and strengthen social cohesion. Since its inception, the European Semester has covered a broad range of interconnected policies and issues; supporting national social inclusion measures to effectively link employment, social protection and housing policies will be crucial to achieving the 2030 headline targets and promoting equal opportunities for all.

Social inclusion builds on the three-pillar active inclusion approach combining access to benefits, labour market activation and access to quality services.

Ensuring access to social and essential services is a cornerstone of the European social model and a precondition for a fair, inclusive and resilient society. Within this, access to affordable, adequate, decent, accessible, safe and sustainable housing is a fundamental dimension of social inclusion and has been a particular focus of the Danish Presidency.

In her 2025 State of the Union address, President von der Leyen stressed the point that Europe is facing “more than a housing crisis - it is a social crisis.” Subsequently, on 23 October 2025, the **European Council** discussed the housing challenges faced by many citizens in the European Union and called on the Commission to present an ambitious and comprehensive plan for affordable housing.

The Social Protection Committee (SPC) held a thematic discussion on 23 September 2025 on social housing, gathering Member States’ reflections on challenges related to affordability, adequacy and supply. The discussion highlighted the significance of strong social housing models as a vehicle for both affordable housing and social inclusion. While there are a wide variety of social housing models in the Member States (including other housing models that serve the same objective), many face challenges such as insufficient supply, financing or quality of housing. However, the wide variety of models and solutions also constitutes a wealth of innovation and mutual inspiration. Furthermore, the debate highlighted the strong correlation between social policies and housing policies, particularly on social inclusion and cohesion, homelessness as well as housing and long-term care for persons with disabilities and senior citizens.

At the EPSCO Council on 17 October 2025, **Council Conclusions on social inclusion of persons with disabilities** were adopted, highlighting, among other priorities, the necessity to increase the availability of affordable, accessible, inclusive, non-segregated and safe places of residence in communities.

The **High-level Conference on Independent living** in Copenhagen on 6-7 November further illustrated the great interest in this topic, emphasising that persons with disabilities are often more socially excluded when impacted by unaffordable housing. The debate highlighted the need for measures to promote independent living for persons with disabilities, and to integrate accessibility and universal design principles into housing policy at all levels.

On 17-18 November 2025, the Danish presidency held a **Thematic Seminar on Housing First** as well as a **Meeting of the European Platform on Combatting Homelessness** together with the European Commission. The theme of securing affordable housing for persons in vulnerable situations and social exclusion was central in the discussions on combatting homelessness. Especially in the context of implementing housing lead policies, such as the Housing First Principle in Member States, the issue of affordable and adequate housing is essential.

On 1 December, the EPSCO Council is expected to approve the first-ever **Council Conclusions on housing**. The Conclusions welcome the Commission's intention to present a European Affordable Housing Plan and stress that, while housing remains primarily a national competence, there are shared challenges, EU-level instruments, and opportunities for coordination action. The Conclusions further call on the Commission to prioritise four key areas: financing, construction and sustainability, planning, and social inclusion, in particular, promoting inclusive and diverse cities and neighbourhoods while promoting access to affordable housing.

The upcoming **European Affordable Housing Plan** has the potential to become a major EU-level initiative to advance the European Pillar of Social Rights, especially Principle 19 on housing and assistance for the homeless. Ensuring access to affordable housing is not only about shelter – it is about social participation, stability and dignity.

Other upcoming initiatives

As also announced by President von der Leyen, the **upcoming EU Anti-Poverty Strategy** is expected to take a holistic and integrated approach, addressing challenges such as homelessness, access to quality services, and the intergenerational transmission of poverty and social exclusion. It is also expected to include a proposal for a strengthened European Child Guarantee, building on existing national efforts to combat child poverty and promote the social inclusion of children in need.

The policy debate on the future EU Anti-Poverty Strategy, held under the Polish Presidency at the EPSCO Council in June 2025, signalled strong political support for advancing this agenda within the European Semester framework, while fully respecting national competences.

Role of the EPSCO configuration

EPSCO Ministers play a central role in advancing social inclusion within the European Semester.

Although several elements of housing policy fall under other Council configurations, many elements of the forthcoming European Affordable Housing Plan are expected to intersect with the areas of responsibility of EPSCO Ministers, including its implementation.

In the draft Council Conclusions, Member States call for the European Affordable Housing Plan to build on and, where relevant, integrate initiatives in existing processes, while avoiding unnecessary duplication. The SPC is called on to include housing issues in its political, knowledge-sharing and analytical work within the European Semester, in line with its mandate.

In recent years, housing has gained prominence in the Semester's country reports and recommendations. This reflects a growing recognition that affordable and adequate housing is not only an economic or urban policy issue but a core component of social inclusion and cohesion.

This integration of social and housing policies demonstrates an important evolution in EU policy coordination towards a coherent, cross-cutting and integrated approach to social inclusion, and links employment, social protection, education, and housing policies.

Maintaining a strong role of EPSCO Ministers in the European Semester remains essential. However, the complexity and compressed timeline of the process pose challenges, as highlighted in the joint letter from the EMCO and SPC Chairs. This presents challenges for the effective contribution to the Semester process of the EPSCO configuration and its preparatory bodies, limiting or weakening the contributions, knowledge and political insight on social inclusion and cohesion.

A robust social dimension within the Semester is therefore vital in order to ensure that social objectives are treated on an equal footing with economic and fiscal priorities. The Semester should continue to serve as a platform for peer learning, evidence-based policymaking, and coordination of reforms that support inclusive and sustainable growth.

Questions for Debate

- How can the EPSCO configuration best continue to promote well-coordinated and coherent social policies, including the housing policy dimension, within the European Semester?
- How can Member States strengthen the connection between social inclusion and affordable housing by developing more coherent, coordinated and mutually supportive policies?