

Brussels, 19 June 2026
(OR. en)

10400/26
ADD 1

SOC 390
EMPL 209
EDUC 260
ECOFIN 802
COMPET 806
ENV 789
ENER 421
JAI 859
GENDER 113
JEUN 156
SAN 502

NOTE

From: General Secretariat of the Council

To: Delegations

Subject: Assessment of the country-specific recommendations for 2026 and implementation of the country-specific recommendations for 2025: Opinion of the Employment Committee and the Social Protection Committee
- *EMCO-SPC Social Convergence reviews 2026 - Country-specific conclusions*

With a view to the EPSCO Council on 29 June 2026, delegations will find attached: EMCO-SPC Social Convergence reviews 2026 - Country-specific conclusions

EMCO-SPC Social Convergence Reviews

Country-specific conclusions

Contents

<u>Bulgaria</u>	3
<u>Finland</u>	5
<u>Greece</u>	7
<u>Italy</u>	9
<u>Latvia</u>	10
<u>Lithuania</u>	12
<u>Luxembourg</u>	14
<u>Romania</u>	16
<u>Spain</u>	17

Bulgaria

The second-stage analysis of the Social Convergence Framework for Bulgaria points to challenges related to social protection and inclusion, which negatively impact competitiveness, employability and the twin transition.

Bulgaria's AROPE rate remains well above the EU average despite some positive developments in recent years. Bulgaria's social protection system has undergone reforms in recent years, in particular through the implementation of measures to address poverty and social exclusion in line with the adopted National Strategy. However, challenges persist, particularly in terms of the adequacy and sustainability of social benefits. It is noted that Bulgaria has taken steps to address these challenges, including by reforming the minimum income scheme and the provision of support to vulnerable groups, such as families with children, including through the implementation of the Child Guarantee. However, further efforts are needed to combat poverty and social exclusion, particularly among vulnerable groups such as Roma and persons with disabilities, as well as child poverty.

The establishment of a coordination mechanism, the re-adopted ordinance on energy poverty, and the sustained wave of energy efficiency renovations are steps in the right direction. However, targeted support measures for vulnerable households have not yet been developed and will be key to addressing the challenge; therefore, further measures are needed.

Bulgaria is taking steps to develop health and long-term care systems. As regards LTC, the transition of LTC services towards community- and home-based care could be an appropriate step. Plans for implementing innovative and integrated social and health services need to be fully implemented. Considering high unmet needs in long-term care, out-of-pocket payments for healthcare services and medicines, long-term shortages of staff in the public healthcare system, and its unbalanced geographical distribution, the ongoing and planned measures should be strengthened and accelerated.

In the field of labour market inclusion of underrepresented groups, Bulgaria has adopted a proactive approach by expanding the network of mediators for Roma and young people and introducing integration pathways and subsidised programmes to reduce the employment gap for people with disabilities. These measures are commendable and underscore the importance attached to addressing multidimensional barriers, but the identified challenges require stronger efforts. Subsidised support still shows low take-up among people with disabilities, despite an increase in employment rates for this group. Bulgaria could seek to reorient its policy mix, moving away from subsidised jobs towards sustainable and long-term skills development.

The new digital infrastructure, the “Matching Lab” platform, and the upcoming register of economically inactive people have the potential to modernise the Public Employment Service (PES). However, they need to be swiftly made operational, including in terms of the competencies of PES staff and counsellors.

To address skills shortages, Bulgaria has expanded its employment support programmes - most notably “EmployAbility” and “WorkAbility” - alongside increased financial incentives for employers. Numerous training opportunities, ranging from digital literacy to sector-specific VET courses and pilot programmes on basic skills, are also available. These programmes could contribute positively to competitiveness through better links with education and training institutions as well as productive sectors. Adult participation in lifelong learning and basic digital skills both remain among the lowest in the EU and need to be increased.

Despite an increase in subsidised job offers, the employment rate for low-skilled people has fallen, highlighting the current weakness of outreach efforts, which are failing to reach those furthest from the labour market.

Finland

The findings of the second-stage analysis of the Social Convergence Framework for Finland point to challenges in the labour market - such as an increasing unemployment rate, including long-term unemployment, a deteriorating employment rate - and low growth in gross disposable household income per capita. Regarding social protection and social inclusion, the high self-reported unmet needs for medical care was identified as a criticality, remaining significantly above the EU average despite a decline in 2025.

The measures implemented or planned so far, such as the reform of public employment services, the continuous learning reform, and the youth employment voucher, can help Finland address these challenges, while individualised support for the most vulnerable may be useful. The reform of the social security system has the potential to improve incentives to work and thereby strengthen the effectiveness of ALMPs, but the observed labour market outcomes from the reforms remain so far modest. Monitoring the situation of vulnerable groups and the quality aspects of new jobs is recommended. More needs to be done to address current and anticipated labour and skills shortages, particularly in sectors such as healthcare and ICT.

Finland has a highly developed education and training system, with a strong emphasis on vocational education and training and lifelong learning. Steps have been taken to address skills mismatches, particularly through the reform of continuous learning and the development of digital skills among adult learners. Efforts to promote vocational education and training, particularly through the reformed financing model for VET and the long-term pilot project of operational steering, are welcome. However, more needs to be done to address early school leaving and to promote adult learning for the development of key skills, particularly among disadvantaged groups.

Demand for social and healthcare services is increasing with the ageing population. Challenges persist, particularly in terms of the adequacy and accessibility of social services, especially in rural areas. While some progress can be observed, further work is still required to improve service delivery, notably by addressing regional disparities. While the situation across wellbeing services counties is mixed, different counties face diverse challenges, notably skills shortages and mismatches among healthcare professionals. It would also be important to focus on early prevention to tackle unmet medical needs and ensure high levels of access to treatment in primary healthcare, in order to relieve pressure on more complex and expensive specialist care. Digitalisation and the responsible use of AI in social and healthcare services may also strengthen efficiency and service delivery; nevertheless, attention to the digital divide and building trust in these systems is recommended. On long-term care, Finland could consider expanding the provision of alternative services such as community-based living and home care.

Finland has overall an effective and inclusive social protection system, which is undergoing reforms to strengthen the public finances and facilitate labour market participation. The reforms, namely the launch of the general social security benefit and the comprehensive reform of social assistance are clearly defined (improving incentives to work, streamlining the social security system, simplifying benefits, and strengthening the role of social assistance as a last resort). It should be ensured that the reforms do not have a negative impact on groups already identified as vulnerable: young people, persons with a migrant background, low-educated individuals, long-term unemployed persons and single-parent households, as poverty levels have recently risen. In addition, while conditionality for social assistance can support activation, it can also risk excluding those who face structural barriers to employment.

Greece

The findings of the second-stage analysis of the Social Convergence Framework for Greece point in particular to challenges related to the adequacy and accessibility of social services, labour market participation, and skills mismatches.

The labour market in Greece has shown significant recovery, with a decline in unemployment rates and an increase in employment rates. However, regional disparities, under-representation in the labour market for women and young people, and low participation rates of vulnerable groups remain challenges. It is noted that Greece has taken steps to address these issues, including the implementation of active labour market policies and the provision of training and education programmes. However, some key challenges still need to be tackled, as labour and skills shortages require a more strategic approach addressing, among others, demographic challenges (shrinking labour force), skills mismatches, regional disparities, and the limited labour market access of the above-mentioned groups. Additionally, further improvement in employment quality remains important, as low labour productivity further affects the competitiveness of the Greek economy. The newly adopted national social agreement is a promising step towards enhancing social dialogue; its implementation and the coordination of further actions should be ensured in a timely, sustainable, and efficient manner.

Greece has shown progress in improving its education and training systems, including the introduction of new vocational education and training programmes, teacher development programmes, and the promotion of lifelong learning. It is important that basic skills development starts at an early age, including through higher participation in ECEC and continuous professional development for teachers.

Despite increased investment in skills development, participation in adult learning remains low, and the coordination, performance and outcomes of training programmes could be further improved.

Within existing adopted measures, it could be beneficial to speed up the implementation of individual learning accounts, which are still pending. The government's efforts to promote vocational education and training, particularly through the implementation of vocational training reform, are welcomed. More needs to be done to promote the development of key skills, particularly among disadvantaged groups.

Greece's social protection system has undergone several reforms in recent years, including the expansion of the minimum income scheme and the implementation of measures to address poverty, social exclusion and housing challenges. Steps have been taken to address poverty and social exclusion, particularly through measures supporting vulnerable groups, such as families with children and persons with disabilities. Efforts to promote social inclusion are welcome, including enhancing access to long-term care services through the new strategic framework. However, significant challenges remain regarding adequacy and access to social protection for workers and the self-employed, despite recent reforms aimed at improving administrative procedures and coverage. AROPE rates for children recently increased. Challenges also persist in terms of the adequacy and accessibility of social services, particularly in rural areas, as well as housing affordability and access to and affordability of primary healthcare services.

It is recommended that Greece continue to strengthen integrated and structured policies aimed at promoting social inclusion and addressing poverty and social exclusion, and take measures to improve social service accessibility in rural areas, such as home care and affordable housing (including housing solutions for staff in critical services), in order to strengthen the social protection system and ensure adequate support for vulnerable groups.

Italy

The findings of the second-stage analysis of the Social Convergence Framework for Italy point to the persistence of significant structural challenges. Nonetheless, recent developments in the indicators point to positive trends, which in some cases outpaced the EU average increase.

In the labour market, it is noteworthy that recent employment growth has been driven by permanent contracts, indicating a shift towards more stable forms of employment. Yet labour market segmentation remains a key issue, also linked to the sectoral composition of Italy's labour market. Involuntary temporary and part-time contracts are still widespread, especially among women and young people. In-work poverty remains high, as sluggish productivity growth and, in part, weaknesses in the collective bargaining system hamper adequate wage growth. Persistent regional disparities, particularly between the North and the South, and inequalities across population groups continue to weigh on performance. Women's labour market participation remains low, and undeclared work continues to be a concern, with signs of recent increases in some sectors despite strengthened labour inspections.

Italy has introduced a broad set of reforms to improve labour market outcomes. Promising initiatives include the strengthening of active labour market policies, alongside targeted incentives to increase participation among women, young people, older workers, and vulnerable groups. The government is aware of the need to promote wage growth by strengthening collective bargaining and has taken steps to reduce the tax wedge on labour, with reforms contributing to an increase in the gross disposable income of households in the lowest income percentiles. However, some of these measures are temporary, possibly limiting their long-term impact, while others are structural but still at an early stage.

In education and skills, Italy faces challenges related to low adult participation in learning, limited digital skills, and low tertiary attainment, especially in STEM fields. Early school leaving has decreased and digital skills are improving, but regional disparities persist. Reforms to strengthen VET, expand work-based learning, and promote adult upskilling are positive steps, but their impact is not yet visible. Ensuring sustained funding and better alignment between training and labour market needs will be essential.

Regarding social protection and inclusion, Italy has made progress in poverty reduction, but poverty risks remain particularly high for children and large families. Additional measures to support families, improve access to childcare, and improve the impact of taxes and benefits in reducing poverty and inequality are needed.

Italy is implementing relevant reforms and can leverage its solid capacity for monitoring and evaluation to support effective policy implementation. Long-term improvements will depend on sustained policy efforts, strong structural reforms, and better support for vulnerable groups.

Latvia

The findings of the second-stage analysis of the Social Convergence Framework for Latvia point in particular to challenges related to labour market participation and skills development of vulnerable groups, and high levels of poverty and social exclusion.

The labour market in Latvia has shown improvements in recent years, with a decline in unemployment rates and an increase in employment rates. It is well acknowledged that Latvia has taken steps to address labour market integration, particularly through the implementation of active labour market policies, the provision of training and education programmes, as well as wage-related measures. However, challenges persist, particularly in terms of labour market segmentation and the integration of vulnerable groups, such as persons with disabilities, the long-term unemployed, and those with low skills. There is still room for improvement by further increasing in-work training and active employment policies in collaboration with the PES and social partners.

Latvia has made significant progress in improving its education and training systems, including the introduction of new vocational education and training programmes and the promotion of lifelong learning. Steps have been taken to address skills mismatches, particularly through measures promoting adult learning and the development of key skills, such as digital skills. However, more needs to be done to promote the development of key skills among disadvantaged groups. It is also imperative that the quality and labour market relevance of initial education, including VET, are further improved. Finally, measures are needed to address rising levels of early school leavers and NEETs, as well as growing teacher shortages and the lack of STEM specialists.

Latvia's social protection system has undergone significant reforms in recent years, including the introduction of a new minimum income scheme, the introduction of a basic pension to increase adequacy, and the implementation of other measures to address poverty and social exclusion. However, levels of poverty and social exclusion remain high. Latvia has taken steps to address poverty and social exclusion, supporting vulnerable groups such as families with children and persons with disabilities, but the adequacy of income support remains low.

Challenges also persist in terms of the adequacy and accessibility of social services, including home care, particularly in rural areas, as well as labour shortages in the long-term care and healthcare sectors.

Additional funding has been made available for the construction of low-rent housing, alongside the ongoing implementation of initiatives aimed at renovating the existing social housing stock, which needs to be continued.

Overall, it is recommended that Latvia continue to implement policies aimed at promoting social inclusion and addressing poverty and social exclusion. More efforts are still needed to strengthen social protection and reduce inequality, including by improving the adequacy of old-age pensions and access to quality social services, home care and long-term care, and by addressing social service accessibility in rural areas, tackling unmet medical needs and high out-of-pocket costs in healthcare.

Lithuania

The findings of the second-stage analysis of the Social Convergence Framework for Lithuania point to notable challenges in social protection, labour markets, healthcare, and education, despite ongoing reforms.

In the area of social protection and inclusion, Lithuania experiences persistently high income inequality and poverty rates, particularly among the unemployed, older people, persons with disabilities and those living in rural areas. The increase in social protection expenditure is positive, but benefits and pensions have nonetheless not kept pace with rising wages and the poverty threshold. Energy poverty remains a concern, so even though renovation programmes and EU funding are expected to help, further efforts are needed, also for social housing. The minimum income reform that took effect in 2026 and further reforms related to taxes, social assistance and child benefits introduced this year and beyond are welcomed. It is expected that these measures can help reverse the trend in AROPE and improve poverty reduction to some extent, but it will be key to closely monitor their impact, especially for households in the most vulnerable situations.

In healthcare, Lithuania has taken steps to strengthen primary care, improve patient pathways and increase healthcare workers' salaries. However, access to care remains uneven, with relatively high unmet medical needs, long waiting times, high out-of-pocket healthcare costs, staffing shortages, and an ageing workforce further straining the system.

In the labour market, Lithuania faces higher unemployment and NEET rates compared to the EU average. The situation of persons with disabilities remains particularly challenging, despite recent reforms. Another key labour market issue to address is the declining coverage of ALMPs.

In education and skills, adult participation in learning remains low, although the introduction of individual learning accounts has increased interest in training. Early school leaving has recently improved, but disparities persist between urban and rural areas. Lithuania has implemented several reforms to improve education quality, promote green skills and enhance the relevance of higher education. These steps forward are welcomed, but further efforts are needed to strengthen school leadership, address regional inequalities and improve teacher retention.

Overall, while Lithuania has undertaken broad reforms, their full impact remains to be seen. Continued efforts are required to strengthen social protection, increase public investment, improve service access, and ensure effective implementation of reforms, particularly for the most vulnerable groups.

Luxembourg

The second-stage analysis of the Social Convergence Framework for Luxembourg highlights challenges in the labour market, in particular the low participation of older people and difficulties faced by low-skilled workers.

Luxembourg's social protection system is characterised by a high degree of adequacy, wide use of in-kind benefits and a strong emphasis on social inclusion. Luxembourg has taken significant steps to address poverty and social exclusion, particularly through measures supporting vulnerable groups, such as families with children and persons with disabilities. The "National Action Plan to Combat Poverty" is warmly welcomed, and measures taken within the framework of the European Child Guarantee are noted. Nevertheless, child poverty requires further attention. While the housing cost overburden has decreased on average, some groups are still more affected, notably young people and households with modest incomes, leaving room for further measures to address housing affordability, particularly in the context of rising housing costs and shortages of affordable housing.

Luxembourg has adopted new measures to encourage labour market participation of older workers, in addition to existing activation measures. Following a large-scale consultation with civil society and social partners, that was highly welcomed, Luxembourg has adopted two legislative bills aiming to ensure the fiscal sustainability of the pension system while providing financial incentives to reward and prolong the labour market participation of older employees. The strategic direction of these legislative acts is clear; however, their ultimate success is linked to broader pension reform and to the limitation of early retirement pathways, and their impact remains relatively modest, both in terms of the long-term sustainability of the pension system and labour market participation, which remains low. Therefore, there is scope for a more comprehensive strategy for upskilling and reskilling the 45+ working population, incorporating lifelong learning and active ageing.

Concerning the resilience of the health system, the policies are welcome, but the training offer remains limited. Policies should be comprehensive and also address working conditions, terms of employment, autonomy in the job, and the tightness of the labour market as a whole.

The new “Skills Plang” scheme and the RRP-backed “Skillsbridges” vocational training initiative are designed to help adults reskill and upskill, particularly in green and digital sectors. However, a more comprehensive strategy for skills assessment and upskilling of the adult working population, incorporating lifelong learning could further contribute to increasing their engagement and labour market participation.

To combat early school leaving and address skills mismatches, Luxembourg is implementing major structural reforms, raising the compulsory school-leaving age from 16 to 18 and developing a network of socio-professional integration centres to support vulnerable young people, such as non-Luxembourgish NEETs.

Luxembourg is also promoting a literacy reform, whose success will depend – amongst others - on schools' capacity to adapt teaching practices and provide differentiated support to the needs of increasingly diverse learners.

Luxembourg has made progress in the external school evaluation system, which combines multiple data sources and requires strong governance to ensure easy and effective access for schools to use this evaluation data.

Romania

The findings of the second-stage analysis of the Social Convergence Framework indicate that Romania continues to face significant structural challenges in the areas of labour market participation, education and skills, and social inclusion, despite ongoing reforms and policy efforts.

While labour market developments have been positive in recent years, important structural gaps continue to hinder social convergence. Despite improvements, Romania's employment rate remains relatively low, and strong regional disparities persist. Participation is particularly low among vulnerable groups, including women, persons with disabilities, and Roma, while the share of NEETs remains high. Although Romania has introduced targeted measures to improve labour market participation, such as expanding active labour market policies and investing in public employment services, many of these initiatives are still at an early stage or not yet fully implemented. Their success will depend on sustained commitment and effective delivery.

In education and skills, challenges persist. Boosting participation in early childhood education and care and lowering early school leaving rates demand particular attention, especially in rural and disadvantaged areas. Romania also faces low levels of basic and digital skills, as well as weak alignment between education outcomes and labour market needs. While a comprehensive reform of the education and training system is underway, supported by EU funding, progress is uneven. There is therefore still scope for additional efforts to improve access to quality education, strengthen vocational training, and promote lifelong learning, particularly in disadvantaged regions.

Regarding social protection and inclusion, the risk of poverty or social exclusion has decreased but remains high, particularly for children and in rural areas. Social protection coverage is limited for non-standard workers and the self-employed, in-work poverty remains high, and access to health and long-term care is uneven. Measures such as the Minimum Inclusion Income programme and investments in integrated services represent positive steps, but their impact is still constrained by limited coverage, funding challenges, and inflationary pressures.

Overall, while Romania has taken important steps, progress remains fragile. Achievements will depend on consistent reform implementation, strong coordination, and effective use of EU funds, with a continued focus on reducing inequalities and supporting vulnerable groups.

Spain

The second-stage analysis of the Social Convergence Framework for Spain highlights challenges in the areas of social protection and social inclusion, linked to the high proportion of the population at risk of poverty or social exclusion - particularly among children - as well as to the limited impact of social transfers on reducing poverty and inequality, and to challenges related to housing affordability and energy poverty.

Poverty risks, especially among children, continue to pose challenges, with significant regional disparities. Spain's social protection system has undergone significant reforms in recent years, including the introduction of a new national minimum income scheme and the implementation of measures to address poverty and social exclusion. Spain has also taken steps to address child poverty and social exclusion, particularly through measures supporting vulnerable groups, such as, among others, families with children and persons with disabilities. The Spanish government's efforts to promote social inclusion, including through the implementation of "Housing-led" approaches to combat homelessness, as well as the development of inclusive education, are welcomed. Policies linking housing with person-centred health and employment pathways are also acknowledged.

Regarding child poverty, measures such as the minimum income scheme, the child supplement scheme and recent reforms demonstrate clear policy intent. However, coverage gaps, challenges related to take-up and benefit adequacy, regional fragmentation, and implementation delays weaken their impact. Some planned reforms also remain unfinished. There is therefore scope for further measures to address poverty and social exclusion, particularly among children and vulnerable groups, among others such the Roma population. Person-centred services, in combination with monetary benefits, are essential to address the needs of people experiencing multiple social and health difficulties. Spain is encouraged to continue implementing policies aimed at promoting social inclusion and addressing poverty - in particular child poverty - and social exclusion, and housing affordability.

To bridge the employment gap with the EU average and tackle structural unemployment, Spain is focusing on modernising its Public Employment Services (PES) through several measures, including the introduction of “one-stop shops”, designed to offer comprehensive career guidance and support. This structural shift towards comprehensive guidance, together with the new Active Employment Strategy 2025–2028 aimed at improving employment rates and promoting inclusive recruitment, is well received. However, the still limited participation from SMEs in dual VET and training activities could represent a critical bottleneck. Significant regional disparities in employment and unemployment outcomes across the Autonomous Communities also continue to weigh on the impact of national strategies.

Spain is pursuing an ambitious reform agenda to tackle the still high rate of early leaving from education and training (ELET) and persistent deficits in basic skills. A wide range of initiatives aim to reduce absenteeism and improve completion rates. However, the complex governance of these initiatives, implemented in parallel at different institutional levels, requires clearer mapping of the interconnections between individual measures and adequate monitoring of their effects. In this regard, the PROA+ ex post evaluation represents a valid example.

For adult learning and dual VET, a broad range of upskilling and reskilling initiatives has been integrated into intermediate and higher vocational training levels. However, there remains significant potential to expand VET take-up, particularly in intermediate level VET and among some groups. It would be advisable to analyse regional disparities in VET outcomes and to implement benchmarking programmes. Beyond RRF and ESF+ support, as well as recent nationally funded initiatives, all targeted measures need to be swiftly implemented to effectively combat early school leaving and address structural gaps in education.

In conclusion, Spain has launched an ambitious wave of legislative and structural reforms, whose success will crucially depend on effective implementation and strengthened coordination between national and regional authorities. Addressing implementation delays (such as in the Universal Child Benefit) and ensuring the engagement of key stakeholders - such as SMEs in the dual VET system - will be crucial to translate these comprehensive policy intentions into tangible, nationwide upward social convergence.