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European Association of Service providers for Persons with Disabilities

Summary of 2025 European Semester Reports and Country-specific Recommendations related to Social Policy

With a focus on people with disabilities and social and care services

Contact

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Glossary

AROPE: At Risk of Poverty or Social Exclusion

ECEC: Early Childhood Education and Care

ECI: Early Childhood Intervention

EPSR: European Pillars of Social Rights

ERDF: European Regional Development Fund

ESF+: European Social Fund Plus

GDP: Gross Domestic Product

LTC: Long-Term Care

NEET: Not in Education, Employment, or Training

RRF: Recovery and Resilience Facility

NRRP: National Recovery and Resilience Plan

SDGs: Sustainable Development Goals

STEM: Science, Technology, Engineering, and Mathematics

TSI: Technical Support Instrument

VET: Vocational Education and Training

1. Introduction

This report by the European Association of Service providers for Persons with Disabilities (EASPD) examines how EU Member States are progressing towards economic, employment, and social goals, with a focus on disability inclusion and the development of high-quality social services, as monitored through the European Semester.

The findings help identify critical areas for reform, investment, and policy development to reinforce disability services across the EU. Its findings also contribute to the design, implementation and development of current and future initiatives, including the Competitiveness Compass, the Union of Skills, the upcoming Quality Jobs Roadmap, the first-ever Anti-Poverty Strategy, and the Affordable Housing Plan.

2. Presentation of the European Semester and its role in promoting social rights

The European Semester is an annual governance cycle of the European Union (EU) that aims to coordinate economic, fiscal, labour and social policies across the 27 Member States. The process aims to ensure that Member States align their policies and budgets with EU objectives and rules, promoting stability, growth, and convergence throughout the EU. As part of the European Semester process, in late spring, the European Commission publishes individual Country Reports and Country-Specific Recommendations (CSRs) for each Member State. These Country Reports analyse each Member State's economic and social developments, identify key challenges, and assess how national policies address them. The findings in these reports form the basis of the European Commission's CSRs, offering tailored guidance to Member States.

Although the European Semester was initially focused on economic coordination, it has evolved to also provide a framework for monitoring the efforts and performance of Member States in implementing the European Pillar of Social Rights (EPSR) and promoting social convergence. The EPSR encompassing 20 key principles for the achievement of a strong social Europe. These principles include, among others, access to education, training and life-long learning (Principle 1), upholding the right to equal opportunities (Principle 3), active support to employment (Principle 4), access to adequate social protection (Principle 12), the inclusion of people with disabilities (Principle 17) and the provision of quality, community-based long-term care to those who need it (Principle 18).

The **EU Social Scoreboard** is the primary tool that monitors and assesses the progress EU Member States are making in achieving the EPSR. Alongside supporting the implementation of the EPSR, the European Semester also assesses Member States' performance on achieving the **UN Sustainable Development Goals** (SDGs). These include eradicating poverty (SDG 1), ensuring good health and well-being (SDG 3), providing access to quality education (SDG 4), achieving gender equality (SDG 5), promoting decent work and economic growth (SDG 8), and reducing inequalities (SDG 10).

3. The European Semester in 2025

The European Semester 2025: areas of focus

The 2025 Country Reports and Country-Specific Recommendations (CSRs) focus on assessing economic, employment, and social progress in each Member State. Notably, it continues to review the implementation of National Recovery and Resilience Plans (NRRPs) – part of NextGenerationEU – and Cohesion Policy programmes (2021-2027), in their effectiveness in mitigating the impacts of the COVID-19 pandemic. Furthermore, it evaluates synergies between NRRPs and Cohesion Policy programmes, helping to maximise investment impacts and contributing to a sustainable recovery.

NRRPs provide financial support for reforms and investments to strengthen health systems, support economic recovery, and enhance social and economic resilience. Member States have until 31 August 2026 to fully implement their NRRPs. However, progress is uneven. For instance, France has successfully implemented 86% of its planned milestones, while others have achieved less than half of them. The European Commission has urged national governments to speed up the implementation of their plans. Cohesion Policy programmes, including the European Regional Development Fund (ERDF), European Social Fund (ESF+), and Cohesion Fund, have been adapted to address the COVID-19 crisis. These funds focus on promoting regional and social cohesion, access to healthcare and increasing employment.

Alongside addressing the impacts of COVID-19 and implementation of the EPSR, the Country Reports and CSRs continue to address the consequences of Russia's invasion of Ukraine, surging energy prices, challenges and opportunities associated with the digital and green transitions, and the implementation of the European Child Guarantee, which aims to tackle child poverty across Europe.

For the second time, the Commission carried out an analysis under the Social Convergence Framework. Adopted in 2023, and first applied in the 2024 cycle, it aims to identify social convergence challenges through a two-stage analysis, focusing on employment, skills and social challenges. The first covers all Member States, and the second, only countries were potential risks to upward social convergence have been identified. The 2025 first-stage analysis is included in the Joint Employment Report 2025. The second-stage one was published in May 2025 for 10 countries: Bulgaria, Estonia, Greece, Spain, Croatia, Italy, Lithuania, Luxembourg, Hungary and Romania. Challenges to upward social convergence were only identified for Greece, Italy and Romania. The European Semester Reports refer to these findings.

Finally, as part of the 2025 cycle, the Commission has proposed the adoption of **revised Guidelines for the employment policies** of Member States. The revised guidelines build upon the Employment Guidelines established in December 2024, which focus on challenges like skills and labour shortages and underline the importance of basic and digital skills. The proposed 2025 revised Guidelines keep these priorities and add news ones related to geopolitical dynamics and new Commission' initiatives such as the Union of Skills and the Competitiveness Compass. The proposal must be adopted by the Council.

The European Semester in 2025: main findings

On the social front, Member States continue to experience many of the same trends and challenges identified in previous years. A significant challenge is the demographic impact of ageing populations. This strains health systems, increases long-term care expenditures, and reduces the workforce. These factors create economic pressures across Europe and threaten fiscal sustainability. Labour shortages and skills mismatches also remain a significant challenge for all countries. It particularly affects the healthcare and education sectors. Shortages limit access to essential services, exacerbate existing inequalities, and place additional pressure on public resources. Another recurrent challenge is the lack of access to early childhood education and care (ECEC) and long-term care, due to shortages, high costs, and limited availability. This notably hampers women's participation in the labour market.

Furthermore, many countries struggle to develop an adaptable and skilled workforce capable of supporting the green and digital transitions. These difficulties stem from low levels of educational attainment, weak basic skills (literacy, mathematics, science, digital skills, and citizenship), a limited number of students pursuing Science, Technology, Engineering, and Mathematics (STEM) subjects, and persistent skills mismatches in the labour market. Priority must be given to investments in training, adult education, and both skilling and upskilling initiatives. Many countries are directing resources towards these goals, recognising that a well-trained workforce is key to drive innovation and sustainable growth.

Across all Member States, there has been a significant increase in housing prices combined with a persistent lack of affordable housing supply. This pushes more individuals and families into poverty and exacerbates homelessness. In addition, for several Member States, the need of deinstitutionalising – moving away from institutional care models – and investing in community-based services is stressed. This approach aligns with the EPSR, which affirms the right to housing and support for the homeless.

All these challenges, among others, affect regions and populations unevenly. This results in significant regional disparities between rural and urban areas or metropole and oversee territories. Depending on the country, several groups have been identified as particularly vulnerable: people with disabilities, children, older people, women, single parents, the Roma community, and people born outside the EU or with a migrant background. These groups are at heightened risk of poverty, social exclusion, unemployment, and inadequate access to education, healthcare, and essential services.

While further efforts are needed, Country Reports highlight the commitment of Member States, notably in the development of community-based care and mental health services, supported by NRRPs, and Cohesion Policies. Overall, the Country Reports continue to provide valuable insights on social fairness and convergence, and thus on the need to reinforce the role of social and support services for vulnerable groups, including people with disabilities.

4. EASPD methodology

In this report, EASPD presents the Country Report and CSRs of each Member State. Like the two previous editions, we focus on the following key areas: performance on fairness-related SDGs and on poverty reduction goals, measured by the European Social Scoreboard, and notably the at risk of poverty and social exclusion (AROPE) rate – measures the proportion of people who are either at risk of poverty, severely materially and socially deprived – and findings related to disabilities, concerning labour market inclusion and access to quality Early Childhood Education and Care (ECEC), education, health and care.

This year, we have introduced a new section on housing and further mainstreamed the issue of skill acquisition and development, to reflect the main priorities of the European Commission.

The following indicators from the Social Scoreboard have been used to compare the situation between Member States and the rest of the EU. Data from the 2024 European Semester Country Reports are also included, allowing for the identification areas of progress or downward trends in the most recent years.

Indicator	EU average (European Semester 2024)	EU average (European Semester 2025)
Share of people at-risks of poverty and social exclusion	21.6% of EU total population (in 2022)	21% of EU total population (in 2024)
Share of children at-risks of poverty and social exclusion	24.7% (in 2022)	24.2% (in 2024)
Share of people with disabilities at-risks of poverty and social exclusion	28.8% of the total population (in 2022)	28.8% of the total population (in 2024)
Disability employment gap[1]	21.4 percentage points (pps) (in 2022) 24.2 pps (in 2023)	24 pps (in 2024)
Share of participation in ECEC less than 3 years	37.5% (in 2022)	39.3% (in 2023) X (in 2024)
Share of participation in ECEC between 3 years and the start of compulsory school	93.1% (in 2022)	94.6% (in 2023)
The housing cost overburden rate[2]		8.8% (in 2023)

[1] The disability employment gap, expressed in percentage points, corresponds to the difference between the percentage of employment of people with disabilities and the percentage of employment of people without disabilities.
[2] The housing cost overburden rate is defined as the percentage of the population living in households where the total housing costs ('net' of housing allowances) represent more than 40% of disposable income ('net' of housing allowances).

5. Summary of the 2025 Country Reports and Country-specific Recommendations

Austria

Overall, social conditions are good in Austria. The poverty level remains below the EU average, notably due to a performant welfare system and progress has been made in improving labour market's outcomes for disadvantaged groups, including people with disabilities. Austria also has a high proportion of social housing, and its healthcare system is functioning well in comparison to other Member States.

Relevant Country Report Summary

- **SDGs:** Performance on social fairness SDGs is mixed. The number of people with good or very good self-perceived health is decreasing at a faster pace than the EU average. On quality education, Austria has good performance but needs to improve equal opportunities for disadvantaged young people.
- **Poverty rate:** The welfare system is performant, and social conditions remain good overall. The country managed to reduce its AROPE rate by 0.8% (in 2024) compared to 2023, bringing it down to 16.9%, well below EU average (21.0%). Yet, certain aspects have worsened. The proportion of people experiencing severe material and social deprivation has more than doubled since 2022. In 2024, 20% of children lived below the poverty line and, in 2023, 21.5% of people with disabilities were AROPE. While this remain important, both figures are still below the EU average.
- **Labour market:** Some progress has been made in implementing the 2024 CSRs on improving labour market outcomes for disadvantaged groups. After an increase between 2022 and 2023, the disability employment gap decreased in 2024 to 20.70 pps, dropping below the EU average (24 pps). For women, access to employment remains difficult, notably because of care responsibilities. 40% of women in 2024 cited care of children/adults with disabilities as the main reason for working part-time.
- **ECEC:** In 2023, only about a quarter of children under 3 were enrolled in ECEC, placing Austria below both its national Barcelona target[3] (31.9%) and EU average. For children aged 3 to compulsory school age, participation reached 91.2%, still below the EU average (94.6%) and the 2030 EU target of 96%. Austria's RRP, includes investments to expand access to ECEC, with efforts

[3] The Barcelona targets refer to EU targets for early childhood education and care (ECEC). The original targets from 2002 aimed for at least 90% of children aged 3 to school age and 33% of children under 3 to be in ECEC by 2010. In 2022 the targets were revised under the Council Recommendation on ECEC: at least 96% of children aged 3 to school age and at least 45% of children under 3 to be in ECEC.

such as the Fund for the Future (*Zukunftsfonds*) and initiatives to enhance the attractiveness of the profession.

- **Education:** The country has a strong VET system and a high tertiary educational attainment. However, the level of basic skills and early school leavers remain higher for student from disadvantaged or migrant background. As for adult learning (aged 25–64), in 2022, 52.2%, participated in training. This surpasses largely the EU average (39.5%) but remains below the 2030 target of 62.0%. ESF+ (nearly EUR 220 million) support measures to reduce early school leaving and promote VET, and lifelong learning and to further attract teachers. But more targeted support for disadvantaged students is needed.
- **Health and care:** Austria is among the biggest spenders per inhabitant in the EU. The system performs well but challenges exist such as a too strongly hospital-centred model and a competition between hospital to attract professionals which threaten the availability and accessibility on the long-term. The 2023 reform brought new regulations to increase the adequacy of service provision in view of an ageing population, to attract care professions and to alleviate the situation of caregiving relatives. Another challenge is the impact of the climate change which is expected to disproportionately affect older people, children, and people with disabilities and increase healthcare expenditure.
- **Housing:** Austria has a high proportion of social housing compared to other Member States – 24% of the total housing stock – and offers affordable options for both low-and middle-income households. Vienna is a good example. Half of the housing market is municipal and/or cooperative housing. The Austrian government could replicate across the country the social housing model of Vienna. Since October 2024, the Ministry of Social Affairs' Housing First programme has been supporting the homeless by providing affordable housing in conjunction with social work care.

Relevant Country-Specific Recommendations

- Ensure the long-term sustainability of public finances, particularly the fiscal resilience of the healthcare, long-term care, and pension systems.
- Introduce incentives to strengthen labour market integration for older workers and disadvantaged groups, promote women's full-time participation (including by enhancing quality and access to ECEC).

Belgium

The country continues to improve on social indicators, notably on poverty reduction, participation in ECEC is high, and the education system is performant. However, overall good performance masks strong inequalities for people from vulnerable groups (e.g. people with disabilities, people with a migrant background) or in economically disadvantage situations. They face higher risk of poverty and social exclusion, segregation, employment's barriers, and lack of access to essential services from education to healthcare.

Relevant Country Report Summary

- **SDGs:** Performance on social fairness SDGs has improved, notably on poverty reduction and inclusive growth. The country made progress on various employment indicators. The country has a good performance on education indicators overall, but inequalities linked to the socio-economic background of pupils remain concerning.
- **Poverty rate:** Since 2020, the AROPE rate has been decreasing, reaching 18.2% in 2024, 2.8 pps below the EU average (21.0%) but this masks strong inequalities. Yet in Brussels it reaches 37.2%, and 13.6% of the population experience severe material and social deprivation. Vulnerable groups face much higher risks, notably people with disabilities and migrants, especially in cities. Despite a small and continuous decline since 2020, 30.0% people with disabilities were AROPE in 2024 (EU 28.8%). The number of beneficiaries of the disability allowance among the working age population in 2018 was of 4.8%, one of the highest in the EU.
- **Labour market:** The employment rate hit a record of 72.3% in 2024 but is still below the EU average (75.8%) and the national target (80% by 2029). Labour shortages are high, with Belgium's job vacancy rate being the highest in the EU (5.1% vs EU 2.3 % in 2024). Several indicators such as the unemployment trap, disability employment gap and low-wage trap, point to working disincentives. The disability employment gap (33.5 pps in 2024) largely exceeds the EU average (24.0 pps). Belgium aims to reduce this employment gap to 24.5 pps by 2030. The NEET rate for young people with disabilities stood at 27.2% in 2022. About 62% of people with disabilities were active in 2023 despite most of them wanting to work. Measures to improve the situation, include reforms combining work and benefits, employment financial aid of the Brussels Capital Region's public employment service (RRF and ESF+), to support equipment adaptations and incentivise to recruit jobseekers with a disability.
- **ECEC:** Belgium reached its Barcelona target. Participation in ECEC for both children below and above 3 is high and above the EU average (respectively 56.3% and 98.4% in 2024). Yet, this hides inequalities of access with a significant gap between the attendance of AROPE and non-AROPE children (42.5% vs 58.6%). Both the Flemish and French Community governments have increased funding to make ECEC more affordable for vulnerable families. However, staff shortages and poor

working conditions, especially in Flanders and Brussels Regions, continue to threaten the quality of ECEC.

- **Education:** Belgium's early school-leaving rate remains below the EU average (7% vs 9.3% in 2024). The VET system is well developed, with 80% of people aged 20 to 34 with a vocational medium-level education employed, compared to 72.8% for the general education graduates. However, socio-economic segregation persists. Students from socio-economically disadvantaged or migrant backgrounds are more likely to enrol in VET.
- **Heath and care:** Disparities in healthcare access between income groups are among the highest in the EU. Out-of-pocket healthcare payments increased to 20.1% of the total healthcare spending in 2022, surpassing the EU average (14.3%). Healthcare also remains considerably hospital-centred despite recent efforts to strengthen primary and integrated care. The growing shortage of health professionals, particularly doctors, raises concerns about accessibility of services.
- **Housing:** Although the housing cost overburden remains below the EU average (6.8% vs 8.2%), 33.2% of those living below the poverty line are confronted with housing cost overburden (EU 31.1%). People with disabilities are also more impacted (Belgium 12.0% vs EU 10.4%). At the same time, 45,860 people are homeless, and public housing is saturated. A key measure under Belgium's RRP is the adoption of a deinstitutionalisation strategy, as part of the Walloon health policy.

Relevant Country-Specific Recommendations

- Address labour shortages and skills gaps, especially for the green transition, by improving targeted active labour market policies to better integrate low-educated, older, migrant, and disabled workers.

Bulgaria

Despite progress, Bulgaria continues to lag the EU average level of development. The country needs to take significant steps to achieve full social convergence. Regional disparities remain significant concerning poverty, access to healthcare, education, and employment. The limited capacity of the social protection system and the inequal access to quality services make it hard to achieve a sustainable and inclusive growth. People with disabilities particularly need targeted policy support.

Relevant Country Report Summary

- **SDGs:** Progress has been made on almost all SDGs, including those promoting fairness ones. All indicators related to reducing inequalities have improved. Yet, these indicators remain significantly below the EU average, and the country performance is getting worser on several indicators like quality education.
- **Poverty rate:** Despite decreasing, the AROPE rate continues to be significantly above the EU average (30.3% vs 21% in 2024). Rates remain among the highest for people with disabilities (43.8%), for children (35.4%), older people (36.6%), and Roma (78.3%). This is due to low social protection expenditure, among the lowest in the EU (18.3% of GDP vs EU 26.8% in 2023). Disability-related benefits have improved but further measures to enhance access to social protection are needed. Under ESF+, approximately EUR 632 million is allocated to social inclusion, and EUR 180 million for material aids.
- **Labour market:** The employment and activity rates rose to historical levels: 76.8% and 80.1% in 2023 and 2024 (EU 75.8% and 80.4%), achieving Bulgaria's 2030 employment target of 79%. Yet, unemployment stands high for vulnerable groups. The disability employment gap remains one of the highest in the EU (except for 2021), with a difference of 35.4 pps in 2024, a difference of 5.9 pps increase from 2022. In addition, 52% of young people with disabilities were NEET in 2022. Bulgaria has not established an employment target for people with disabilities and active labour market policies remain inefficient.
- **ECEC:** Despite progress, the participation rate for children below 3 remains considerably below the EU average (21.2% vs 39.2 in 2024). Likewise, for children between 3 and the starting age for compulsory primary education (87.8% vs 93.1% in 2022). Participation remains unequal based on socio-economic status. This also hinders women's access to employment since they often must care for their child. The government has started integrating nurseries into the education system and improved the pedagogical qualifications of childcare staff, but progress remain slow.
- **Education:** The education system faces segregation, increasing inequalities, and declining outcomes, particularly affecting disadvantaged students who have one of the highest underachievement rates in the EU. Employment rates are significantly influenced by educational attainment, with those having only lower-secondary education showing an employment rate of

48.5%, which is 42 pps lower than those with tertiary education (EU gap of 27.8 pps). In 2022, participation in adult learning and training among employed individuals was at 9.5% and 12% – the lowest in the EU.

- **Health and care:** Access to healthcare in Bulgaria is hindered by shortages of medical staff, inefficient funding, weak disease prevention, and uneven geographical distribution, particularly affecting vulnerable groups and rural areas. With an ageing population, LTC services remain limited, as Bulgaria's LTC spending was just 0.5% of GDP in 2022 (vs. EU 1.7%), resulting in low public care coverage for the elderly. The system is also overly hospital-centric, with one of the EU's highest numbers of hospital beds. Since 2020, Bulgaria has been improving its social services system through reforms like the Social Services Act and the National Map of Social Services (2024), with the support of additional strategies and funding from programmes including ESF+, ERDF and RFF. These actions aim to enhance the accessibility, quality, and staffing.
- **Housing:** There is insufficient structural and strategic planning in the housing sector in terms of accessibility and affordability and limited piecemeal social housing projects carried out by municipalities.

Relevant Country-Specific Recommendations

- Enhance teaching quality and inclusiveness through competence-based learning, targeted teacher training, and better access for disadvantaged groups like Roma.
- Tackle labour shortages by boosting employment for people with disabilities.
- Promote social inclusion by improving access to integrated employment and social services and ensuring more effective minimum income support.
- Expand healthcare access by reducing out-of-pocket costs, addressing shortages, and improving the distribution of health professionals to strengthen system capacity.

Croatia

Like prior years, Croatia has seen downward trends in achieving social rights. Poverty rates have increased for both children and people with disabilities. The disability employment gap also continues to grow. The country continues its reforms to improve social cohesion and inclusion, but progress is uneven. This underscores the imperative for further efforts. Accelerating deinstitutionalisation and development of community-based care must remain a priority as well as the strengthening of the Croatian healthcare system.

Relevant Country Report Summary

- **SDGs:** Like 2024, Croatia continues to improve on all fairness SDG indicators but still needs to catch up with the EU average on good health and well-being, decent work and economic growth, quality education and gender equality.
- **Poverty rate:** While the AROPE rate of people with disabilities has remained relatively stable and below the EU average since 2019, it has worsened for the third consecutive year (35.3% in 2022; 37.5% in 2023; 40.2% in 2024). While still below the EU average, child poverty has also increased by 2 pps to 19.3% in 2024, reversing prior positive trends. Croatia is implementing two National Plans (2021-2027) for Combating Poverty and Social Exclusion and for the Development of Social Services, along with multiple sectoral strategies. Over EUR 600 million from ESF+ and EUR 110 million from ERDF are invested to improve social services and infrastructure. Planned measures include developing poverty diagnostics, county social plans, supporting the social inclusion of children, and promoting the deinstitutionalisation and community services.
- **Labour market:** The disability employment gap continues to grow (36 pps in 2022; 39.2 pps in 2023; 41 pps in 2024) which is significantly above the EU average. To address the situation, Croatia is implementing the National Plan for Equalising Opportunities for People with Disabilities (2021-2027), and personal assistance services, supported by ESF+. Yet according to the European Commission, further policy initiatives are necessary to expand employment and training opportunities and further integrate people with disabilities in the labour market.
- **ECEC** Participation of children in ECEC remains one of the lowest in the EU. For children under 3, only 30.2% were in formal childcare in 2024 (EU 39.2%). The rate was even lower for AROPE children (8.2%). Major reforms and investments, supported by the RRF and ESF+, aim to improve ECEC's availability and quality.
- **Education:** Croatia's education system fails to meet labour market needs, with low rural tertiary attainment, insufficient STEM enrolment, and higher education not providing the advanced skills needed. But the VET sector remains performant: Croatia has one of the EU's highest enrolment rates (70.6% vs EU 49.1%), and a good employment rate for recent graduates (75.7% vs EU 80%). Reforms, backed by ESF+ aim to foster this success by shifting VET towards learning-outcome-

based curricula and increase better labour market alignment. On the side of adult learning, engagement remains low.

- **Health and care:** Croatia has among the lowest health care expenditure per capita in the EU and faces a shortage of professionals. This particularly affects the LTC sector that is also underdeveloped and too focused on residential care. This results in inadequate support for the elderly. With support of ESF+, the country implements its new LTC strategy to develop quality, adequate and accessible home based and community-based LTC.
- **Housing:** Deinstitutionalisation continues to be a critical challenge. EUR 0.6 billion support deinstitutionalisation and quality LTC. Investments under the RRF focus on centres for the elderly and organised housing. The first National Housing Policy Plan – mentioned in this year's report – was adopted in 2025, accompanied by an Action Plan.

Relevant Country-Specific Recommendations

- Tackle labour and skills shortages by boosting participation, improving STEM and basic education, upskilling workers, targeting support for vulnerable groups, and attracting/retaining talent.
- Strengthen labour policies and social services coordination to cut poverty and inequality, enhance social benefits sustainably and expand access to home- and community-based LTC.
- Balance healthcare distribution, invest in e-health, improve regional access to workers/facilities, and foster cross-government health policy cooperation.

Cyprus

Despite efforts, Cyprus still faces challenges in achieving social inclusion for people with disabilities who experience higher rates of poverty and social exclusion. Cyprus must boost its efforts to foster education and employment opportunities for people with disabilities. In addition, out of pocket expenditure on care is high raising issues of affordability and accessibility, specifically for people with disabilities and older people.

Relevant Country Report Summary

- **SGDs:** Cyprus is making progress on most SDGs related to social fairness, except for good health and well-being, quality education, and gender equality. Cyprus performs above the EU average on indicators linked to poverty, good health and well-being and reduced inequalities. Yet, it is falling behind on basic education outcomes.
- **Poverty rate:** Cyprus is nearly reaching its national 2030 poverty targets, but challenges persist. Between 2022 and 2024, the AROPE rate of people with disabilities increased from 29.7% to 31%, (EU 28.8%). Cyprus has the one of the highest AROPE gap between people with and without disabilities in the EU. For people with disabilities, poverty is compounded by other challenges (access to inclusive transports). The fight against child poverty is on the right way: in 2024, Cyprus exceeded its 2030 complementary target (3,000) with a reduction of 9,000 children at risks. Cyprus in the second country in the EU the lowest level of child poverty (14.8% of children that were AROPE in 2024). 47% (EUR 104.2 million) of ESF+ are allocated to social inclusion measures, and 18% of ESF+ (EUR 40.5 million) to fight child poverty and the most deprived.
- **Labour market:** The labour market is performing well with an unemployment rate lower than ever. Yet, young people NEET, people with disabilities, and women are less integrated. Even after a narrowing of 2.5% from 2021, the disability employment gap remains above the EU average (24.5 pps vs 24 pps in 2024). Cyprus has not yet set an employment target for people with disabilities. Cyprus European Year of Skills Action Plan, funded by the RRF and ESF+, sets several initiatives targeting people with disabilities. The European Commission stresses that active inclusion is key and minimum income benefits criteria could exempt people with disabilities from strict employment conditions. An extension of the disability quota system could also help increase their employment rates.
- **ECEC:** In 2023, participation of children below the age of 3 was about 26.5% for children in poverty, and at 42% for the others (EU 39.3%). This participation gap suggests that barriers to access remain and that there is a need for targeted actions. For the children above 3, the participation rate was at 86.7%, below the EU-Barcelona target of 96% and the EU average of 93.3%. Social inclusion measures include making more affordable childcare services available for children under 4.

- **Education:** The Country Report highlights a negative trend for people with disabilities with youth tending to leave school earlier than their peers (19.2% compared to 8.6% in 2022). Cyprus has one of the lowest scores in terms of the share of people aged 16 or over with a disability by educational attainment level. Neither the official national curriculum nor VET schemes and incentives have shown any essential change and shift towards digital capacity development and empowerment of people with disabilities.
- **Health and care:** Cyprus' health system faces challenges, notably shortages in the workforce and hospital beds. Recent reforms have improved affordability and reduced unmet medical needs, though rural areas still experience gaps in access. Health spending remains low, especially in infrastructure. While out-of-pocket costs dropped significantly since 2019, per capita health expenditure in 2022 was well below the EU average. Public funding rose from 55% in 2019 to 80.9% in 2022, nearing the EU average (81.3%). However, Cyprus' health infrastructure continues to lag. Key reforms under social inclusion measures include restructuring social welfare with 10 new residential services, and home care services for at least 70 people with disabilities and the establishment of a new family intervention and support centre for autism.
- **Housing:** Cyprus will implement a new project under the Technical Support Instrument that will focus on a comprehensive review and strategic reform of housing policy to promote sustainable and affordable housing. Measures include a 2022 programme targeting households in energy poverty where people with disabilities live.

Relevant Country-Specific Recommendations

- Boost youth employment and VET to address labour shortages, skills gaps and promote adult learning.
- Expand early childhood education, strengthen basic skills.
- Develop a modern, well-funded LTC model to improve access to and availability of LTC services.

Czechia

Czechia's social picture is mixed. Overall, the country shows low levels of poverty and good employment rates. However, it has a concerningly low level of participation in ECEC for children under 3, which heavily contributes to the exclusion of women from the labour market. For people with disabilities, their specific needs are acknowledged, and the report and recommendations underscore the imperative for Czechia to accelerate the deinstitutionalisation process and develop community care.

Relevant Country Report Summary

- **SDGs:** Czechia shows strong performance on SDG 1 (eradication of poverty) and SDG 10 (reduced inequalities), with both indicators well above the EU average (63.9% ; 64.3%,). Much progress remains to be made on gender equality.
- **Poverty rate:** Between 2019 and 2023, the number of people AROPE fell by 17,000 and in 2024, the rate stood at 11.3%, well below the EU (21%). However, regional disparities persist. The number of children at risk of poverty rose by 55,000, posing a challenge for Czechia to meet its national targets. EUR 434 million allocated through ESF+ aims to promote active inclusion and equal opportunities.
- **Labour market:** In 2024, the employment rate reached 82.3% (EU 75.8%), keeping the country on track to achieve its 2030 target (82.2%). Despite a strong performance, labour shortages and high job vacancy rates persist. Women and disadvantaged groups including Ukrainian refugees, Roma communities, and people with disabilities face barriers to employment. The gender employment gap stood at 12.6 pps (EU average 10 pps), and the gender pay gap at 18 pps (EU average 12 pps). The disability employment gap was 21.7 pps. To improve inclusion, Czechia set a 45% employment target for people with disabilities and recently approved measures to support social enterprises, cooperatives, and non-profits through funding and better regulation.
- **ECEC:** Only 7.3% of children under 3 were in formal childcare in 2024, far below the EU average of 39.2%. This contributes to the gender employment gap due to women often being left to bare most caregiving responsibilities. In 2023, 85.3% of children that were aged between 3 to the start of primary school attended ECEC (EU 94.6%, target 96%). Low-income families face barriers to accessing quality ECEC, and many kindergartens cannot accommodate younger children. Czechia is expanding ECEC capacity with support from the RRF, but the system remains fragmented. Through the Technical Support Instrument, efforts are underway to improve data collection and establish a unified quality and monitoring framework.
- **Education:** In 2025, the government began funding school psychologists, special educators, and social pedagogues from the state budget, an important step toward a more inclusive education system. VET remains strong, with 70.7% of students in medium-level education enrolled in VET (EU 52.4%). In addition, VET students have a high employment rate (88.3% vs EU average of 80%). In

adult learning, formal education participation is low at 8% (EU 12%), while non-formal learning is more common (40% vs EU 42%), mostly driven by work requirements and job performance needs.

- **Health and care:** In 2022, health spending per capita in Czechia was well below the EU average, with most funds going to outpatient (33%) and inpatient care (30%). Public funding covered 85% of total health expenditure, above the EU average of 81.3%. 60.2% of public LTC spending went to residential care (EU average 46.2%), while home care accounted for only 8.3% (EU average 28.8%). There is a shortage of 15,000–30,000 community care places. The deinstitutionalisation process is hindered by slow legislation, limited facility repurposing, and poor data collection. Czechia is investing EUR 365 million via the RRP and EUR 197 million via ESF+ to address this. The new LTC law, effective since March 2025, aims to integrate health and social care, promote home-based services, and ensure sustainable funding.
- **Housing:** At the end of 2023, Czechia's house price-to-income ratio was the fourth highest in the EU, reflecting worsening housing affordability. The housing cost overburden rate rose to 9.2% in 2024, surpassing the EU average of 8.2% (in 2023). Despite recent legislation and RRF-funded instruments supporting affordable housing, key reforms like spatial planning remain unaddressed.

Relevant Country-Specific Recommendations

- Strengthen competitiveness by addressing skills mismatches, simplifying the recognition of foreign qualifications, and increasing labour market participation of underrepresented groups.

Denmark

Denmark generally demonstrates a strong performance in inclusion. This is underpinned by a resilient healthcare system and favourable employment opportunities for individuals with disabilities. However, despite relatively good levels of integration, recent trends indicate a deterioration in their overall situation. This is reflected in the rising AROPE rate for people with disabilities, the widening of the disability employment gap.

Relevant Country Report Summary

- **SDGs:** The country performs above the EU average on most indicators related to poverty, quality education, clean and affordable energy, inclusive growth and inequality. However, Denmark is losing progress on no poverty, quality education and good health.
- **Poverty rate**: Denmark's performance on several indicators related to poverty has deteriorated. While Denmark continues to have a relatively low AROPE rate, it has seen a slight increase in recent years (17.1% in 2022; 17.9% in 2023; 18% in 2024). The AROPE rate of people with disabilities has gone in the same direction (23.1% in 2019; 28.1% in 2024). However, despite growing inequalities, the welfare state and protection system are still efficient in preventing and reducing poverty.
- **Labour market:** In 2024, the employment rate reached 80.2%, exceeding both its 2030 target and the EU average (75.8%). Long-term unemployment remains low at 0.8%, compared to the EU's 1.9%. Youth are well integrated with an employment and participation rates at 59% and 69.1% - well above EU average. Despite overall strong performance, vulnerable groups still face barriers, while their integration would help address labour shortages. The disability employment gap increased to 26.1 pps in 2024, above the EU average (24 pps). In 2023, 38% of NEETs had a disability, and Denmark has yet to set a specific employment target for people with disabilities.
- **ECEC:** Participation continues to be high. 62.9% of children below the age of 3 attended formal childcare in 2024, most of them all day. This is one of the highest rates in the EU and close to the 67.5% national Barcelona target. For children aged between 3 years and compulsory school, 95.7% attended ECEC in 2023, both above the EU average (94.6%) and in line with the EU-level target (96%). However, the quality varies depending on the municipalities. This is notably due to lower salaries for ECEC teachers in municipalities of the Capital Region and in Zealand.
- **Education:** Despite its strengths and overall good performance, the education system does not offer equal opportunities. Young people with migrant backgrounds are nearly twice as likely to leave education early compared to native-born Danes, and there is a notable urban-rural divide. On another side, the country has a strong framework for upskilling and reskilling, supported by a strong VET system. However, some gaps persist. To address these, Denmark has made permanent the "Right to Educational Boost with 110% Unemployment Benefits" scheme, allowing eligible unemployed individuals to pursue vocational training in areas with labour shortages.

- **Health and care:** Denmark has a strong health system. It has more doctors and nurses than the EU average, and it is further stepping up policies to foster access to healthcare, notably through RRF funds. It also has a high level of sound digitalisation. Still, the country face uneven distribution of professionals in relation to the population's size, and challenge in the retention. A shortage of 15,000 workers is projected for 2035. The government and a broad coalition of parties have agreed on 13 initiatives to strengthen the quality of the social and health education programmes, increase recruitment, and reduce dropout rates in the programmes. The government also established the Health Structure Commission in March 2023 to propose solutions to ensure a preventive, coherent, more equal and sustainable healthcare system.
- **Housing:** Housing overburden cost[4] remains a significant challenge. In 2024, it stands at 14.6% (EU average 8.2%) and at 21.2% for people with disabilities. roughly double the EU average (10.4%). Homelessness has slightly increased, growing up by 3% between 2022 and 2024 and affecting almost 6,000 people. Still, youth homelessness (18-24) has significantly decreased due to numerous targeted policies. ESF+ supports people who are homeless, and those at risk, through activities that promote social integration.

Relevant Country-Specific Recommendations

- Address the skills shortages to meet labour market needs, including by tackling the attainment inequalities in education and training.
- Implement measures to improve the affordability of housing.

[4] The housing overburden cost refers to a situation where households spend an excessive proportion of their income on housing expenses, such as rent or mortgage payments, utilities, and maintenance. This concept is used to assess housing affordability.

Estonia

Estonia continues to grapple with significant social challenges, as highlighted in previous European Semester reports. Rising poverty, high income inequality, and the limited impact of social transfers on poverty reduction persist, alongside high levels of self-reported unmet medical needs. These issues disproportionately affect people with disabilities and older individuals, though child poverty remains relatively low.

Relevant Country Report Summary

- **SDGs: Estonia's** performance on fairness SDGs is mixed. On indicators related to poverty, and good health and well-being, is has worsened and remains below the EU average. On gender equality, Estonia is progressing, but status is worse than the EU. Only on quality education, Estonia's performance is both above the EU average and in progress.
- **Poverty rate:** Vulnerable groups and rural areas are primarily affected. Persistent risks stem from limited economic opportunities, weak employment support, inadequate access to healthcare and social services, and low social protection benefits – backed by one of the lowest levels of expenditure in the EU (15.4% vs 26.8% of GDP in 2023). While poverty rates for older people and those with disabilities have dropped significantly the last two years (by 13.1 and 8.7 pps, respectively), they remain among the highest in the EU. In 2022, the AROPE rate for people with disabilities was about 47.8%. On a positive note, child poverty remains low (16.5% vs EU average of 24.8% in 2023), but further targeted efforts are needed to meet the national target – reduction of 13,000 children by 2030.
- **Labour market:** Estonia remains one of the EU's top performers in employment, with employment (81.8%) and labour force participation (88.3%) rates staying high in 2024, well above EU averages (75.8%; 80.4%). The country leads in older worker employment with a rate of 75.7% (EU 65.2%). Estonia also stands out for its narrow gender employment gap (1.7% vs. EU 10%). Rural youth struggle with lower education, higher dropout rates, regional gaps, and language barriers (especially Russian speakers). For people with disabilities, the employment gap narrowed by 6 pps in 2023 and stabilised in 2024, below the EU average (20.8% vs 24%). Estonia has set a target to raise the employment rate for people with disabilities to 52% by 2030.
- **ECEC:** In 2023, 91.2% of Estonian children aged between 3–7 was taking part in ECEC, slightly below the EU average (94.6%) and the 2030 EU target (96%). For children under 3, participation reached 36.8% in 2024, close to the national Barcelona target (40.5%) and in line with the EU average. While municipalities are legally required to provide childcare from 18 months, shortages persist. The new ECEC law, effective from September 2025, will merge childcare and preschool education, standardise staff qualifications, and help address shortages.

- **Education:** While Estonia consistently ranks among the EU's top performers in basic skills, too many young people still leave education with only lower secondary qualifications, contributing to early school leaving and higher dropout. Estonia's VET enrolment lags at 43.4% (EU 52.4%), but 79.8% of VET graduates participate in work-based learning (EU 65.3%). Estonia extended compulsory education to age 18, launched a Teacher Action Plan (2022–2026+) to attract educators, and is reforming VET, by piloting a new curriculum for the year 2025/2026, and by updating all programmes by 2027 to better link vocational, general, and higher education. On adult learning, while outperforming the OECD average, skills gaps persist. Estonia is expanding flexible learning pathways (micro-credentials), and access for underrepresented groups.
- **Health and care:** Despite reforms, Estonia still faces major healthcare and LTC access issues, including some of the EU's highest unmet medical needs (8.5% vs EU 2.5%), particularly for people with disabilities, and high out-of-pocket costs – though this is slowly decreasing. Long waiting times, regional care disparities, staff shortages, and limited home care (only 2.9% of over-65s in 2022) persist, while public health funding remains among the EU's lowest. This shifts caregiving burdens on families, often reducing women's labour participation. On a positive note, Estonia is expanding digital healthcare with EU support and is rolling out key reforms: community-based service hubs, home care expansion, and increased local government funding to cut out-of-pocket costs. ESF+ funds are improving access for carers and individuals with a disability. Regarding mental health, new Suicide Prevention (2025–2028) and Mental Health Action Plans (2023–2026) aim to enhance services and reduce stigma.
- **Housing:** House prices have risen markedly. In 2024, 8.6% of the population faced housing cost overburden (EU 8.2%), up 3.7% from 2022. Among those at risk of poverty, the housing cost overburden rate rose by 10.7% to reach 29.6% (EU 31.1%). This is notably driven by limited access to affordable housing. The latest partial homelessness count in 2021 reported 1,000 people who were experiencing homelessness.

Relevant Country-Specific Recommendations

- Boost labour productivity and skills by upskilling/reskilling workers, cutting early school leaving, and aligning education with job market needs.
- Lower poverty risk by strengthening social protection, improving benefits for older people, single-person households, and people with disabilities, and expanding unemployment coverage.

Finland

While Finland performs well across most dimensions of the Social Scoreboard and on farness SDGs, the country faces several social challenges such as labour shortages in healthcare, social care, and education, a weakened participation in ECEC and a worsening of inequalities. Demographic changes particularly impact the country requiring better integration of younger workers, older adults, and inactive people with disabilities.

Relevant Country Report Summary

- **SDGs:** The country has a good performance on fairness SDG. Indicators remain above or in line with the European average. But despite this, the achievement of indicators quality education, reduced inequalities, no poverty has regressed. There is also some room for improvement promoting good health and well-being.
- **Poverty rate:** While overall number shows a positive picture, the AROPE rate did increased in the past years, although it still levels remain below the EU average (16.8% vs 21.0% in 2024). The poverty rate has significantly increased for people born outside of the EU (a rise of 3.8 pps to reach 34.4% in 2024 but still below the EU average of 38.2%). The AROPE rate of people with disabilities for the same year was about 24.4%. While child poverty remains low (17.3% in 2024) and below the EU average, it increased by 3.5 pps in only one year. This raises concerns regarding Finland's progress to achieving its 2030s targets.
- **Labour market:** Although the overall employment rate is high, Finland's labour market continued to weaken in 2024. Finland faces persistent labour shortages for health, social and childcare workers and special education teachers. Demographic changes make it essential to harness the skills and potential of both younger and older people and inactive people with disabilities. The labour market is strongly segregated by gender, posing challenges for equal pay. Structural reforms such as the Nordic model of employment services, unemployment benefit reforms and social protection reforms to eliminate incentive traps contribute to the government's goal of increasing employment by 100,000 people by 2027. Programmes are in place to enhance workplace wellbeing and address labour shortages. This includes a mental health at work initiative and a work ability programme targeting ageing workers, long-term unemployed, and those at risk of disability pensions.
- **ECEC:** Low participation in ECEC undermines foundational learning and worsens inequalities. In 2022, only 89% of children aged 3 to compulsory school age attended ECEC, below the EU average (93.3%) and the EU target (96%). Children who are AROPE and children from low-income households are particularly underrepresented. The implementation of the Child Guarantee aims to mitigate the impact of child poverty notably by reducing ECEC fees and improving training.

However, a severe teacher shortage – estimated at 6,000 nationwide, 4,000 for the Helsinki area– limits the expansion of ECEC.

- **Education:** Finland's education system faces growing challenges. Basic skills among students have declined, early school-leaving (9.6%) now exceeds the EU average. The VET system is robust but employment rates for graduates remain lower than those with general qualifications. Tertiary education attainment (39.1%) remains below the EU average, with regional and demographic disparities widening the gap. A severe teacher shortage and recent budget cuts further undermine education quality.
- **Health and care:** While highly effective, the sector faces major challenges: staff shortages, unequal access, rising demand due. In 2024, 8.5% of Finns reported unmet medical needs – far above the EU average of 2.5% (long waiting times, limited income, rural areas). Employment-based healthcare creates a two-tier system, offering faster, free access to workers but leaving others with co-payments and delays. Shortages have forced wellbeing services counties to increase outsourcing. Spending on external care providers have doubled (EUR 281 million in 2021 to EUR 604 million in 2023). The 2021 reform establishing 22 wellbeing services counties aims to improve access and reduce inequalities, but recent budget cuts have lengthened waiting times and reduced services. Finland's RRP supports digital health expansion, that is already advanced, primary care improvements, and efficiency gains, while EU4Health funding strengthens preventive care and health data systems.
- **Housing:** Finland faces one the highest rates of housing difficulties for people who are AROPE. In 2023, 17.5% of them faced housing difficulties (EU average 8.5%). In 2024, homelessness affected a total of 3,806 people, a rise of more than 10% in one year and the first increase since 2012. The country is implementing a 'Housing First approach' to end long-term homelessness by 2027.

Relevant Country-Specific Recommendations

- Strengthen active labour market policies for all and address skills shortages by reskilling and upskilling the workforce and widening the higher-education offer.
- Ensure that the reform of social and healthcare services: improves the delivery and cost-effectiveness of and access to social and healthcare services, including LTC, and addresses inefficiencies.

France

Despite slow growth, competitiveness and productivity are increasing, but more people are at risk of poverty and social exclusion (notably people with disabilities and children). Health inequalities persist, with a system remaining predominantly hospital based. Community-based alternatives are limited, especially for mental health. Regional disparities are also evident. ESF+ supports social inclusion for the most vulnerable people, access to affordable housing and essential services in mainland France and in the outermost regions.

Relevant Country Report Summary

- **SDGs:** France is advancing on most fairness SDG indicators but continues to regress in reducing poverty and inequalities, and good health and well-being. Education quality indicators are improving but do not fully reflect socio-economic disparities and challenges for vulnerable groups.
- **Poverty rate:** Poverty rates continue to significantly rise, particularly between outermost and metropolitan regions, and urban and rural areas. It affects primordially non-EU-born people, single parents, children and people with disabilities. More than 1 in 4 people with disabilities were AROPE in 2024 (28.4%). While this is slightly below the EU average (28.8%) and 12.6 pps higher than those without disabilities. Around EUR 2.3 billion from ESF+ will support social inclusion and poverty prevention and alleviation measures. While the 2023 2027 *Pact des Solidarités* should also contribute to tackle child poverty and the situation in outermost regions; it is judged insufficient. Additional measures should include improving the accessibility and quality of ECEC, promote better work-life balance and increase housing accessibility and affordability.
- **Labour market:** Employment continues to rise to highest record (still below EU average). Vulnerable groups, continue to face significant barriers. In 2023, the disability employment gap was 22.4% pps. While below the EU average, this remains below France's best level (15.7 pps. in 2018). Challenges are exacerbated by educational inequalities linked to socio-economic backgrounds. ESF+ fosters active inclusion, facilitating proper labour market integration for those currently least integrated via EUR 1.8 billion of funding. It will support at least 3 million people not in employment, 32 200 people who are homeless and 214,400 people with a disability. Regional ESF+ programmes promote entrepreneurship and vocational training. Despite efforts, skills mismatch and labour shortages persist, especially in health, care, and education sectors, and disproportionately in remote and non-urban areas.
- **ECEC:** While overall figure shows a strong participation of children in ECEC with 56.2% of children under 3 attending in 2023 (EU average 35.7%), and, in 2021, all children over 3 attending pre-primary school (EU average 92.5%), this doesn't mask one of the highest levels of inequality in the EU. The participation gap between advantaged and disadvantaged children was about 41.6 pps in

2024, far above the EU average (15.8 pps). The primary barriers remain the cost and the uneven availability between departments.

- **Education:** The inclusion of people with disabilities in mainstream education and inclusive education is not addressed contrary to last year's report. The focus is on the low student achievement and skills issues in the French education system, particularly among disadvantaged groups, which in turn impacts labour market outcomes. The number of students and apprentices in VET is increasing but continuous efforts are necessary to improve its labour market relevance. France is advanced in implementing individual learning accounts and adult learning participation in education is relatively high. However, again inequalities in access persist for disadvantaged groups.
- **Health and care:** While France is one of the top spenders within the EU in social protection expenditure (23.8% of GDP in 2022 vs EU 19.4%) and health expenditure (9.1% of GDP in 2022 vs EU 7.6%), persistent structural challenges remain (regional disparities, staff shortages). Unmet medical needs exceed the EU average, largely due to costs and waiting times. While access to hospital care shows no significant regional inequalities, services remain fragmented, with providers often working independently and minimal collaboration among hospital, primary, and social care services. Mental healthcare is also predominantly hospital-centric, with limited community-based options. ERDF supports the development of infrastructure, and its modernisation, notably in outermost regions.
- **Housing:** In comparison to other Member States, the house price relative to the incomes of French people is high. Homelessness has more than doubled in 12 years with an estimated number of 350,000 people that were homeless in 2024 (143,000 in 2012), including 2,043 children (1,990 in 2023 and 927 in 2020). The number of evictions and demand for social housing have also increased.

Relevant Country-Specific Recommendations

- Address skills shortages by supporting access to training for low-skilled and older people and improving the labour market relevance of the training offer.
- Improve educational outcomes and reduce inequalities in education.
- Strengthen the teaching profession (improving working conditions and training of teachers.)
- Prevent and reduce child poverty (removing barriers that hinder parents' labour market integration and access to quality ECEC for the most disadvantaged households).

Germany

Germany's social protection system is robust but grapples with growing poverty, wealth inequality, and a lack of access to housing over the past five years. Even with a strong labour market, barriers persist in improving the employment of people with disabilities and in tackling staff shortages, particularly in ECEC. With the support of EU funding, fostering fairness, social cohesion, improving access to education and training are among the key priorities.

Relevant Country Report Summary

- **SDGs:** Germany is performing above the EU average on fairness SDG indicators linked to poverty, health and decent jobs and growth. However, it is behind the EU average and is making little progress on quality education, reduced inequalities, and gender equality.
- **Poverty rate:** While the overall share of people who are AROPE is below the EU average, it is rising (21.1% in 2024 vs 18.5% in 2018). People with disabilities are particularly affected with an AROPE rate that increased between 2021 and 2023 (from 31 to 39.5%), surpassing now the EU average (35.6%). This is a gap of 18.3 pps compared to people without disabilities. Concerning children, after a peak in 2022 (24.4%) the rate of those AROPE fell back to 22.9% in 2024 (EU 24.2%). However, in real terms during this period, the number of children AROPE grew. The country is dedicating more than 5.5% of its ESF+ budget to tackle child poverty.
- **Labour market:** Germany has a robust labour market with high employment, low levels of long-term unemployment and a declining number of young people NEET. The disability employment gap has decreased from 24 pps in 2022 to 22.6 pps in 2023. It still stands around the EU average of 21.5 pps. EUR 2.2 billion of ESF+ funding supports social inclusion measures. Integrating untapped labour market forces is essential for the country to face labour shortages, including in the care sector.
- **ECEC:** There is a significant lack of childcare places, a lack of staff, unmet demand and unequal access to ECEC based on wealth. For children between 3 and the mandatory school age, participation was about 95.3% in 2023 (close to the EU average but below the 96% target). For children under 3, participation was about 25.1% in 2024, a decrease since 2021 (below EU average too). This situation increases caregiving responsibilities and negatively impact women's career. The German RRP is dedicating EUR 500 million to create additional childcare places.
- **Education**: In 2024, only 8.5% of youth were NEET (compared to the EU average of 11%). The VET system is adapting to the green transition but struggles with underachievement and fewer apprenticeship opportunities. While adult learning programmes effectively support upskilling, disadvantaged groups still face challenges. New initiatives, like individual learning accounts, aim to further strengthen skills development. ESF+ is providing EUR 2.13 billion for education and training

measures. This includes fostering equal access and improving the quality, inclusiveness and labour market relevance of education and training.

- **Health and care:** The country has a high level of healthcare spending in comparison to the EU as well as a higher numbers of doctors and nurses per capita. However, its workforce is aging rapidly and is, for now, filled by non-European workforce. The system is also highly hospital-centred, and the country is lagging in the digitalisation of its health system. The government is planning a major hospital reform to reduce inpatient care, enhance coordination and integration across care settings, and ensure cost effectiveness and quality.
- **Housing:** The country faces a limited supply of affordable housing, a decline in social housing stock and an overburden of housing cost (13% vs EU 8.8% in 2023). In 2024, around 31,700 people were sleeping rough, 439,500 under emergency housing assistance, and 60,400 staying involuntarily with relatives, friends or acquaintances. With the view to eliminate homelessness entirely by 2030, the national action plan against homelessness, 'Together for a home,' was approved in April 2024.

Relevant Country-Specific Recommendations

- Improve education outcomes, including by providing targeted support to disadvantaged groups.
- Improve the availability and quality of ECEC and whole-day schools to encourage carers (women), to work and promote equal opportunities for all children.

Greece

Despite funding efforts to reduce poverty and enhance social inclusion, structural challenges persist, participation in ECEC is among the lowest in the EU and the education system underperform. There is also a lack of quality, affordable and accessible healthcare services, notably LTC. Reliance on informal caregivers prevents women from participating in the labour market and hinders deinstitutionalisation. EU funding provides considerable resources to address challenges identified in the CSRs and boost upward social convergence.

Relevant Country Report Summary

- **SDGs:** While improving on all fairness-related SDGs, Greece is underperforming and needs to catch up with the EU average on almost all aspects.
- **Poverty rate:** While social conditions have improved, poverty level remain important, notably for non-EU born (47.1% are AROPE) children (27.9% are AROPE) and people with disabilities. In 2023, 26.1% of the population were AROPE, and 13.5% were materially and socially deprived. The rate for people with disabilities also increased by 1.8 pps in 2024, standing at 18.5%. People living in rural areas still face a disproportionally higher risk of poverty or social inclusion compared to those living in cities than the EU average (6.3 pps vs 0.2% in 2023) the inequality reducing effects of taxes and transfers is the lowest in the EU (21% vs EU 48%). There is scope for improving the effects.
- **Labour market:** It has demonstrated resilience and progress in recent years, but structural challenges persist. Women's employment rate, while improving, remains among the lowest in the EU (59.9% in 2024 vs EU 70.8%). Many women work part-time due to insufficient access to ECEC and LTC services. Concerning people with disabilities, the employment gap stands at 28.5 pps – 4.5 pps higher than the EU average. Only 52% of people with disabilities are active in the labour market, compared to 64% across the EU. 40% of young people with disabilities are NEET. Greece has not yet established a specific employment target for people with disabilities. To address these challenges, the RRF will support a range of measures until 2026 to promote employment, particularly among women and people with disabilities.
- **ECEC:** Greece ranks last among EU Member States in terms of participation in ECEC which has been found to negatively affect subsequent education outcomes. In 2024, 28.9% of children aged less than 3 years attended formal childcare. Greece has taken actions such as making mandatory preschool from age four. This has been fully implemented since the 2021/2022 school year.
- **Education:** The system does not perform well. It is characterised by underfunding, low basic skills, and weak adult learning, undermining competitiveness, innovation, and labour market integration. Other structural issues such as limited school autonomy, and outdated teaching methods further hinder progress. VET education also faces issues including over fragmentation, poor alignment with the labour market's need, and low participation, contributing to lower employment rates for young

graduates (73.2% vs EU 79.6%). Greece's 2021–2030 education strategy and RRP prioritise the modernisation of VET, including school upgrades and graduate tracking. Recent ESF+ funded initiatives to expand second-chance education, work-based learning, and upskilling programs, particularly for women and vulnerable groups. To boost adult learning, Greece will pilot individual learning accounts, aiming to improve access and encourage lifelong skill development.

- **Health and care:** The sector is marked by significantly below-average public expenditure, including on LTC, a severe shortage of formal and qualified LTC workers, a fragmented governance system and a lack of universal coverage. This led to rising self-reported unmet medical needs, (surpassing EU average), high out-of-pocket expenses, and inadequate formal service, ad This high reliance on informal family caregivers. The low availability and affordability of community-based care is delaying deinstitutionalisation and the transition to independent living of people with disabilities. Greece is currently developing a strategic framework for LTC services with support from the Technical Support Instrument. In 2024, Greece adopted a new 2024-2030 strategy for the rights of persons with disabilities. The accompanying action plan contains EU cohesion policy and RRP measures, such as the personal assistant scheme, the expansion of supported living houses and improving accessibility to public buildings.
- **Housing:** Housing affordability has deteriorated over the past decade. House price levels compared to incomes are among the highest in the EU. The rate of overburden for housing cost disproportionately affects people who are AROPE (88.9% vs EU 31.1%). Under the Ministry of Social Cohesion and Family, a new General Secretariat was created in 2023 with the sole responsibility of the demographic and housing policy. The country is also investing in housing programmes to support youth and vulnerable groups, making use of the dormant housing stock.

Relevant Country-Specific Recommendations

- Increase the rate of women and vulnerable groups in work, expand formal ECEC and LTC, reinforce active labour market policies, and tackle skill mismatches.
- Improve educational outcomes by enhancing continuous professional development for teachers.
- Address poverty and social exclusion (increase social protection effectiveness and efficiency).

Hungary

After a decade of improvement, poverty or social exclusion risks are on the rise again and expected to rise further. Socially disadvantaged groups, such as Roma, people with disabilities and the low-skilled, face barriers to accessing quality education, the labour market and social mobility overall. The limited capacity of the social protection system and unequal access to quality services also pose risks for Hungary's sustainable and inclusive growth.

Relevant Country Report Summary

- **SDGs:** On social fairness, Hungary is below the EU average on all SDGs, apart from SDG 1 (eradication of poverty) where Hungary is only slightly above the EU average. Still the country is progressing on quality education and good health and well-being.
- **Poverty rate:** Hungary's poverty reduction stalled in 2024 after a gradual decline between 2015 and 2022, the number of people AROPE further increased by 42,000 in 2024, the AROPE rate rose to 20.2% (compared to the EU average of 21.0%). In 2024, child poverty was about 27.9%, surpassing the EU average. Disability poverty hit 32.4% (vs. the EU average of 28.8%). The increasing AROPE rate is mainly driven by a high material and social deprivation rate, and low social spending (12.3% of GDP) that does not help to alleviate the situation. The government updated its National Social Inclusion Strategy 2021-2030 focusing on segregation and social housing, with a new 2025–2027 plan in progress.
- **Labour market:** Employment rates reached record in 2024 (81.1% for 20–64-year-olds). However, structural challenges persist; low productivity, regional disparities, weak impact of active labour market policy, and underrepresentation of Roma, low-educated, and people with disabilities. This limits competitiveness and growth. In 2024, Hungary's disability employment gap narrowed by 2.4 pps but stays high at 27.2 pps. Nearly 40% of youth with disabilities are NEETs (2022). To address this, Hungary set a new disability employment target. Under its national Programme called "EDIOP Plus", Hungary allocated EUR 787 million from ESF+ funds to support labour measures: 40% for those over 30, 60% under 30. Launched in 2024, the programme aims to help 300,000 people, focusing on vulnerable and long-term unemployed groups.
- **ECEC:** In 2024, 92.6% of children over 3 attended early education, matching the EU average, but only 16.5% of children under 3 participated. Expanding access would support child development and parental employment. But. Additionally, 31% of municipalities lacked kindergartens in 2022. In 2022, the government changed the employment conditions by reducing the required number of qualified teaching staff, and in 2024, requirements were further eased (secondary VET graduates can work as ECEC teachers), this risks reducing the quality of ECEC in Hungary.
- **Education:** The system is highly segregated with disadvantaged students highly isolated. Teacher shortages and weak support for low achievers persist. Early school leaving remains high (10.3% vs

EU 9.3% in 2024), peaking among students with disabilities (41.2%), and Roma (58.7%). Students face barriers to higher education and weaker basic skills. VET functions well with 84.2% of graduated employed. To boost workforce competitiveness, Hungary is promoting adult learning, but participation is low among vulnerable groups. New measures include micro-credential courses and individual learning accounts (pilot 2025–2027). A new adult learning fund (from 2027) will support training, but details on accessibility and funding remain unclear.

- **Health and care:** The country has among the lowest health expenditure in the EU, despite having increased in recent years. The health system faces chronical shortage of medical professionals and public formal care services and assistance, an uneven distribution of doctors, and is very much hospital centred. Under the RRP, around EUR 1.3 billion is planned for health reforms and supporting investments. Additional EUR 154 million is planned under Cohesion Policy funds to strengthen and modernise inpatient care and its infrastructure, bolstering the provision of services by the hospital network, and strengthening the integration of primary and preventive care by setting up group practices of general practitioners.
- **Housing:** Hungary face challenging regarding the affordability of housing due to an increasing demand but limited supply. On social housing, while EU funds have supported creation and renovation, the total number of social housing units felt from 59,000 to 38,000 in 2023.

Relevant Country-Specific Recommendations

- Improve education outcomes and tertiary attainment rate, increase participation of disadvantaged groups (Roma) by further increase the attractiveness of teaching jobs and the share of pupils obtaining an upper-secondary qualification giving access to tertiary education.
- Increase access to effective active labour market measures (providing upskilling and reskilling opportunities to the most disadvantaged, ensure effective social dialogue). Improve the adequacy of social assistance and unemployment benefits and ensure access to essential services for all.
- Targeted measures in the housing sector for low-income households, increase (social) housing supply.

Ireland

Despite Ireland's strong equality record, as shows with an overall green Social Scoreboard, various vulnerable groups, including people with disabilities, children and Roma remain heavily exposed to poverty, lack of access to ECEC, education, work or training opportunities, and housing – the last being identified as the primary social challenge. Education is pinpoint for its segregation.

Relevant Country Report Summary

- **SDGs:** Ireland continues to excel in fairness SDGs, surpassing the EU average in no poverty, good health and well-being, and especially in reducing inequalities and quality education. But the same trend appears as in last year report: the country continues to move away on the first two mentioned.
- **Poverty rate:** Overall poverty reduction (AROPE rate under the EU average) masks disproportionate challenges for vulnerable groups and significant disparities between metropolitan and other regions. After a slight increase in the prior years, the AROPE rate of people with disabilities felt from 39.5% to 30.1% (2022-2024), but this is still above the EU average. Severe social and material deprivation decreased in 2024 but still affects more people with disabilities (8.5% vs general population 2.3%). Ireland's disability allowance has not kept up with inflation. While it rose by EUR 12 weekly in January 2025, Disability Federation Ireland argues that a further minimum increase of EUR 20 is necessary would be the minimum to address risks of poverty. While the overall AROPE rate of children dropped by 3.7 pps (20.6% vs EU 24.2% in 2024), children with disabilities, Traveller and Roma communities, and in single-parent households, are at higher risk.
- **Labour market**: Despite having a robust labour market and a record-high employment rate – the national 2030 employment target (78.2%) has been surpassed – Ireland continues to have one of the highest disability employment gaps of the EU (38.2 pps in 2024). This longstanding challenge shows limited improvements and is driven by many factors like low educational attainment, lack of accessible housing near jobs and transport, and inadequate workplace accommodations. Many people fear losing social benefits, medical cards, or housing if their income rises.
- **ECEC:** Participation for both children below and above 3 increased but remains too small. The participation rate of children below 3 increased from 19.1% in 2022 to 22.1% in 2024. This can be explained by further public funding and parental subsidies and the introduction of free ECEC for disadvantaged families. However, these grants are often too low. The weak coordination between healthcare, social services, and education places heavy burdens on families and schools. Children with complex needs also face fragmented support.
- **Education:** People with disabilities experience high rates of early school leaving, lower attendance in post-secondary education, and lower tertiary educational attainment. Access to education is at

the expense of inclusion. Between 2018/19 and 2022/23, Ireland saw a 9.1 pps rise in students in special schools, a 62.5% increase in special classes within mainstream primary schools, and by 88.6% in special classes in post-primary schools. The Commission stresses this breach the UNCRPD. On VET, VET graduate employment rate reached 81.8% in 2023 (slightly above the EU average), reflecting labour market's relevance. Adult learning participation rose by 2.3 pps to 48.3% (2016–2022), exceeding the EU average but falling short of Ireland's 2030 target (64.2%). Key barriers include costs, childcare access, and rural accessibility.

- **Heath and care:** The system grapples with financial and structural challenges. While health spending per capita exceeds the EU average, it remains lower as a share of GDP. Ireland is the only EU country without universal primary care coverage, and its hospital-centric model, coupled with persistent doctor shortages limiting equitable access. The share of people reporting unmet medical needs is higher than the EU average. People are heavily reliant on private insurance to bypass public waiting lists. The country is gradually decentralising its health system to boost cost-effectiveness and secure long-term fiscal sustainability. Still, in 2024, the system overshot its budget, requiring a mid-year bailout tied to cost-cutting commitments. Ireland's RRP aim to enhance quality, accessibility, and cost-efficiency.
- **Housing:** Access to housing is the most pressing social challenge with worsening affordability and rising homelessness. In 2023, it was estimated that 236,000 people needed social housing, (92,000 children). In 2023, the UN Committee on the Rights of the Child urged the country to 'phase out the use of emergency accommodation' for children who are homeless. Still, family and child homelessness continue to rise. Current policies fail to address this. There is a need for an updated housing strategy.

Relevant Country-Specific Recommendations

- Further increase the social and affordable housing stock.
- Strengthen the labour market and social inclusion of disadvantaged groups, including people with disabilities and single parents.

Italy

Poverty reduction in Italy is progressing well, but the education system is lagging with negative education outcomes that greatly impact employment opportunities. Vulnerable groups still face higher exclusion from the labour market. EU funds support active inclusion programmes for disadvantaged people, improved health, social and care services, and improved access to services for vulnerable groups and people living in less developed regions.

Relevant Country Report Summary

- **SDGs:** Italy is improving on almost all SDG fairness indicators. The country performs well on good health and well-being but still needs to catch up with EU levels on increasing the quality of education reducing inequalities, eradicating poverty, and achieving gender equality. The Social Scoreboard of Italy shows a very negative picture when it comes to the efficiency of its education system in comparison to the EU average.
- **Poverty level:** On average the AROPE rate remains high (23.1% in 2024), particularly for children (27.1%) and foreign-born people (34.2%). Southern regions are making progress and Italy is on track to achieve its national target (reduce poverty by 3.2 million by 2030). However, there are some risks for people with disabilities The recent change in the disability-allowance system has decreased the number of eligible people (there was also cuts in annual spending (from EUR 8 to 4 billion)). 40.6% of previously eligible households are now excluded. On a positive note, ESF+ continues to promote social cohesion measures through active inclusion programmes supporting disadvantaged people, improved health, social and care services, and improved access to services for vulnerable groups and people living in less developed regions. *Assegno Unico e Universale per i Figli* (new Universal child allowance introduced in 2022) can also help to address child poverty.
- **Labour market:** The labour market faces brain drains, skill mismatches, risks of shortages, a high rate of youth NEET and a high gender employment gap. Vulnerable groups, including low-qualified adults, immediate descendants of migrants and people with disabilities, also face barriers to labour market integration. The disability employment gap deteriorated from 14 pps in 2022 to 15.9 pps in 2023 and 25.1 pps in 2024. ESF+ programmes will support at least 590,000 people in unemployment, 151,000 people outside the labour force, at least 133,000 people who are homeless or affected by housing exclusion and more than 35,000 people with a disability.
- **ECEC:** Participation has increased. In 2024, the proportion of children aged 0-2 enrolled reached 39.4%, up 4.9 pps compared to 2023, bringing Italy in line to the EU average (39.2%) and closer to the Barcelona target (41.7% by 2030). Participation of disadvantaged children has also increased, thanks to measures under the RRP and the European Child Guarantee. Currently, only 54.8% of women with children under six years are employed. The increased participation of children in ECEC could therefore support the participation of women in the labour market.

- **Education:** The country faces several challenges including unequal levels of basic skill proficiency, depending on geographical area and type of school, low rates of tertiary educational attainment, limited participation in adult learning and the brain drain of graduates. Although the share of tertiary graduates increased steadily over the last decade, Italy continues to significantly lags EU average. Through the RRP, Italy also reformed the VET system in 2022 with the aim of increasing private sector involvement in VET education to better align it with labour market needs.
- **Health and care:** The healthcare system delivers strong outcomes, with high life expectancy and low preventable mortality, but faces persistent challenges. Despite a rising budget, staff shortages and accessibility issues threaten both public health and economic competitiveness. Demographic ageing strains pensions, care systems, and the provision of affordable, quality LTC. Though public spending in LTC matches the EU average, cash transfers dominate over services, leaving just 3% of over-65s in residential care and 5% receiving home care. The gap in unmet medical needs between poor and better-off Italians exceeds the EU average, while women face higher rates of foregone care, reflecting one of the EU's widest gender disparities. Alongside investments under the RRP, significant funding for healthcare (EUR 1.7 billion) is planned under the EU cohesion policy to improve the accessibility, effectiveness and resilience of health services in the less developed regions and for vulnerable groups. A legislation has also been adopted to strengthen the autonomy of people with a disability and action has been taken to support dependent older people.
- **Housing:** Italy faces fewer challenges with housing prices than other EU countries Over the past decade, average house prices have risen modestly. House prices remain relatively low compared to income levels. Still, while the housing cost overburden rate is below the EU average, it is much higher for households at risk of poverty (21.8% vs EU 31.1%). In 2023, 17.1% of Italian dwellings considered as deprived (EU 15.5%). Additionally, in 2021, 96,000 individuals were recorded as homeless. To address these challenges, Italy is investing EUR 2.1 billion through the RRF by 2026 to support the construction and renovation of at least 10,000 social housing units.

Relevant Country-Specific Recommendations

- Promote better job quality, reduce labour market segmentation, and boost participation, especially for underrepresented groups, by strengthening active labour policies and improving access to affordable ECEC, and LTC, while addressing regional disparities.
- Expand post-secondary vocational training and in-work upskilling in high-demand sectors to meet short-term skills gaps. Strengthen adult learning through work-based programs in high-growth fields and improve educational outcomes, focusing on disadvantaged students and basic skills.

Latvia

Overall, while Latvia has reduced poverty rates over the past decade, structural challenges, such as inadequate social protection, regional disparities and limited access to quality services, continue to hinder progress toward greater social inclusion and equity. The participation of people with disabilities in the labour market continues to be supported by the government.

Relevant Country Report Summary

- **SDGs:** Latvia continue to progress on quality education with a performance better than the EU average. Status remains below the EU average in the following SGDs: reduced inequalities, good health and well-being, reduction of poverty, and gender equality. Latvia is only making progress on the last two.
- **Poverty rate:** In 2024, Latvia's AROPE rate stood at 24.3%, down from 30% in 2015. But vulnerable groups face greater risks: 38.5% of people with disabilities were AROPE in 2023 (19.4 pps higher than those without disabilities), and with over 50% of those with severe disabilities affected, one of the highest rates in the EU. For children, while the AROPE rate (17.9%) remains below the EU average, rising, unmet medical needs and overcrowded housing disproportionately affect them. Despite the implementation of the Child Guarantee, there is a lack of targeted measures, and no national target has been set to reduce child poverty by 2030. Latvia has achieved only one-third of the required progress so far to meet its 2030 poverty reduction target (95,000 fewer people at risk). While the minimum income reform under the RRP improved transparency, further investment in social protection and income support is needed.
- **Labour market:** Latvia's labour market remains strong but faces structural challenges, including low investment in active labour market policies which disproportionately affects vulnerable groups (youth, women, and people with disabilities). The disability employment gap widened to 21.3% in 2024 (nearly 3 pps since 2023), and only 60% of adults with disabilities were employed (vs 77.4% overall) and 34.3% of young people with a disability were NEET. Latvia aims for 50% disability employment by 2027 (up from 41.4% in 2022). Progress has been made through the Social Enterprise Law (192) that led to an increase in the number of people with disabilities working in social enterprises, from 53 in 2020 to 152 in 2024. Further investment in workplace adaptations, accessibility, and subsidised employment could boost inclusion.
- **ECEC:** Participation for children of 3- to school age is nearly universal and is among the best in the EU. With an enrolment rate of 96.1% in 2024, Latvia has exceeded the EU's 2030 target. However, enrolment for children under 3 decreased by 10 pps, falling to 24.9%, significantly below the EU average (39.2%) and the Barcelona target (41%). While Latvian law guarantees participation from 18 months, public places remain scarce, especially in municipalities near Riga.

- **Education:** Skills shortages, unequal access to quality education and low levels of adult learning hamper competitiveness. VET remains underdeveloped, it is mainly school-based and has low participation. It needs better alignment with labour market needs. Adult education and lifelong learning are expanding, but participation rates are still below EU averages, and NEET rates remain a concern, especially among disadvantaged and youth in rural areas. Renewing the teaching workforce is also a challenge with long-term consequences for the quality of education. 45% of 25-34-year-olds hold a tertiary qualification (above the EU average). However, men, older adults, low-skilled workers, the unemployed, and rural residents participate far less in adult learning. To address this, Latvia's RRP include reforms such as employer-based training, individual learning accounts, and sectoral skills funds to boost sustainable, socially responsible adult learning, efforts to improve digital and basic skills also continue under EU-funded programmes.
- **Health and care:** The system faces to chronic underfunding (among the lowest in the EU), – and persistent staff shortages. Funding for home care, in particular, accounts for only 17% of total LTC spending, compared to 28.8% in the EU. These issues severely restrict access to timely, high-quality care, particularly LTC, lead to long waiting times, high levels of unmet medical needs (7.8% vs EU 2.4%), and heavy out-of-pocket costs. Only 9% of seniors currently receive LTC services, despite rising demand and only 14.6% of seniors use formal home care services, compared to 28.6% in the EU, underscoring limited accessibility and affordability. In Riga, waiting lists for residential care exceeded 800 people by mid-2024, while the number of individuals receiving home care increased from 5,800 to 6,300 within a year. Latvia must develop a robust data monitoring system to track care availability, waiting times, and regional disparities, it must take urgently measures to attract and retain caregivers. Additionally, implementing a minimum social services package and establishing a sustainable LTC financing model will be crucial to ensuring that future needs are met.
- **Housing:** The country face affordability issue that the country tries to address through its Affordable Housing Strategy (2023–2027). Over 5,000 people waited for social housing in 2023, with average wait times of 6.5 years in Riga. No national homelessness strategy exists but Ministries are exploring the idea. At the local level, Housing First pilots in Riga, Valmiera, and Liepāja (supported by the EU) show promise. Scaling this up nationwide is urgent.

Relevant Country-Specific Recommendations

- Strengthen social protection to reduce inequality, including by improving old-age pensions and access to quality social services, notably home care, while maintaining fiscal sustainability.
- Strengthen the adequacy and accessibility of the health system to improve health outcomes, including by providing additional human and financial resources, broadening the statutory benefits package and reducing out-of-pocket payments.

Lithuania

Despite reforms, people with disabilities face significant challenges, including high poverty rates, limited labour market access, and disparities in education and health outcomes. The country is significantly using EU funds to support reforms and investment in healthcare and address regional disparities.

Relevant Country Report Summary

- **SDGs:** Like the 2024 Country Report, Lithuania maintains strong performance in gender equality and now also in quality education. However, unlike previous assessments, its progress on reducing inequalities is slower and levels now falls below the EU average. The country still needs to accelerate efforts toward the SDGs no poverty and good health and well-being. Additionally, Lithuania is regressing on SDG 2 (zero hunger), moving further away from its target.
- **Poverty:** Also poverty rate saw a decrease from 29.8% in 2017 to 25.8 in 2023, it's still the highest rate in the EU (EU 21.0%). People with disabilities are at higher risks with the highest AROPE rate in the EU (45.8% vs 28.8%). These challenges can be explained by a weak social protection system including inadequate social benefits and limited access to quality education, employment support and health and social services, especially in rural areas. Despite allocating 3.7% of GDP to sickness and disability measures, among the highest in the EU, Lithuania's disability prevalence rate (27.4% in 2023) is close to the EU average (26.8%). This suggests low efficiency of those measures. The situation is exacerbated by Lithuania's high disability employment gap. To meet its 2030 poverty reduction target, Lithuania should accelerate the delayed reforms outlined in its RRP, such as addressing income inequality, old-age poverty and poverty among people with disabilities. Since 2015, Lithuania's child AROPE rate fell by 13.2 pps to 21.7% in 2023 but rose slightly to 22.8% in 2024 (EU 24.2%). Lithuania has no specific target for reducing child poverty or social exclusion but actively implements the European Child Guarantee, supported by about €99 million from ESF+, exceeding the EU requirement of at least 5% for countries above the EU average.
- **Labour market:** People with disabilities face strong barriers with a disability employment gap recording a spike from 23.9% in 2021 to 35.0% in 2022, one of the highest levels in the EU.
- **ECEC:** Lithuania has been gradually expanding the legal entitlement to universal preschool access. Participation of children from 3 to the start of compulsory primary increased from 88.1% in 2016 to 96.2% in 2023 (EU 94.6%). But accessibility challenges persist. For children below 3, participation rates remain below the EU average (36.9% vs 39.2% in 2024). Current national data indicate a steady rise, with a participation of 43.5%. Since the school year 2025, all two-year-olds are legally entitled to ECEC access. The government aims for 70% of rural children aged 2–5 to participate in ECEC by 2027, but infrastructural constraints and staff shortages may hinder rollout and access to quality services.

- **Education:** Lithuania's skills development is hindered by inequities in education, teacher shortages, low basic skills, and weak labour market relevance of VET and higher education. Low adult learning participation and a rising early school-leaving rate (4% in 2019 to 8.4% in 2024), contrasting with the decreasing trend at the EU level. A persistent urban-rural gap also worsens inequalities. To tackle these issues, Lithuania's RRP includes the Millennium Schools programme (covering 80% of municipalities) to improve access to quality education. The RPP also include reform aiming to update VET programmes in collaboration with social partners, training VET teachers, and expanding apprenticeships. A Technical Support Instrument project is also improving VET evaluation and quality assurance.
- **Health and care:** Lithuania's health system faces low funding. In 2024, unmet medical needs reached 4.3% (EU 2.5%), mainly due to long waiting lists. Lithuania's LTC system is fragmented, underfunded, and understaffed, despite high demand. In 2019, 34.8% of people over 65 faced severe difficulties with personal or household activities, well above the EU average (26.6%) and 90% of people needing LTC rely on informal carers, far above the EU average (70%). Lithuania is using EUR 11 million from the RRP to equip 90 mobile LTC teams, establish 10 day-care centres, and train 1,000 homecare specialists by 2026. Supported by ESF+, recent policies also aim to provide the deinstitutionalisation of at least 3,300 people with disabilities transitioning them from institutional care to family- and community-based services. The 2025 budget for the Compulsory Health Insurance Fund rose by 14%, prioritising expanded reimbursable services and better medicine access. Under RRP, EUR 269 million is allocated for health reforms. Additionally, EUR 475 million from the 2021–2027 EU Cohesion Policy targets improving health infrastructure, accessibility, quality, and resilience. In July 2024, Lithuania expanded a pilot shuttle service nationwide to improve healthcare access for patients unable to use transport.
- **Housing:** House prices more than doubled since 2015. Prices rose by 9.7% in 2024, following increases of 19% in 2022 and 9.8% in 2023. In 2024, the housing cost overburden rate was about 6.2% (EU 8.2%). Housing quality remains a concern, with 5.4% of the population lacking basic equipment like a bath or shower in 2023, (EU 1.7% in 2020).

Relevant Country-Specific Recommendations

- Improve the health system and outcomes by strengthening access to primary and preventive care and increasing the availability of health workers.
- Address poverty and social exclusion by improving social protection, refining the tax system, enhancing access to quality social housing, and increasing old-age pension.
- Improve the quality, equity and efficiency of the education system, including the urban-rural achievement gap, attractiveness of the teaching profession and ageing in the workforce.
- Address skills mismatch by aligning higher education with labour market needs, promoting green skills, adult learning for vulnerable groups, and expanding active labour market policies through better incentives.

Luxembourg

Luxembourg faces strong challenges related to the increasing percentage of people who are AROPE, mainly due to income disparities. Although Luxembourg is not among the worst-performing EU countries and has made progress, people with disabilities still face higher labour market exclusion than non-disabled peers. Child poverty remains concerning, and inequalities hinder skills acquisition and opportunities.

Relevant Country Report Summary

- **SDGs:** Luxembourg performs well on gender equality, good health and well-being, and reduced inequalities. However, it is regressing on its achievement on moving away on poverty reduction and quality education.
- **Poverty:** Despite its strong social welfare system, Luxembourg faces rising poverty risks, especially in-work poverty. The AROPE rate rose by 1.6 pps since 2015, reaching 20.0% in 2024 (1 in 5 people), slightly below the EU average (21.0%). Non-EU-born, low-skilled workers, and single-parent households are affected the hardest. Structural issues like job market composition, growing income inequality, tax fairness concerns, and high housing costs worsen the situation. Poverty is also very high among children. Luxembourg's child AROPE rate has risen since 2015, affecting over 1 in 4 children, especially in single-parent households. In 2024, it slightly decreased to 25.6% (from 26.1% in 2023) but remains above the EU average (24.2%). Despite a 2030 target to reduce child poverty by 1,000, the number has increased from 28,000 in 2019 to 33,000 in 2024.
- **Labour market:** Luxembourg's employment growth has slowed since 2022 due to weak economic growth, labour shortages, and skills mismatches, impacting competitiveness. While the country is on track to meet its 2030 employment target, vulnerable groups, including older workers, youth, non-EU-born individuals, low-skilled workers, and people with disabilities, remain at higher risk of unemployment. The disability employment gap, though improved from 23.7 pps in 2023 to 19.1 in 2024, remains a concern (EU 24 pps). Challenges include insufficient adapted workplaces, low compliance with hiring quotas (only 12% of companies), weak enforcement. To address this, the country could focus on awareness-raising, de-stigmatisation campaigns, incentives for companies meeting disability quotas or adapting workplaces, and setting nationwide employment targets for people with disabilities.
- **ECEC:** While participation in ECEC is high for children below 3 (60.0% in 2023 vs EU 37.4%), figure is below the EU average for children 3 onwards (90.5% vs EU 93.3%). Early language development is key. However, as ECEC's is often in French and Luxembourgish while primary school is in German, ECEC impact is limited.
- **Education:** Luxembourg's students' basic skills lag the EU average, with educational outcomes heavily influenced by socio-economic and linguistic backgrounds. The number of early leavers from education and training also increased from 7.2% in 2019 to 7.8% in 2024 (EU 9.3%). In Luxembourg,

VET is highly popular, with 59.2% of medium-level students enrolled in 2022, well above the EU average (52.4%). VET also offers strong employment prospects with an employment rate of 80.0% in 2023, close to the EU (81.0% in 2023). However, enrolment remain low in medium-level VET in STEM fields. Benefiting from EU support, Luxembourg strengthened the VET system. For example, competence centres will receive EUR 375 000 from ESF+ (2023-2025 period) to address skills gaps in various industrial sectors. Finally, adult training participation rose from 42.6% (2016) to 45.2% (2022), consistently above the EU average (37.4% to 39.5%). However, older workers' participation remains a challenge.

- **Health and care:** The performance of the health system is good in comparison to other countries, supported by the one of the largest health spending per capita in the EU. The self-perception of good or very good health (people aged 16 or over) increased from 68.6% in 2018 to 74.1% in 2023 (EU 67.9%). Only 0.8% of the population self-reported unmet need for medical care, well below the EU average (2.4% in 2023). Still, Luxembourg faces challenges such a lack of a coordinated public health strategy, shortage of workforce with a reliance on foreign and cross-border workers, a hospital-centred with great reliance on specialised care services and lagging in the uptake of e-health. The density of doctors is the lowest in the EU (3 per 1,000 inhabitants vs EU 4.2). To address institutional fragmentation, Luxembourg merged two ministries into the Ministry of Health and Social Security, focusing on expanding day and ambulatory care. The RRP also included health workforce reform that led to the development of initial education programmes for health professionals.
- **Housing:** Since 2017, house prices have significantly increased (70%). This can be explained by a lack of housing supply low – but growing demand – and negative residential housing investment growth. Long-term price pressures also reflect accessible housing supply not keeping pace with the strong population increase by 50% since 2003. Therefore, dwellings per capita continues to significantly decrease. To counter this effect, as part of the RRP, a law was adopted in 2021, setting up the 'Housing Pact 2.0'. This initiative brings support to municipalities, in cooperation with the State, to develop affordable, sustainable and qualitative housing, using existing land and residential potential.

Relevant Country-Specific Recommendations

- Improve performance and ensure equal opportunities in schools, including by adopting a national school quality framework and external evaluation system. Adapt teaching to the needs of disadvantaged students and those from various linguistic backgrounds.
- Address skills mismatches for the green and digital transitions by stimulating skills development. Improve the health system by ensuring appropriate availability of health workers and accelerate reforms to improve the governance of the health system and e-health.

Malta

People with disabilities continue to encounter strong inequalities and obstacles to enter the labour market or to access education and training. Nevertheless, Malta is effectively supporting people with disabilities through various EU funding sources, notably RRF funds and the ESF+.

Relevant Country Report Summary

- **SDGs:** Malta continues to improve on quality education gender equality though being respectively slightly below the EU average. Performance is deteriorating on poverty, reduced inequalities, good health and well-being.
- **Poverty rate:** Malta's social situation reflects stable living standards and poverty rates remain slightly below the EU average (AROPE, 2024: 19.7% vs EU 21%), thanks to a strong economic growth. However, this has not equally benefited the most vulnerable, and the tax system is less redistributive and progressive than the EU average. Persistent disparities affect children, older people, and non-EU nationals. 33.7% of people with disabilities face poverty or social exclusion (vs 16.3% for those without), linked to poor employment prospects. Concerning children, poverty has risen from 23.1% in 2022 to 25.9% in 2024 – above the EU average (24.2%).
- **Labour market:** The country is on track to meet its 2030 employment target but faces persistent challenges: gender and disability employment gaps, labour shortages, and high staff turnover, with a heavy reliance on foreign workers. People with disabilities face a wider employment gap (25.3 pps) than the EU average (24.0 pps), with women experiencing an even larger disparity (24.4 pps). Their labour force participation rate (53.5%) is slightly below the EU average (54.3%), and 32.9% of youth with a disability are NEETs (EU 27.3%). 58.3% of individuals with a disability have low skill levels, limiting their access to sectors like tourism, construction, and technology. To address these challenges, the ESF+-funded VASTE program provides training, job coaching, and mentoring. Malta aims to increase the employment rate of people with disabilities by 15 pps by 2030.
- **ECEC:** The proportion of children under 3 continue to rise from 24% in 2021 to 43.1% in 2022 and 44.1% in 2024, above the EU average (39.2%). Overall participation for children above 3 until the start of compulsory education was about 93.2% in 2023 (EU 94.6%). However, these highlevels of participation masks inequalities. Enrolment of children under 3 who are AROPE was considerably lower at 24.3%, compared to 48.5% for their peers not at risk. This is one of the widest gaps in the EU (24.2 pps). Although extending the free childcare scheme to children whose parents are neither in education nor in employment has been envisaged in several strategic policy documents, no detailed plan or funds have been made available yet.
- **Education:** Malta's competitiveness is hindered by low basic skills among 15-year-olds, low adult educational attainment, and limited participation in VET and adult learning. The country face also challenges with staff shortages due to rigid salary scales, limited career progression, and poor

working conditions. Malta's ESF+ programme allocates 43% of its budget to quality, inclusive education, training, and lifelong learning. The RRP further supports basic skills and literacy improvement, early school leaver tracking, expanded online training, and adapting infrastructure for students with disabilities. Finally on VET, only 28.8% of upper-secondary students were enrolled in such programmes in 2023 (EU 49.1%). Perception, attractiveness, and accessibility issues persist, undermining the value and relevance of VET qualifications.

- **Health and care:** The system is characterised by lower public health spending, a focus on outpatient care, high out-of-pocket costs, limited prevention funding and workforce shortages. Malta reports one of the EU's lowest rates of unmet medical needs (0.3% vs EU 2.5%). Malta has more doctors per capita (4.5 vs EU 4.2) and a nurse-to-population ratio near the EU average but faces a "brain drain" of these people, seeking better opportunities abroad. Preventive care is being strengthened via screening expansions while mental health is prioritised within priority Malta's national health strategy framework for 2020-2030.
- **Housing:** While the overall housing cost overburden (5.8%) was below the EU average (8.2%), vulnerable groups face particularly challenging to access affordable housing. Notably, non-EU nationals and people in poverty. 25.1% of people in poverty face this situation, while only 1.8% for those not in poverty. Young (41.6%) and older people (12.5%) are particularly vulnerable to housing cost overburden. To mitigate the situation, the Malta Housing Authority provides social housing to low-income individuals. Recent legal changes in Malta's Private Residential Lease Laws aims to prevent overcrowding too. Yet challenges persist in addressing the growing unaffordability.

Relevant Country-Specific Recommendations

- Strengthen the quality and labour-market relevance of education and training to address low educational outcomes and the severe shortage and mismatch of skills, including in STEM and the green transition, by fostering basic skills of students, training of teachers, vocational education and training, and adult learning. Strengthen the inclusiveness of education and training.

Netherlands

The Netherlands performs well and better than the EU average on poverty indicators, employment, education, childcare participation, housing and social protection and inclusion. Still, in comparison to the rest of the general population, people with disabilities continue to face greater inequalities, including higher risks of poverty and barriers to access employment. Addressing these challenges is crucial for the Netherlands to achieve its 2023 poverty reduction goals and to improve labour productivity.

Relevant Country Report Summary

SDGs: The Netherlands performs very well on most fairness SDGs, this includes out-performing the EU average on health and well-being, quality education and gender equality. However, while still being above the EU average, it is showing a slight regression in progress towards its poverty reduction target.

- **Poverty rate:** The country is progressing to achieve its 2030 target on poverty reduction (at least 163,000 people). Still, certain groups face a much higher at-risk-of-poverty and social exclusion, like people with a migrant background (32.5%) and with disabilities (22%). They face challenges like precarious and flexible contracts, lack of recognition of qualifications, reduced job opportunities, in-work poverty and discrimination. On a positive note, child poverty is among the lowest in the EU (15.8%) and the country continues to take actions to reduce this number.
- **Labour market:** Despite a strong and resilient labour market, vulnerable groups (low-skilled individuals, migrants, people with disabilities, and women) struggle to access quality jobs. While the disability employment gap narrowed to 20.9 pps in 2024 (EU 24.0 pps), the country lacks a specific employment target for people with disabilities. Part-time work is especially common among women (60.5% vs EU 27.9% in 2024). Key measures to boost working hours include improving work-life balance and enhancing job quality, especially for parents and caregivers.
- **ECEC:** Children aged less than 3 years taking part in formal ECEC (78.9%) is largely surpassing the EU average. For children above 3, 93.2% are enrolled (EU 94.6% ; Barcelona target 96%). Children aged 0-3 and who are at risk of poverty were 35.2 pps less likely to attend childcare in 2023 – one of the highest gaps in the EU. National shortages are expected to reach 7,700 by 2031 – five times current levels. To tackle this, the government will introduce new positions for unqualified staff with career development and incentivise qualified staff to work more hours.
- **Education:** The Dutch education system faces declining basic skills, especially among disadvantaged students. Teacher shortages remain critical, with 8.1% of primary teacher posts and 9.8% of school-head positions unfilled in 2024, worsening in urban areas and special needs schools (12.1%). VET excels, with 69.6% of medium-level students in vocational tracks (EU: 52.4%) and 90.5% of graduated VET that find a job (EU 80%). Adult learning participation is strong (56.1% vs EU 40%), but lifelong learning access is challenging for low-skilled and flexible workers. To address

skills shortages, the Netherlands uses ESF+ funding to upskill vulnerable groups and adapt VET/higher education for green transitions, ensuring competitiveness and inclusivity.

- **Health and care:** The healthcare sector is well-developed, based on a strong primary care and LTC systems, supported by high public expenditure. The country has among the highest uptakes of e-health and overall rates of health system digitalisation. Still, several challenges hider social fairness and competitiveness: declining focus on preventive care that threaten sustainability, a rising demand, challenges in staff recruitment and retention. Job strain, workplace aggression, limited autonomy, and heavy administrative burdens further push professionals to leave their jobs. Structural shortages, especially in rural areas, are expected to reach 277,000 healthcare workers needed by 2033, including in long-term care. The Dutch RRP includes measures to boost workforce capacity during crises and expand intensive care capacities.
- **Housing:** Housing affordability has worsened due to soaring house prices and limited supply. The share of households spending over 40% of disposable income on housing peaked at 10% in 2022 (EU 9.1%), before dropping to 6.9% in 2024 (EU 8.2%). To address these challenges, the government is simplifying and expanding housing benefits. In addition, 30,600 people faced homelessness in 2023, prompting the adoption of the National Action Plan on Homelessness: Housing First (2023–2030), which aims to end homelessness by 2030.

Relevant Country Specific Recommendations

- Reduce incentives to use flexible or temporary contracts. Implement comprehensive measures to address labour and skills shortages, including by tapping into underused labour potential, by strengthening upskilling and reskilling opportunities and by encouraging mobility to high-productivity sectors and sectors related to societal challenges. Improve basic skills, including by addressing teacher shortages and tailored support to disadvantaged schools, and boost participation in STEM programmes especially for women and students with a migrant background.

Poland

Despite inclusive measures, people with disabilities still encounter challenges in accessing education and employment. Accessing ECEC and LTC, notably for people with disabilities, remains challenging. This forces women to take more caregiving responsibilities and hinders their participation in the labour market. Reforms under Cohesion programmes and the RRF aim to improve access to formal home-based and community care for people with disabilities and support the participation of vulnerable groups in the labour market.

Relevant Country Report Summary

- **SDGs:** Poland continues to make progress on most fairness SDGs, outperforming the EU average in poverty indicators, and early leavers from education and training. Still the country needs to catch up with the EU average on gender equality in employment
- **Poverty rate:** The trend is positive, with a continuous decline of poverty. The overall AROPE rate (16.3% in 2023) remained lower than in the EU (21%). The same goes for children. However, the urban-rural gap remains significant and people with disabilities are still more likely to be AROPE (25.5% in 2023). Active inclusion measures and affordable services are supported by EUR 4.818 million under ESF+. Spending on social protection benefits still lags the EU average (22.1% of GDP in 2023 vs EU 26.8%). Reliance on non-means-tested cash benefits is important, particularly universal allowances for families with children (15.6% vs EU 8.6%). This results in a limited redistributive capacity.
- **Labour market:** While the overall 2030 employment rate target has been reached, it has not for people with disabilities (target 40%). The disability employment gap continues to widen (31.3 pps in 2022; 35.6 pps in 2024) – one of the highest in the EU. While efforts like creating counselling centres, supporting students with disabilities, and improving accessibility in higher education, are underway to reduce this gap, existing labour market tools still fall short, and no legal framework exist on supported employment. Employers remain unprepared to hire people with disabilities. Another group excluded is women due to insufficient childcare and LTC services, especially in rural areas.
- **ECEC:** Despite investments under the ESF+ and the RRF, the participation of children under 3 continues to decline, making it one of the lowest in the EU (12.6%). Participation is comparatively low for 3-year-olds (80.2% vs EU 88.7% in 2022). Respectively EUR 704 million and EUR 610 million under ESF+ and RRF are allocated to create over 100 000 new childcare places and improve services, including for children with disabilities.
- **Education:** Poland faces declining basic skills among youth, especially in VET, which is underperforming, and rising inequality in schools. Only 32% of people with disabilities had tertiary education in 2021/2022, and the average gap stood at 18.4 pps. The NEET rate among youth with

disabilities (40%) is one of the highest in the EU. Adult learning remains low, worsening skills mismatches and slowing the digital and green transitions. Key reforms are supported by EU funding, but boosting adult learning, digital skills, and strengthening VET remain urgent priorities. Inclusive education reforms would benefit from a comprehensive education and training strategy.

- **Health and care:** Healthcare is low publicly funded, leading to high out-of-pocket costs, heavily hospital-centred, with long waiting times. Disparities in access based on geography and income is important. Shortage of health professionals too. Particularly, LTC is underfunded: 0.5% of Polish GDP (EU 1.7%) and overly reliant on residential care. Care for older people and individuals with a disability, notably in rural areas, is mainly informal and provided by families (women). Reform priorities under the RRP and Cohesion funds, include increasing access to high quality, affordable and accessible community-based LTC services, and improving working conditions and work-life balance for carers.
- **Housing:** Poland has seen a slowdown in the housing supply causing a spike in prices. Prices have increased by 107% since 2015. Housing measures, under cohesion policy funds, include services to address homelessness and the implementation of the Housing First model. This includes the creation and operation of training and assisted housing (e.g. for people with mental health issues and refugees) and investments in infrastructure and equipment to support social housing.

Relevant Country-Specific Recommendations

- Foster quality and inclusive education and skills relevant to the labour market, including green and digital skills, step up participation in STEM fields in higher education, and improve the quality of teacher education and further strengthen the efficiency of VET. Facilitate and increase adult participation in learning, including in non-formal learning and in areas key for Poland's competitiveness.
- Take steps to increase the participation of disadvantaged groups in the labour market, including through effective education to employment transitions.

Portugal

Among EU countries, Portugal performs relatively well on poverty and social indicators and labour market inclusion. Still, the disability employment gap has increased, bringing it closes to the high EU average. On ECEC, Portugal is one of the few to have reach Barcelona targets. Overall, the health system performs well, supported by significant reforms notably under the RRP, however many challenges remain.

Relevant Country Report Summary

- **SDGs:** Portugal continues to advance on the SDGs related to fairness, though it is moving further from the targets on reducing inequalities and, to a lesser extent, on health and well-being. Despite this, its overall status remains stronger than the EU average.
- **Poverty rate:** In 2024, 19.7% of Portugal's population was AROPE, a slight drop from 2023. Rates remain disproportionately high among people with disabilities and non-EU-born individuals. Social benefits (excluding pensions) have limited impact on poverty reduction, and high housing costs threaten progress toward the 2030 target. Child poverty risk has declined, with the AROPE rate for children falling by 1.9 pps to 20.7%, below the EU average of 24.2%.
- **Labour market:** While the country was one the best performers with a disability employment gap of 13.1 pps in 2022 (EU 21.4 pps), the rate has increased by 7.3 pps between 2023 and 2024 and hasnow reaching 21.3%. This is still under the 24% EU average. Portugal is implementing a new package of active labour market policies, targeting a wide range of unemployed individuals, including people with disabilities.
- **ECEC:** Portugal investment has succeeded, participation of children between 3 and the compulsory schooling age was 96.3% in 2022, exceeding the EU average (93.3%) and the Barcelona target of 96%. Efforts must continue to achieve universal access as young children who are AROPE participate less in ECEC. The country is supported through the Technical Support Instrument to develop a national quality framework for ECEC (2024-2026).
- **Education:** Portugal continues to face regional disparities in early school leaving. VET is growing, with 38.7% of pupils in medium-level education enrolled in vocational programmes. In 2024, 77.8% of recent VET graduates had work-based learning experience, above EU average, yet their employment rate remains lower. The RRF and ESF+ are supporting VET reforms and infrastructure, though providers note the need for changes in teaching methods and staff training. Adult learning participation is declining, posing a challenge for upskilling low-qualified adults and meeting labour market needs.
- **Health and care:** Persistent challenges include underfunding, staff shortages, unequal access, worsened by the country's status as the fastest-ageing in Europe. In 2022, public LTC spending was just 0.5% of GDP, far below the EU average of 1.7% – with most funding going to residential care (57.5%) and less to home care (41.8%). Only 15.9% of those with severe difficulties received home care (EU 28.6%). The system struggles to promote autonomy, and informal carers lack adequate

support. The independent life support model (MAVI) pilot scheme, co-financed by ESF+, although successful, remains underfunded relatively to the demand and should be nationally extended.

- **Housing:** Affordable housing shortages and rising rental prices have also increased homelessness, which has put additional pressure on social services. The social housing stock is insufficient to meet demand. The new and ambitious 2025-2030 national strategy for the integration of people in homelessness aims to provide an intersectional response, and for the first time includes a nation-wide 'Housing First' initiative.

Relevant Country-Specific Recommendations

- Ensure equal access to quality health and LTC, while preserving the sustainability of the National Health Service.
- Address skills mismatches by improving the skills level of the population and by making education and adult learning more relevant to the needs of the labour market.
- Address housing affordability and availability in high demand areas.

Romania

Romania is among the countries where challenges to upward social convergence have been identified. Despite overall improvements, poverty remains widespread, impacting particularly vulnerable groups – Roma, women and people with disabilities. They experience greater poverty and barriers to access essential services. While substantial EU funding aims to overcome these challenges, the European Commission stresses the need for proper implementation and additional targeted initiatives. There is a crucial need for community-based care to support deinstitutionalisation and independent living of people with disabilities.

Relevant Country Report Summary

- **SDGs:** Romania has advanced on nearly all SDGs, including fairness-related ones, but overall performance remains well below the EU average. Progress on gender equality is modest, health and well-being are improving, yet the country is falling behind on quality education.
- **Poverty rate:** Despite a gradual decrease of the AROPE rate since 2016, little progress was made on child poverty. While the country reached its lowest level ever, this remains way higher than the EU average (2024: 33.8% vs 24%). Despite this reduction, people with disabilities continue to experience greater poverty (AROPE in 2024: 38.4% vs EU 28.8%). Almost 50% of the people with severe disabilities were AROPE in 2024. ESF+ dedicates EUR 1.9 billion (25.9% of the total budget) to foster social inclusion and to improve social services, particularly in rural and marginalised communities, and to implement the European Child Guarantee.
- **Labour market:** Despite improvement, Romania is still the country with one the lowest labour market participation rates in the EU. Vulnerable groups, notably women, Roma and people with disabilities are most excluded. The disability employment gap has significatively increased in comparison to 2022 (32 pps vs 44.8 pps in 2024), far above EU average (24.0 pps), despite Romania's target of 55% employment of people with disabilities by 2027. The activity rates for people with disabilities is also one of the lowest (47.8% vs EU 64% in 2022). Ineffective public employment services and low public expenditure, along with social barriers, make it difficult for people to reskill and participate in the labour market. Focusing on groups with the greatest employment challenges could help address labour shortages and improve social conditions.
- **ECEC:** Participation has worsened, and inequalities have grown. In 2024, only 11.4% of children aged 0-3 participated (EU 39.2%), and in 2022, 75.7% of children aged 3 to compulsory primary education (EU 94.6%), 9.8 pps less than in 2015. This hampers women's participation in the labour market. The RRP and the National Action Plan implementing the Child Guarantee, supported by ESF+ and ERDF funds, aims to tackle this issue by developing day-care centres and creches.
- **Education**: Romania has some the highest underachievement rates, low levels of basic skills, and tertiary educational attainment. This affects people with disabilities. 46.3% of them were NEET in 2022, one of the highest rates in the EU. Co-financed by the ESF+, Romania is set to launch a

national programme to enhance basic skills. The country also struggles to ensure the employability of VET graduates. EU funds support the transition of all secondary VET programs into a dual system by 2029-2030.

- **Health and care:** The healthcare sector struggles with underfunding, insufficient and inconsistent access to quality, affordable care services, uneven distribution, and shortages due to brain drain. The system is also heavily hospital based. This results in limited access to formal home care services and a heavy reliance on informal carers. In 2019, only 4.7% of people aged 65 and over with high care needs used formal home care services (EU 28.6%). This affects older people and people with disabilities and hinders deinstitutionalisation and the transition to independent living. Romania has adopted a national strategy on LTC and active aging for 2023-2030. In 2024, a reform was also implemented to improve the financing and quality of social assistance. Additional measures are funded by the RRP and Cohesion Policy Funds. Over EUR 800 million from allocated to enhance services for older people and those with disabilities.
- **Housing:** Housing costs and poor housing conditions continue to be problematic, especially in rural areas and among marginalised communities. There is also a limited stock of social housing. Under its RRP, Romania adopted in its first ever national Housing Strategy (2022-2050). It aims to increase access to adequate housing for vulnerable groups.

Relevant Country-Specific Recommendations

- Strengthen labour market participation of women and young people through improving effectiveness of active labour market policies and participation in ECEC.
- Tackle skills shortages by boosting basic skills and labour market relevant skills of the workforce.
- Reduce poverty and social exclusion risks by extending social protection and improving its effectiveness, including through better access to quality essential and enabling services, focusing on integrated social, health, educational and employment services.

Slovakia

The European Semester report does not mention particular challenges for people with disabilities, apart from those within the labour market. It highlights labour market challenges for people with disabilities, though the employment gap, while narrowing, remains significant. While the country performs well in reducing poverty, Roma, especially children, remain the most vulnerable and segregated group. Regarding reforms, further investments in ECEC, and healthcare are needed.

Relevant Country Report Summary

- **SDGs:** Slovakia performs better than the EU average on poverty indicators. The country is improving on quality education and gender equality indicators, despite still lagging behind the EU average. Overall, Slovakia needs to catch up with the EU average on most of the other fairness SDGs.
- **Poverty rate:** Although the AROPE rate increased to 18.3% in 2024 (17.6% in 2023), it remains below the EU average (21% in 2024). However, for the same year, the share of people living in severe material and social deprivation increased to 7% (EU 6.8%). The Roma population remains significantly excluded and children remain vulnerable. The child poverty rate decreases to reach 22.6% in 2024 (EU 24.2%). Regional disparities also persist.
- **Labour market:** Although the disability employment gap is narrowing, it remains significant, at 23.8 pps (EU 24 pps in 2024). Slovakia has not yet set an employment target for people with disabilities. A third of young people with disabilities are in the NEETs category. Despite a labour market that performs well there is shortage of skilled labour, especially in sectors such as healthcare and education, which are already understaffed.
- **ECEC:** While children between 3 and 6, greatly benefited from investment under the RRP, (participation reached 80.8% in 2023 vs EU 94.6%), Slovakia has one of the lowest enrolment rates for children under the age of 3 (5.1% vs EU 39.2% in 2024). Increasing the availability of high quality and affordable childcare is important as it would help to keep more women in work.
- **Education:** Slovakia continue to focus on reducing inequalities in primary and secondary education to boost higher education enrolment and improve adult skills for lifelong learning. Roma children continue to be heavily excluded from mainstream education. The country is implementing a school curriculum reform. While Slovakia has a strong VET system, its full potential remains untapped. Adult learning participation is relatively high at 49.5% (2022), nearing the 50% 2030 target and exceeding the EU average. Yet, challenges persist for certain groups and, Slovakia has introduced a new adult education law and an Action Plan for 2025-2027. It emphasises on personalised learning, individual learning accounts, and recognition of prior learning outcomes.
- **Health and care:** Significant challenges include chronic underfunding and a persistent shortage of doctors and nurses. Between 2016 and 2022, the country allocated only 0.31% of its GDP to capital

spending in health (EU 0.48%). This results in limited cost-effectiveness, high out-of-pocket payments (19.3% vs EU 14.3%), and challenge to the long-term sustainability of public finances. Additionally, Slovakia lags in adopting e-health solutions and digitalising its health system. Slovakia's RRP earmarks approximately EUR 1.03 billion for health reforms and investments, with an additional EUR 166 million of EU cohesion funds. Investments aim to modernise health infrastructure and improve access to services (for vulnerable groups). A key priority of the RRP is also to expand access to mental healthcare by strengthening community-based and outpatient services.

- **Housing:** The country grapples with shortage of social rental housing and barrier to access them for marginalised community like Roma, because of racial prejudices. In the capital, a strategy was established to increase the supply of social housing for rent. New rules were approved in 2024. It introduced new categories of state-owned flats including 'accessible housing with support', aimed at the most vulnerable groups. This good example could be scale up at the national level.

Relevant Country-Specific Recommendations

- Strengthen the labour market participation of underrepresented groups, introduce more flexible work arrangements for parents with children, increase the availability and use of affordable high-quality ECEC for children under the age of 3.
- Strengthen the teaching of basic skills, including for children from disadvantaged backgrounds (Roma), while ensuring equal and inclusive access to quality education at all levels.
- Improve primary care provision, especially for vulnerable people, and expand preventive healthcare measures, retaining and attracting skilled workers, ensure affordable and quality long-term care.

Slovenia

People with disabilities do not face significant barriers in entering the labour market. Efforts are taken to foster a skilled and adaptable workforce for the future. Regional disparities in access to quality care and housing affordability remain and threaten sustainable, inclusive growth, while demographic shifts strain pension and care systems. To address the issues, the country is implementing significant healthcare reform since a few years notably in the LTC sector and is speeding the deinstitutionalisation process.

Relevant Country Report Summary

- **SDGs:** Good performance on some social fairness SDGs (no poverty, reduced inequalities), and improvement on good health and well-being. However, it still lags behind the EU average in gender equality and further progress is still needed on education quality – despite being above the EU average.
- **Poverty rate:** Despite having one of the EU's most effective welfare systems, with low levels of poverty and income inequality, challenges persist for vulnerable groups and in rural areas. In 2024, the AROPE rate rose for the third consecutive year, reaching 14.4% in 2024. While this remains well below the EU average (21%), it marks a move away from Slovenia's 2030 poverty reduction target. Children (especially Roma), and people with disabilities (24.4%) are particularly affected. Under the Child Guarantee, progress has been made in several areas (social inclusion of Roma children, creation of mental health centres for children and adolescents). But further measures are needed to tackle staff shortages in social services and provide better support for single parents and children in alternative care, particularly in residential ones. Slovenia is allocating EUR 237 million from ESF+ to enhance accessibility and quality of social and healthcare services and implement targeted measures (including toward people with disabilities).
- **Labour market:** The labour market continues to be stable. It is marked by historically low unemployment. The disability employment gap continues to narrow and remain below the EU average (14.2 pps vs 24 pps in 2024). However, participation remains low, and this can hold back economic growth. Specialists are lacking in ICT, healthcare, education and social sciences. Shortages of skilled labour are projected to increase in the years to come.
- **ECEC:** In 2023, participation for children aged 3 was about 93.2% (EU 94.6%). For children under 3, it reached 57.8% (2024), surpassing both EU average (39.2%) and the national Barcelona target (46%). Children who are AROPE still have more difficulty to access ECEC (38.9% of participation vs 58.3% for those not at risk). Regional challenges, such as shortages of qualified teachers and assistants, further affect participation. The updated ECEC curriculum (2025/26) aims to improve quality, promote fairness, and encourage multilingualism and multiculturalism, and to make kindergartens more accessible.

- **Education:** Teacher shortages have become increasingly problematic, undermining the quality of education and basic skills development. Addressing these shortages and making the teaching profession more attractive are key priorities. While Slovenia has a well-established VET system, better alignment with labour market needs is needed. Measures under the RRP aim to modernise upper secondary VET (expand apprenticeships, strengthen ties with the labour market, update study programmes, integrate digital and green skills in curriculum). Slovenia is also prioritising adult education and lifelong learning in its 2022-2030 National Adult Education Programme.
- **Health and care:** Despite recent reforms, the system faces persistent staff shortages – especially in LTC (2,000 caregivers needed) and social care (1,000 social workers) – a high turnover (15-20%) and an aging workforce (average age 50-55). This leads to longer waiting times for specialists, surgeries, and emergency care, and unmet medical needs. Older people and people with disabilities are particularly affected. The country is overhauling its LTC system through the LTC Act, introduced in 2023. From July 2025, eligible individuals will have the right to home care, while employers, employees, and pensioners will begin paying mandatory LTC insurance contributions. By December 2025, rights to care in residential settings and cash benefits will also come into effect. But there are concerns about whether deadlines will be met. A National Deinstitutionalisation Strategy was also adopted in 2023, aims to move 3,416 people from residential to community-based care by 2034.
- **Housing:** Housing affordability has deteriorated over the last decade, and housing deprivation is among the highest in the EU. Access to affordable housing is becoming increasingly problematic, not only for vulnerable groups but also for young families and first-time buyers. The country invests to recapitalise the national housing fund through the RRF.

Relevant Country-Specific Recommendations

- Address labour shortages by stepping up the provision and acquisition of skills and competences, including basic skills among pupils and those relevant for the green and digital transition. Boost lifelong learning and training, especially for low-skilled and older workers.
- Raise Slovenia's attractiveness for foreign workers with advanced skills. Improve working conditions, particularly in the care and teaching sectors.

Spain

Spain faces persistent social challenges, including high risks of poverty and social exclusion, especially for children. These issues are worsened by ineffective social protection, unaffordable housing, and limited access to essential services. While labour market integration of people with disabilities is better than in other Member States, the disability employment gap steadily increased in 2024. Efforts to modernise these sectors through cohesion and recovery funds are underway to address these gaps.

Relevant Country Report Summary

- **SDGs:** While Spain is improving on fairness SDG indicators, it still lags behind the EU averages in no poverty, reduced inequalities, and decent work and is moving away on health.
- **Poverty rate:** Despite a decrease in 2024, the poverty rate is still among one of the highest in the EU. People with disabilities (AROPE 32.9%) and children (AROPE 34.6%) remain particularly vulnerable. Limited access to quality services and regional disparities further contribute to persistent poverty risks. Per capita investment in family and child benefits is also only half the EU average underscoring significant gaps in support for children and families. Due to administrative barriers and complex procedures, many households struggle to access the minimum income scheme (IMV) and the child support supplement (CAPI) which makes the measure inefficient. Measures to fight poverty and social inequalities include the 2024-2030 national deinstitutionalisation strategy, which expands community-based services for vulnerable groups and people with disabilities.
- **Labour market:** While the labour market continues to improve in 2024, driven by dynamic job creation and robust economic growth, the country faces challenges: significant skills gaps and high unemployment rates among young people, migrants, and older workers. While the disability employment gap was well below the EU average in 2022 (14.6 vs EU 21.4 pps), it has now almost reached the EU average (23.4 vs EU 24 pps in 2024). The government has set a target of 51% for employing people with disabilities by 2030 (a relative increase of 91% over 10 years). Women are particularly affected due notably to care-giving responsibilities.
- **ECEC:** In 2023, 97.7% of children aged 3 and over attended ECEC, well above the EU average of 94.6% and above the EU target of 96%. Participation in formal ECEC of children under 3 in 2023 (55.8%) was also far above both the EU average (37.5%) and the national Barcelona target for 2030 (50.9%). Although differences in the level of participation between AROPE and non-AROPE children has declined significantly in 10 years, significant persist: in 2023, 44% of AROPE children below 3 participated in ECEC, and 61.5% for non-AROPE.
- **Education:** Despite recent growth, participation in VET remains limited, and graduates often encounter obstacles that hinder their transition into the workforce. Medium-skilled VET graduates face lower employment rates, while the relatively small proportion of adults with intermediate

qualifications suggests persistent skills mismatches within the labour market. Measures under the RRP aim to develop micro-credentials to make universities lifelong learning institutions, ensure an equitable access, and create personalised and flexible training pathways. On inclusive education, the report mentions progress, notably through measures under the Child Guarantee.

- **Health and care:** Despite health spending that are slightly below the EU average, the Spanish healthcare system function comparatively well, and is one of the countries with the highest uptake of e-health and digitalisation. However, the country faces challenges common to other EU Member States: this includes limited investment in primary care, a number of hospital beds per capita that is one of the lowest in the EU, a persistent shortage of professionals, notably in the field of mental health and long-term care, and strong inequalities in the geographical availability and access of public services – especially primary care – for vulnerable groups and non-urban areas.
- **Housing:** The social housing is one of the lowest (3.3% vs EU 8%) which hampers social inclusion and mobility. Homelessness is growing with 71.3 homeless people per 100,000 inhabitants.

Relevant Country-Specific Recommendations

- Address child poverty, while also improving the efficiency, coverage and adequacy of social transfers and social assistance.
- Reduce skills shortages and mismatches by strengthening dual vocational education and training, and by increasing lifelong learning, notably for the low-skilled. Improve basic skills and address early school leaving, considering regional disparities.

Sweden

Sweden continues to stand as one of the best countries in the EU in terms of equalities and social affairs. Its social, education and healthcare systems perform well. However, people born outside the EU and with a migrant background are still lagging in terms of integration and opportunities. People with disabilities continue to access better the job market than in other countries, despite existent barriers.

Relevant Country Report Summary

- **SDGs:** On SDG 1 (No poverty), the country continues to go further from EU levels, with several indicators having followed a negative trajectory – through most continue to remain above EU average.
- **Poverty rate:** In 2024, overall AROPE rate was 17.5% (EU 21.3%). But inequalities are growing, and people with disabilities are particularly vulnerable. The AROPE rate for people with disabilities was about 29%, which is slightly above the EU average, and significantly higher than the rate for people without disabilities (15.1%). However, the gap is narrowing. This situation is mainly driven by an increase of the severe material and social deprivation rate, which has more than tripled since 2016. Sweden needs to increase its efforts to maintain national poverty reduction target by 2030.
- **Labour market:** The labour market remains resilient. Yet it shows signs of slow down with a rise of unemployment, reaching 8.4% in 2024. This is well above the EU average of 5.9%, and among the highest rates in the EU. This increase is projected to continue and to affect particularly people in a vulnerable situation such those without at least upper-secondary education, people born outside the EU, older people, and those with a disability. Despite, the disability employment gap continues to be under the EU level (22.6 vs 24 pps in 2024).
- **ECEC**: In 2024, 57.7% of children aged less than 3 years participated in formal childcare, making Sweden one of the best EU performers. Yet, children with a migrant background continue to participate less. ECEC staff is facing challenges with an increasing need of teacher while at the same time a decrease of the level of qualification. In 2022, only 40% of ECEC staff were qualified ECEC teachers. More than 10,000 additional teachers and ECEC staff are expected to be needed by 2038.
- **Education:** Students perform well, better than other EU countries in comparison. However, for student with a migrant background, underachievement remains among the highest in the EU. Teacher shortages put the quality of education at risk. While the share of learners enrolled in vocational programmes out of total upper secondary learners is low (35.5% in 2022) and below the EU average (49%), Sweden continues to have one of the highest employment rates for young people recently graduated from VET. Still, skills mismatch remains an issue for VET graduates. Participation in adult learning continues to be high – already reaching its 2030 targets of 60%.
- **Health and care:** The healthcare system performs well. It is characterised by a high level of spending per habitant, high-functioning healthcare service delivery that is outpatient-centred, with

a focus on primary care, a high density of doctors and nurses per inhabitant, and a well-developed digital healthcare system. In 2022, health spending per inhabitant was among the highest in the EU, with the largest share going to outpatient and long-term care (33.3% and 26.0% of total health expenditure respectively). The main challenge the country face is regional disparities with shortages. The Swedish RRP includes a reform on regulating the professional title of nursing assistants in healthcare settings and in the LTC sector as well investment to improve the skills of staff working in elderly care centres.

- **Housing:** In 2023, 10.9% of the population had overburden housing, which is above the EU average of 8.8%. For people experiencing poverty risks, this housing cost overburden rate is among the highest in the EU, driven by limited access to affordable housing. The Swedish RRP has invested EUR 296 million to increase the supply of new rental dwellings with a lower rent. The country is also implementing a National Strategy to Combat Homelessness 2022-2026 including a 'Housing First' approach.

Relevant Country-Specific Recommendations

- Improve educational performance by addressing teacher shortages, ensuring equal school access, and supporting transitions to upper secondary education.
- Develop workforce skills, particularly for disadvantaged and migrant groups, through targeted policies and resources to enhance labour market integration.