

Resolution

Balancing Competitiveness and Social Progress in a Transforming Europe

Adopted by the EPP Political Assembly: 28 and 29 September 2026, Toulouse

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The European People’s Party (EPP) observes that Europe’s labour markets are undergoing rapid transformations. We recognise the profound impact of technological, economic, demographic and geopolitical changes on citizens. These developments impact some groups in society harder due to economic insecurities. We believe that competitiveness and social progress go hand in hand: that a competitive Europe is built on unlocking the full potential of all citizens. People want secure jobs that provide a good quality of life for themselves and their families. At the same time companies are facing increasing uncertainty as energy prices fluctuate and competitive challenges intensify. We should not take the risk to reduce purchasing power, intensifying the financial strain on households across Europe. The weakening of household demand then has a negative impact on the economy, creating even more insecurity for businesses.

Disadvantaged groups, including people with disabilities and those with low skills or training, experience poor wellbeing and lack sustainable opportunities. Research shows that mental health is one of the biggest societal problems. We acknowledge that the wellbeing and social protection of workers are vital for the future of Europe’s labour-market. Demographic changes next to developments like digitalisation and AI are reshaping the world of work. Closer alignment between education and the dynamic demands of the labour market requires elevating lifelong learning to a universal opportunity, particularly for women, young people and disadvantaged groups.

Working conditions have a direct effect on family life, while improvements in work-life balance benefit both employees and employers through better retention and productivity. Women remain underrepresented in the digital sector, for reasons that include workplace culture, hiring practices, and unequal access to networks and mentorship, not simply individual choices or aptitude. A predominantly male workforce building AI systems risks producing tools that work less well for half the population, whether through biased training data or blind spots in design. Closing this gap is therefore a practical issue of product quality and market reach, not only a matter of fairness. Older workers face a parallel problem. Despite their valuable institutional knowledge and experience, they are often overlooked for training and promotion because they are incorrectly perceived as less adaptable to new technologies. Addressing this means fixing concrete barriers in hiring and training pipelines, rather than relying solely on inclusion policies, and allows to tap into resources that are otherwise underused.

Finally, we observe that the EU is deprived of talent, which poses a serious threat to innovation. Alongside supporting companies, we must provide targeted support for citizens. It is crucial to bridge the talent gap through strategic investment in future-proof skills to protect Europe’s competitiveness,

strengthen productivity, and ensure stable and sustainable employment. This is essential for sustaining Europe's prosperity and the European social model, in a situation of shrinking workforce.

Call for action

The EPP calls upon its Member Parties and the European institutions to endorse this resolution to emphasise the need to continue to align economic competitiveness, social policies and equality, while fully respecting the principle of subsidiarity, national competences and the diversity of Member States' labour market models. We call on Member States to address the identified labour market issues in their national reports and to embed lifelong learning in education and labour market policies to ensure that employees' skills are updated to the changing working environment, in particular digitalisation.

Improve competitiveness by investing in future-proofing skills and retaining talent

- Make full use of the European Skills Intelligence Observatory to monitor labour shortages, skills mismatches and training participation, and to support evidence-based policy recommendations to match skills and needs.
- Advance the Fair Labour Mobility Package to protect workers' rights, facilitate cross-border labour mobility and ensure fair competition, while reducing unnecessary administrative burdens and respecting Member States' national competences and labour market models.
- Ensure that the European Skills High-Level Board delivers practical, evidence-based recommendations by bringing together representatives from the labour market, education and training sectors, enabling policymakers to respond swiftly to changing skills needs.
- Calls to ensure equal access to training, reskilling, and career progression opportunities for older workers, and to address age-based assumptions that limit such access;
- Mobilise existing EU funding instruments, such as ESF+ and the future ECF, together with private funding to invest in skills, primarily through the reprioritisation of existing EU resources and by leveraging private investment, while avoiding new permanent spending commitments. Ensure coordinated and results-oriented funding to support upskilling and reskilling across Europe;
- Promote equal opportunities and broader participation in AI development, including for women and underrepresented groups, while ensuring that recruitment and technical quality assurance remain merit- and evidence-based and that documented risks of bias in data and design are effectively addressed;
- Urges that diversity in AI development teams be treated as a component of technical quality assurance, given the documented risks of bias arising from non-representative design processes;

- Simplify procedures for the validation and recognition of academic and professional qualifications to support workers entry into the labour market, or return to Europe after training or experience acquired elsewhere.

Flexible and modern labour policies

- A strong and proactive approach to mental health and the prevention of workplace absenteeism to enhance companies' operational stability. This requires systematic prevention policies, the promotion of physically and mentally healthy, safe working conditions, as well as a clear framework supporting responsible employer practices.
- Modern labour markets require flexible and family-friendly working arrangements that help workers balance professional and private responsibilities. Such measures can improve workers' well-being, increase labour market participation, and support the retention of talent.
- Policies should promote the equal sharing of care responsibilities (e.g. childcare, elderly care...) between women and men and address the specific challenges faced by single-parent households. Removing obstacles to employment is essential to ensure that all citizens can fully participate in the labour market.
- Member States should continue to develop parental leave and post-birth support to help parents combine family life with long-term career development while maintaining strong labour market connections. EU-level action should focus on facilitating the exchange of best practices while respecting national competences and different family and labour market models.

Conclusion

The EPP recognises that the challenges outlined in this resolution demand urgent and coordinated political action. It is essential to ensure that citizens can adapt to a rapidly changing labour market. This is essential for Europe's economic competitiveness and social progress. We therefore reaffirm our commitment to promoting equality, strengthening skills and fair opportunities for all citizens. The EPP is ready to take the lead on this priority and work with all partners to deliver concrete, future-proof solutions for Europe's workforce.