

Why a New Vision for Children is needed in the 2026 European Semester

Eurochild calls for a comprehensive approach to child poverty and social exclusion to ensure the new EU budget tackles social disparities from childhood



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1. Introduction

The European Commission's 2026 European Semester Autumn Package, published in November 2025, launched the annual cycle of EU economic, employment, and social policy coordination of the EU Member States. Providing the Commission's assessment of macroeconomic, employment, and social developments across the Union, it sets out priorities that will guide national reforms and investments in 2026. This year, the comprehensive package of policy documents had a particular focus on boosting competitiveness, with the Commission calling for coordinated action in line with the Competitiveness Compass.

The EU has engaged a number of broad-ranging policy initiatives to support competitiveness, including the Clean Industrial Deal, the Single Market Strategy, the AI Continent Action Plan, the Union of Skills, the Savings and Investments Union, or the Vision for Agriculture and Food. Among these initiatives, **the Union of Skills** is the most closely connected to social policy, as it directly addresses education, lifelong learning, skills development, and social inclusion.

For the first time, the Commission proposes a Council Recommendation on human capital in the Union, as announced under the Union of Skills. It urges Member States to address skills shortages in strategic sectors by strengthening basic skills, vocational education and training, higher education and financial, digital, and AI literacy. The Recommendation also calls for better use of skills intelligence, reduced barriers to regulated professions, and faster recognition of qualifications for EU and third-country nationals.

The 2026 cycle of the European Semester will be particularly important because it will serve as a bridge to the next Multiannual Financial Framework (MFF). The Commission has proposed to channel a significant part of funding under the next MFF through the national and regional partnership plans (NRPPs) and the European Competitiveness Fund (ECF). The plans would inter alia have to effectively address all, or a significant subset of challenges identified in the context of the European Semester. This concerns, in particular, relevant country-specific recommendations.

In our analysis of the autumn package, Eurochild will focus on the Proposal for a Joint Employment Report (hereafter referred to as the Report). The Report assesses employment and social developments in the EU and Member States, monitors progress towards the EU 2030 targets on employment, skills, and poverty reduction, and reviews the implementation of the Employment Guidelines and the European Pillar of Social Rights.

Eurochild welcomes that the Report goes beyond labour market indicators and increasingly addresses social outcomes linked to employment, such as poverty, access to services and inequality. Children are, however, mainly addressed through their connection to labour market participation and future skills, rather than through a comprehensive child rights lens.

2. Labour market developments and implications for children in the 2026 Joint Employment Report

The 2026 Report depicts a resilient EU labour market despite economic and geopolitical uncertainty. Employment in the EU reached record levels in 2024–2025, with rising employment rates and historically low unemployment. However, Eurochild observes that this labour market resilience has not translated into sufficient poverty reduction. Children continue to face a disproportionately high risk of poverty and social exclusion, revealing a structural gap between employment growth and social outcomes. While the EU may reach its 78% employment target, progress towards lifting at least 5 million children out of poverty by 2030 remains uncertain.

Eurochild's analysis focuses on three interlinked themes addressed in the Report that are central to children's rights and the European Child Guarantee: child poverty and social exclusion, access to early childhood education and care and inclusive education, and the intergenerational transmission of disadvantage.

2.1 Child poverty and social exclusion

The Report clearly recognises that children remain disproportionately affected by poverty and social exclusion across the EU. **In 2024, 19.52 million children aged 0–17 were at risk of poverty or social exclusion, representing 24.2 percent of all children in the Union.**

Although this marks a second consecutive annual decline in absolute numbers, the child poverty rate remains 3.2 percentage points higher than that of the overall population.

The Report underlines that progress towards the EU 2030 target of lifting at least five million children out of poverty or social exclusion is insufficient and uneven across Member States. Eurochild highlights that there is no clear upward convergence, meaning that gaps between countries are not narrowing. While Slovenia, Cyprus, Czechia and the Netherlands report child AROPE rates below 16 percent, Bulgaria and Spain remain in critical situations with rates exceeding 34 percent. Recent increases in Finland and Croatia further illustrate the fragility of progress, despite notable reductions in Romania, Ireland and Slovakia.

Eurochild values the Report's detailed breakdown of child poverty components, including monetary poverty, severe material and social deprivation, and the share of children living in jobless or quasi-jobless households. In 2024, the at risk of poverty rate for children declined slightly to 19.3 percent and severe material and social deprivation fell to 7.9 percent. However, the depth of poverty for children remains higher than for the overall population, at 23.2 percent. Children in (quasi)-jobless households continue to face particularly severe

deprivation, confirming that employment growth alone does not guarantee poverty reduction.

While the Report rightly links child poverty to low work intensity and insufficient social protection coverage, Eurochild emphasises that this perspective only partially reflects the European Child Guarantee despite emphasising that implementing the European Child Guarantee in all Member States is key in this respect. The Guarantee defines child poverty as multidimensional and explicitly links income inadequacy with access to healthcare, housing, nutrition, education and participation. These dimensions remain underdeveloped in the Report, limiting its capacity to capture children's lived realities.

2.2 Access to early childhood education and care and inclusive education

Eurochild strongly supports the prominent attention given to early childhood education and care (ECEC) in the Report. Participation among children aged three to compulsory school age reached 94.6 percent in 2023, approaching the EU 2030 target of 96 percent, with eight Member States already meeting this benchmark.

At the same time, the Report exposes persistent inequalities in access. Participation remains particularly low in Romania, Slovakia, and Czechia. In addition, across the EU as a whole, **only 53 percent of Roma children attend ECEC**, which is far below the EU average for all children. Structural barriers such as affordability, staff shortages and limited capacity continue to restrict access, especially for children in vulnerable situations.

For children under the age of three, participation in formal childcare reached 39.2 percent in 2024, still well below the revised Barcelona target of 45 percent. The gap between children at risk of poverty or social exclusion and other children exceeds 15 percentage points. Eurochild underlines that such disparities undermine children's rights to early development and, by limiting access to early childhood development and care. They also continue to constrain parents' ability, particularly mothers', to participate equally in the labour market.

The Report also signals serious concerns regarding education outcomes. Underachievement in mathematics reached a record 29.5 percent among 15 year olds, while **only 16.3 percent of students from disadvantaged socio economic backgrounds perform well in basic skills**, compared to 59 percent of their more advantaged peers. Low levels of digital and civic competences further deepen exclusion, with 43 percent of students lacking basic digital skills and only 63 percent demonstrating adequate civic knowledge, limiting children's ability to participate fully in society and exercise their rights.

From a Child Guarantee perspective, these stark gaps indicate that education systems are failing to compensate for disadvantage and are instead reproducing existing inequalities and social exclusion. The Guarantee stresses that equal access to quality and inclusive education is essential to breaking cycles of disadvantage. Yet segregation, discrimination and insufficient support for children with disabilities, Roma children and children with a migrant background continue to shape educational trajectories, with long-term consequences for children's rights and wellbeing.

While the Report notes declining early school leaving and rising tertiary attainment, 3.1 million young people still leave education with only lower secondary qualifications. The persistent overrepresentation of children with disabilities, Roma children and children with a migrant background points to structural inequalities that require earlier, rights based interventions.

2.3 Breaking cycles of disadvantage from childhood to adulthood

Throughout the Report, childhood disadvantage is closely linked to future education outcomes, employability and productivity. While early investment is frequently emphasised, Eurochild observes that children are largely framed as future contributors to labour markets rather than as rights holders whose wellbeing must be safeguarded in the present.

Youth unemployment increased slightly to 14.9 percent in 2024 and remains more than twice the overall unemployment rate. Young people with low qualifications, a migrant background and those living in rural areas are disproportionately affected. These persistent inequalities reveal how disadvantages accumulated in childhood continue to shape labour market entry.

Eurochild recognises the Report's reference to the reinforced Youth Guarantee, yet emphasises that addressing intergenerational disadvantage requires stronger preventive action much earlier in childhood. The European Child Guarantee explicitly identifies early access to services, integrated support and family-centred approaches as essential to breaking cycles of poverty.

While the Report acknowledges housing affordability challenges and refers to social housing and housing support as key policy tools for vulnerable groups, it does not sufficiently examine housing insecurity from a child rights perspective. Children's experiences of overcrowding, homelessness or inadequate housing, and the impact of housing instability on health, education and wellbeing, remain largely absent from the analysis. Similarly, children's mental health, participation and access to healthcare receive limited attention, despite their proven impact on long-term outcomes.

2.4 Assessing progress through a child rights lens

Eurochild acknowledges that the Report explicitly references the European Child Guarantee and calls on Member States to ensure free and effective access to healthcare, education, early childhood education and care, nutrition and housing for children at risk of poverty or social exclusion. We also recognise the increased visibility of children in country specific analyses, signalling gradual progress within the European Semester.

However, the Report still falls short of a comprehensive child rights approach. Children are predominantly discussed through employment, skills and economic productivity, while core principles of the European Child Guarantee, including the best interests of the child, participation, and integrated service delivery, are not systematically applied.

Although the Report through the first stage analysis of the social convergence framework presents numerous examples of Member State initiatives, it does not sufficiently evaluate

the implementation of reforms or policies aimed at children in need including the national Child Guarantee Action Plans, nor does it assess whether funding allocated through ESF+, RRF, and other EU instruments is adequate and effectively targeted. Analysis of particularly vulnerable groups, such as children in alternative care, children experiencing homelessness and children with mental health needs, remains limited.

Overall, the Report demonstrates stronger data use and clearer recognition of child poverty as a structural challenge. Yet it continues to prioritise economic logic over children's rights, leaving significant gaps in addressing children's lived experiences, territorial inequalities and access to essential services.

2.5 A call to action for a child-centred European Semester

To strengthen children's rights within the Joint Employment Report and the European Semester, Eurochild calls on the European Commission to:

- Systematically assess progress in implementing the European Child Guarantee, including national action plans, funding levels and measurable outcomes for children.
- Apply a genuinely multidimensional approach to child poverty that reflects access to healthcare, housing, nutrition, education and participation alongside income and employment. Prioritise prevention and early intervention over corrective approaches and child–family separation.
- Strengthen analysis of children in vulnerable situations, including children with disabilities, children in alternative care, migrant and Roma children, and children experiencing homelessness.
- Improve child specific data collection and integrate robust child indicators into the Social Scoreboard. Include **an indicator tracking the number of children separated from their families**, as a measure of system effectiveness.

The child poverty rate remains 0.25 million above the 2019 baseline and 5.25 million above the aggregated national child poverty reduction targets. Therefore, embedding children's rights systematically within the European Semester is indispensable for the credible implementation of the European Pillar of Social Rights for ensuring that EU economic governance delivers real social progress. Without a stronger child rights perspective and a comprehensive approach to tackle social challenges, the Semester risks reinforcing existing inequalities rather than addressing them.

A genuinely child-centred Semester including the new initiatives **a Council Recommendation on human capital in the Union** and the **Proposal for a Joint Employment Report** must move beyond viewing children as future economic actors and recognise them as rights holders whose wellbeing requires immediate, coordinated and sustained investment. **This is essential in 2026 to set the right priorities for the post-2027 EU budget, in order to break entrenched cycles of disadvantage and build a more inclusive, resilient, and socially sustainable Europe in which all children can thrive.**

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