Summary of the Policy deep dive:
"Towards a European Semester that promotes wellbeing in the medium-long term?"

Building economies that deliver wellbeing for all - now and in the future - requires complex tools. In this context, MERGE, a Horizon Europe-funded project, aims to connect science and policy to advance the uptake of new metrics and models that capture the multidimensional nature of wellbeing and can support sustainable and inclusive wellbeing (SIWB) policies, understood as the wellbeing of present and future generations and of the planet. As part of its policy stream, MERGE has convened a series of workshops to explore how SIWB metrics can support the impact of high-priority EU policy files.

The MERGE project identified the European Semester as a governance tool that in the medium-long run could possibly be complemented by integrating wellbeing metrics to steer Member States' policies, investments and reforms towards SIWB, for the benefit of present and future generations. On 17 November 2025, the last workshop in this series gathered policymakers from EU institutions (European Commission – from 6 Directorates General, European Parliament, EESC, a Permanent Representation, a European Agency) and project partners, who discussed **opportunities and challenges of broadening the European Semester, in the medium-long term, to better integrate dimensions and metrics of SIWB**. Indeed, since its creation in 2010, the European Semester has progressively been expanded from an instrument to purely coordinate Member States' economic and fiscal policies towards EU objectives and rules, to also cover Member States' employment and social policies and reforms. More recently, environmental and energy concerns have also been largely integrated.

The workshop was opened by expert presentations from the MERGE project and the Joint Research Centre on the most recent state of play of converging frameworks and indicators to measure SIWB. Joe Eastoe from UCL presented the MERGE work on identifying 20 common domains of more than 200 frameworks on SIWB (view the presentation here), and Ana Boskovic presented the EC Joint Research Centre dashboard of sustainable and inclusive well-being indicators (view presentation): metrics exist and are ready to be incorporated into policy frameworks.

Then participants discussed the opportunities and challenges of broadening the European Semester, in the medium-long term, to better integrate dimensions and metrics of SIWB. Subsequently, two small groups worked on case studies based on selected 2025 CSRs with thematic focus on **housing** and **skills** (social dimension) and on **energy** and **green (transition) skills** (sustainability), exploring how recommendations could look like if SIWB dimensions were reinforced and which indicators could be used.

Key takeaways

- **The SIWB framework is broadly complementary to the SDGs and could support a more holistic European Semester, but meaningful integration is unlikely in the short-term.** The following proposals were flagged: add a dedicated SIWB reporting component similar to the reporting on progress towards SDGs, develop a more holistic reporting of productivity to include SIWB dimensions, continue the discussions in the EC Greening the Semester expert group and use the Eighth Environment Action Programme to further investigate the links between the European Semester and the work on beyond GDP.
- **Stronger monitoring requires clearer indicator use, but data gaps remain critical.** The SIWB dashboard is seen as a useful entry point to flag risks and missing indicators rather than a detailed assessment tool. The existence of a common dashboard should serve to compare and assess the gravity of challenges across different areas in the same country (e.g. housing versus skills). Moreover, having a common dashboard such as the SIWB framework would be very useful to see which countries are doing better in very specific areas and which are not; in terms of impact assessment, such a dashboard could identify those areas where a policy may have an impact and side effects, to develop a more standardised approach to policymaking.
- **Concerns about the ad-hoc nature of many CSRs were raised especially in the housing field. Housing also emerged as one of the areas with the most acute indicator gaps.** It is not clear why some countries receive very detailed recommendations despite relatively better housing outcomes, while others with severe shortages of affordable or social housing receive little or no attention. A common, transparent dashboard could help rank housing challenges across Member States, assess their relative severity, and support a more consistent and holistic approach to policymaking. In energy and the environmental field, the main challenge seems to lie in CSR implementation by Member States.

Participants were invited to reflect on the following three points:

- Opportunities and challenges of broadening the European Semester to better integrate SIWB metrics
- How the monitoring process of the European Semester could be better structured
- Which indicators could be used in monitoring the implementation of the selected 2025 CSRs on housing, skills, and energy.

1) Scope for broadening the European Semester to better integrate SIWB dimensions: opportunities and challenges

The SIWB framework has to be seen as largely complementary to existing international frameworks, notably the Sustainable Development Goals (SDGs): both measure similar realities but are structured differently. Recent developments in UN-EU work on beyond GDP suggest the possibility that the post-2030 agenda may evolve from an SDG-based approach towards a more explicit SIWB framing, although this remains uncertain.

It was stressed that the Semester should not become either too narrow or too broad. A possible compromise discussed was to maintain the core macroeconomic focus of the Semester, while introducing a structured SIWB reporting component, similar to the current annual SDG reporting exercise. This could help ensure a more holistic policy narrative without overloading the Semester process. It was also suggested that the EC Greening Semester expert group run by DG ENV meeting twice a year and that the Eighth Environment Action Programme requiring work to be done on beyond GDP could be more legally and politically anchored avenues for incremental progress.

However, significant political and institutional barriers were identified. It was highlighted that the priorities of the European Semester are largely set unilaterally by the European Commission and are strongly influenced by the political mandate of the time. Disconnection between the legal basis of the Semester (focused on economic and employment coordination) and its evolving priorities (currently, competitiveness and simplification) was also noted. It was observed that although the social scoreboard has been embedded in the European Semester, the country-specific recommendations (CSRs) are more or less the same, meaning that the measures and indicators do not influence the recommendations per se. For example, 10 years of recommendations on skills have not led to an increased reduction of poverty. In this context, scepticism was expressed that SIWB metrics would be meaningfully integrated into the Semester in the current mandate.

There was also concern that, historically, broader social and environmental objectives have struggled to influence Semester outcomes. Previous strategies, such as Europe 2020, included ambitious social and environmental targets, but these did not translate into sustained public investment or significant changes in policy direction, raising doubts about whether a renewed SIWB agenda would fare differently.

Finally, participants highlighted the link between SIWB and productivity. Current productivity measures are biased towards GDP and fail to account for resources devoted to healthcare, environmental quality or emissions reduction. A more holistic measurement of productivity, aligned with SIWB, was seen as necessary, in an international comparison, to avoid misleading policy conclusions about European productivity.

2) Structuring the monitoring process and integrating SIWB indicators

Luca Jahier, Vice President of the EESC European Semester Group, pointed out that while SDGs and the social scoreboard of the European Pillar of Social Rights have been integrated into the European Semester, wellbeing approaches are still insufficiently embedded; there is the need to move beyond purely economic measures. Major changes will come not from the autumn European Semester package, but from the EC proposal for the next MFF. The EESC believes that the EC should integrate the JRC-proposed wellbeing framework.

There was certain consensus that the monitoring function of the European Semester could be improved by better structuring and clearer use of indicators. The SIWB dashboard was described as a useful entry point rather than a tool for in-depth analysis, helping to flag areas in which there is agreement that indicators are missing and guide more detailed investigation.

Data availability emerged as a key constraint. The feasibility of indicators remains a decisive criterion, and gaps in data – especially at regional or sub-national level – limit the usefulness of many existing measures.

3) Indicators to monitor progress on skills, housing and energy

Skills (including green skills):

The workshop highlighted that several relevant skills indicators already exist within the SIWB dashboard and overlap with the social scoreboard used in the Semester (e.g. gender and disability employment gaps, early childhood education). Additional SIWB indicators, such as adult participation in learning and educational underachievement in reading and mathematics, were seen as particularly relevant for recommendations on upskilling and lifelong learning. However, major data gaps remain, notably on skills mismatch and shortages, which are not systematically covered in either framework. Participants also debated the relevance of explicitly “green” skills indicators, with some questioning whether their link to SIWB outcomes is sufficiently clear to justify inclusion.

Housing:

First, participants assessed the alignment between the proposed 2025 recommendations on housing and the EPSR principles, namely the one on homelessness. They remarked that there was no explicit mention of homelessness in the recommendations, as they are centred on affordability, access to the housing market, the quality of social housing. For example, one needs to consider access to social assistance when tackling homelessness, but this is not made explicit in recommendation to Sweden.

Concerns were also raised about the ad hoc nature of housing-related CSRs. Some countries receive very detailed recommendations despite relatively better housing outcomes, while others with severe shortages of affordable or social housing such as Estonia, Hungary and Romania, receive little or no attention. Participants argued that a common, transparent dashboard could help rank housing challenges across Member States, assess their relative severity, and support a more consistent and holistic approach to policymaking.

Second, when looking at indicators, housing emerged as one of the areas with the most acute

indicator gaps. Existing Semester indicators focus mainly on affordability at an aggregate level (e.g. price-to-income ratios, overburden rates). In relation to housing affordability, national-level averages often mask significant territorial and distributional disparities. Moreover, these indicators are often not comparable across Member States or across tenures (owners versus tenants).

Participants stressed the need for indicators on rent levels, eviction rates, residential house property concentration, housing cost debt (both in terms of mortgages and energy, including energy efficiency), and the impact of short-term rentals, which are very important for EC work on stressed housing areas. On the regional level, it was remarked that the SIWB dashboard includes regional dispersion in life expectancy.

Work is ongoing to develop more granular indicators and Eurostat's forthcoming housing data were welcomed, but participants noted that annual, national-level statistics would not fully address policy needs.

Energy and green transition:

As a tool to ensure macroeconomic stability, most participants agreed the European Semester can only tackle issues that are macroeconomically relevant. European Commission representatives consider that all relevant environmental and energy recommendations are already included (energy poverty, fossil fuel subsidies, …), and there is thus little room to add more. According to the EC representatives who participated in the workshop, the main challenge regarding the European Semester is the implementation of its CSRs by Member States. As a result, the EC has been assessing the costs of non-implementation in order to encourage Member States to act on CSRs. Regarding green transition-related recommendations, the EC is currently conducting a feasibility study on the monetization of ecosystemic services, a controversial approach that it argues would encourage the implementation of the relevant CSRs. To this end, Member States have been instructed to begin collecting relevant physical data from next year onward, starting with forest carbon capture (which will then be transformed into economic value by the Commission).

Achieving long-term targets can also present significant implementation challenges: recommendations are often broad, and Member States may feel ill-equipped to tackle the scale of the task (for example, Cyprus was tasked to "end energy poverty"), which is supposed to be done over the next 18 months.

Overall conclusion

The workshop concluded that broadening the European Semester to better integrate SIWB is unlikely to happen in the short-term.

However, having a common dashboard such as the SIWB framework would be very useful to see which countries are doing better and which are not in very specific areas; in terms of impact assessment, such a dashboard could identify those areas where a policy may have an impact and side effects, to develop a more standardised approach to policymaking.

MERGE

Measuring what matters – policy pathways to sustainable and inclusive wellbeing

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