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From:	General Secretariat of the Council
To:	Delegations
Subject:	Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies - Annual Report 2026

Delegations will find attached the Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies, as finalised by the Social Protection Committee on 22-23 September 2026.

The key messages which are drawn from this report are contained in doc. 13807/26.

An executive summary and the SPPM Country Profiles annexed to this report are contained in docs. 13807/26 ADDs 2-3.

Social Protection Committee Annual Report 2026

Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies

Key social challenges and key messages

LOGO

EUROPEAN COMMISSION

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Social Protection Committee

Annual Report 2026

Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies

- Key social challenges and key messages -

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Annex 1: SPPM Country Profiles

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Abbreviation	Full name
EU27_2020	European Union (27 countries composition from 2020)
EA18/19	Euro area (18/19 countries)
BE	Belgium
BG	Bulgaria
CZ	Czechia
DK	Denmark
DE	Germany
EE	Estonia
IE	Ireland
EL	Greece
ES	Spain
FR	France
HR	Croatia
IT	Italy
CY	Cyprus
LV	Latvia
LT	Lithuania
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia

FI	Finland
SE	Sweden

Key messages

(Endorsed by the Council of the European Union on 19 October 2026)

Delivering on its mandate as set out in Article 160 of the TFEU, the Social Protection Committee (SPC) has produced its annual review of the social situation and policy developments in the Member States and the Union[1]. and highlights the following findings and common priorities, which should guide the preparatory work for the 2027 cycle of the European Semester.

Delivering on its mandate as set out in Article 160 of the TFEU, the Social Protection Committee (SPC) has produced its annual review of the social situation and policy developments in the Member States and the Union[2] and highlights the following findings and common priorities which should guide the preparatory work for the 2027 cycle of the European Semester.

1. Economic growth in the EU was broadly stable over 2025 at around 1.5%, with continued but slower expansion in employment and stable unemployment at historically low levels, while inflation was more subdued compared to previous years. Growth in real household income in the EU was lower in 2025 than in the previous year, but average levels are noticeably higher compared to 2019. The at-risk-of-poverty rate anchored in time[3] fell in 2025, reflecting positive recent developments in purchasing power in many countries, including for those with low income. However, the level of financial distress remains high and these developments are subject to the volatile geopolitical situation that increases the risks of surges in inflation, and that may impact especially people on lower incomes.

2. The update of the Social Protection Performance Monitor (SPPM) dashboard using 2025 data points to a broadly stable situation overall, but with rather mixed developments across Member States and across many key social indicators over the last year. Improvements in many countries in real incomes and in rates of material and social deprivation were counterbalanced by declines in the effectiveness of social protection systems in reducing the at-risk-of-poverty rate for (quasi-)jobless households along with very limited change in the social and labour market situation for young people. In a longer-term perspective, developments compared to 2019 show limited change in the social situation as reflected in key indicators on poverty and social exclusion except in a few areas; nevertheless the EU has proven to be rather resilient given the backdrop of the serious challenges posed by recent crises.

3. The SPPM vertical assessment backed up the findings of the dashboard, in particular concerning effectiveness of social protection, identifying key social challenges in adequacy of benefits, access to

[1] This review is based on the most recent data and information available in mid-2026. The main statistical sources used are Eurostat data from EU *SILC (Statistics on Income and Living Conditions) and the LFS (Labour Force Survey), available around the end of June 2026 and generally referring to annual figures for 2025. In the case of thematic discussions and policy reviews the reference period is September 2025 to September 2026.*

[2] The SPC annual report is based on the most recent data and information available in mid-2026.

[3] Whereby the poverty threshold evolves only with inflation.

social protection for non-standard workers, old-age poverty, pension adequacy, and access to long-term care and healthcare services. In general, the assessment points to challenges in poverty and social exclusion, including for children, territorial inequalities, access to adequate housing, energy poverty and the challenges affecting people with migrant background, persons with disabilities and Roma communities.

4. Reaching the EU poverty reduction target and national targets by 2030 will require stronger, sustained and more coordinated efforts. Compared to 2019, the EU population at risk of poverty or social exclusion has decreased by around 3.5 million, with mixed trends in the Member States, and with most recording no significant change. Following a slight decline from 2024 to 2025, an average decrease by at least 2.3 million per year until 2030 is needed.

5. While child poverty and social exclusion slightly declined in 2025 (by around 0.2 million), the situation for children remains especially challenging, as the gap to achieving the related 2030 complementary target remains at around 5 million. Child poverty fell in only a few countries in 2025, despite the efforts made towards the child-related 2030 poverty reduction ambitions and ongoing implementation of the European Child Guarantee. The 2026 Thematic Social Reporting takes stock of the implementation of the corresponding 2021 Council Recommendation. In general, addressing child poverty requires the provision of services to children in need as well as measures to support households' incomes, such as the labour market activation of parents and more effective child-related benefit systems and prevention and early intervention. As pointed out by the recently published Communication on breaking the cycle of disadvantage – strengthening the European Child Guarantee, further action is needed to address remaining and emerging challenges in access to services.

6. In line with the EU Anti-Poverty Strategy, national frameworks for anti-poverty policies that reflect the multidimensional nature of poverty and follow a life-cycle approach are essential. Delivery of integrated support to address individual needs is key, combining adequate resources, including income support and in-kind benefits, with effective support to labour market participation and access to enabling social and essential services. Specific attention is also needed to gender equality as well as groups with heightened risks and territorial disparities. It is crucial that Member States address the root causes of poverty; distributional impact assessment of all public policies and reforms can help prevent adverse effects on poverty and inequalities and should be used more systematically.

7. In the light of demographic challenges and changes in the labour markets, efforts to improve adequacy, sustainability, fairness and equity of social protection systems are key. New forms of work and non-linear career paths put additional pressure on social protection systems, warranting close monitoring and improved data availability and quality. Digitalisation can strengthen the transparency and accessibility of systems, but reforms must also address the digital divide and preserve personal contacts alongside digital services.

8. The promotion of **healthy and active ageing and of longer working lives,** in combination with **continued efforts to safeguard pension adequacy for all, pension reforms aimed at increasing incentives to postpone retirement, limit early retirement, facilitate flexible retirement pathways and develop supplementary pensions, are important elements** of reforming European pension systems, including reducing the gender pension gap. The risk of poverty or social exclusion in old age, in particular among older women, has not shown substantial improvement and remains high in some countries, undermining women's economic independence.

9. In light of increased demand, there is a **need to enhance synergies and effective coordination between long-term care and health care to ensure person-centredness and cost-effectiveness.** Gaps in access to **affordable and high-quality long-term care (LTC) services** highlight the need for **further investments and reforms to strengthen social protection for LTC, step up prevention and community-based care, and increase the attractiveness of the LTC sector and support for informal carers.** As regards health care, there is a **need to close health gaps by ensuring equitable access to timely, affordable and high-quality health care** all over the EU. This requires a multisectoral approach that addresses unmet needs for medical care while tackling the shortage of healthcare professionals. Greater emphasis should be placed on strengthening primary care and access to preventive services to improve health outcomes.

10. **Housing affordability** remains a **considerable challenge in the EU**, in particular for people in vulnerable situations who face higher risks of homelessness and housing exclusion. While integrated approaches have been adopted in some Member States, **strengthening the provision of adequate and affordable housing, including social housing, and enhancing access to integrated, person-centred housing-led assistance,** requires further coordinated action at EU, national and local level, taking into account the diversity of housing systems and the division of competences.

11. The social situation in Europe requires an integrated approach to economic, fiscal, employment and social policies. Therefore, meaningful exchange and joint and timely reflection between EPSCO and ECOFIN filieres within the European Semester are essential, fully respecting the coordinating and monitoring role of the EPSCO filière in all matters related to labour market, skills and social policies.

The European Commission is invited to take into account the above policy guidance in the preparatory work of the 2027 cycle of the European Semester.

Executive Summary

The 2026 edition of the SPC annual report reviews the social situation and the policy developments in the Member States and in the EU in accordance with the SPC Treaty mandate and provides input in the context of the preparation of the 2027 cycle of the European Semester.[4] The report i) **monitors the social situation, including the progress towards the EU and national 2030 targets on reducing poverty and social exclusion** and **highlighting the most recent trends to watch**, ii) identifies **key structural social challenges facing individual Member States, as well as good social outcomes**, and iii) reviews recent **social policy developments**.

The 2026 edition focuses on the European Child Guarantee, based on this year's Thematic Social Reporting that reviews progress on the implementation of the corresponding Council Recommendation.

A. Latest developments in the social situation in the EU and progress on the 2030 target on reducing poverty and social exclusion

Economic growth, employment and progress towards the EU 2030 poverty reduction target

Economic growth in the EU was broadly stable over the course of 2025, remaining around the 1.5-1.6% mark, before falling in the first quarter of 2026. Total employment continued to expand, although with growth considerably lower than in the preceding years post-2020, while the unemployment rate remained at a historically low level of around 6%.

Inflation in the EU remained subdued over 2025 compared to the sharp rises of the years immediately following the launching by Russia of its war of aggression against Ukraine, although the cumulative effect of price increases over recent years remains a concern. However, there has generally been some recovery in households' purchasing power in real terms over the period 2023-2025 and at EU level household income per capita has increased by around 7% compared to 2019. The at-risk-of-poverty rate anchored in time[5] fell between 2024 and 2025, confirming that the financial situation for households at the bottom of the income distribution generally improved over 2025, and for most countries was markedly lower than that in 2019.

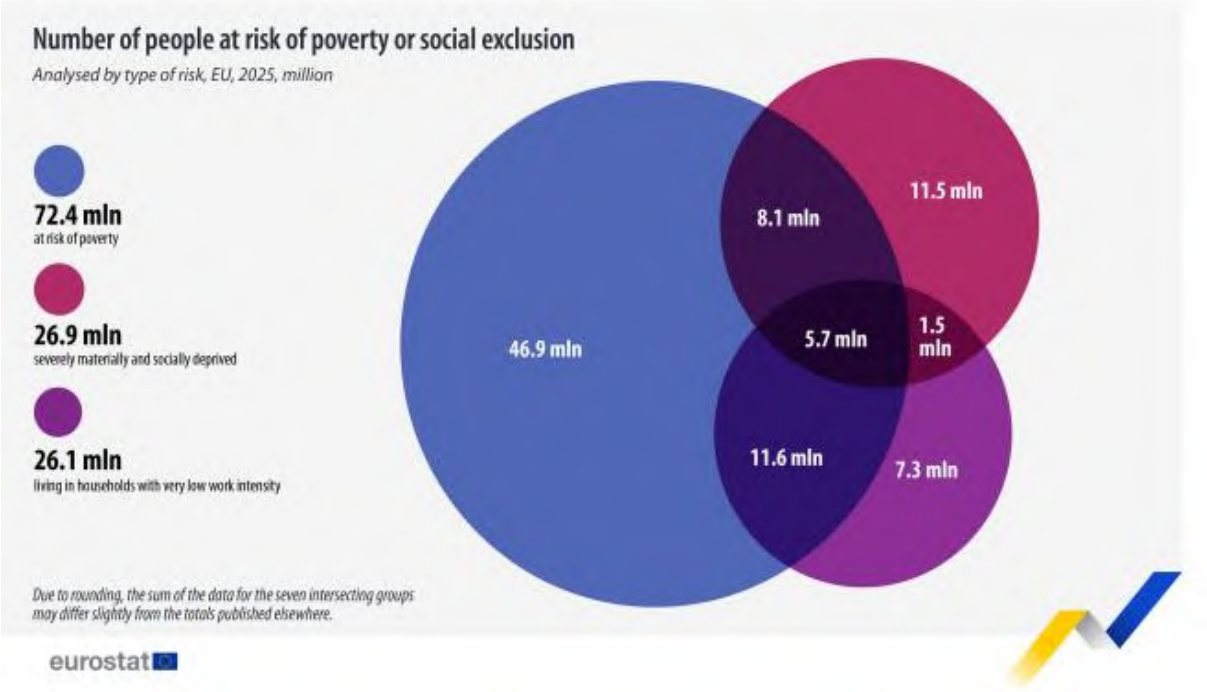
In 2025, 92.7 million people in the EU (20.9% of the population) were at risk of poverty or social exclusion (AROPE), with an overall reduction of 0.5 million between 2024 and 2025, which equates to a 0.1 percentage point decrease in the EU AROPE rate**.** Overall, few Member States experienced significant reductions in the AROPE rate – only 5 Member States (BE, BG, HR, PL and PT) recorded significant falls, around two-thirds recorded no significant change, while rates rose significantly in 5 countries (AT, EL, IE, SI and SE).

[4] The SPC annual report is based on the most recent data and information available in mid-2026 (29 June). The main statistical sources used are Eurostat data from EU SILC (Statistics on Income and Living Conditions) and the LFS (Labour Force Survey), available around late June 2026 and generally referring to annual figures for 2025. In the case of thematic discussions and policy reviews the reference period is September 2025 to September 2026.

[5] Whereby the poverty threshold evolves only with inflation.

The reduction in the EU population at risk of poverty or social exclusion reflects an **underlying decrease of around 0.6 million in the population experiencing severe material and social deprivation (SMSD) and a very marginal reduction in the number of people living in (quasi-)jobless households (i.e. living in very low work intensity households, VLWI), but a rise of around 0.3 million in the population at risk of poverty (AROP).** As a result, in 2025 there were 72.4 million people in the EU at risk of poverty, 26.9 million experiencing severe material or social deprivation, and 26.1 million living in quasi-jobless households. The population at risk of poverty is by far the largest component of the AROPE population and has sizeable overlaps with the other two components (Figure ES1). Around 5.7 million of those at risk of poverty or social exclusion experience all three aspects simultaneously.

Figure ES1. Composition of EU AROPE population with regard to the three components, 2025

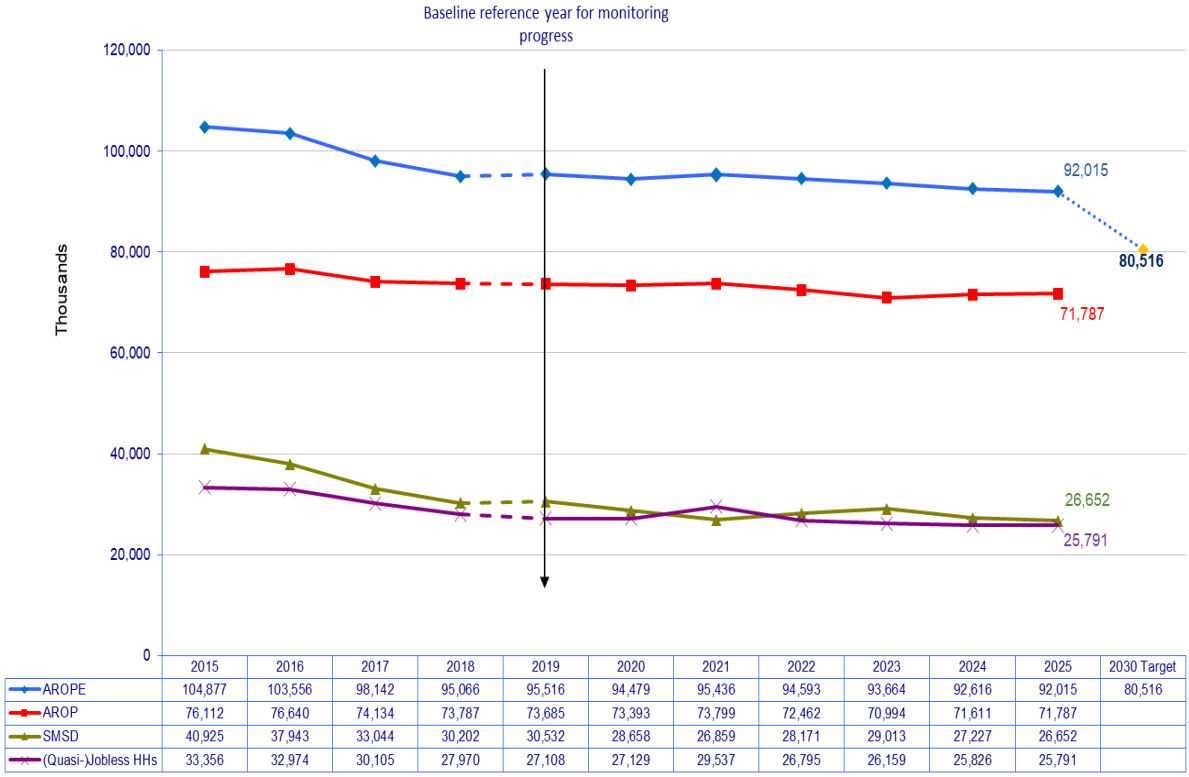


Source: Eurostat EU-SILC,

With regard to progress on the 2030 target on poverty reduction, figures for the EU27 aggregate (adjusted for breaks in series in France and Germany) indicate that the EU population at risk of poverty or social exclusion in 2025 has decreased by around 3.5 million compared to 2019 (Figure ES2). Underlying this was a fall of around 1.9 million in the population at risk of poverty, of 1.3 million in the number of people living in (quasi-)jobless households and of close to 3.9 million in the number of people experiencing severe material or social deprivation. Consequently, the gap to achieving the target is now around 11.5 million, implying that the AROPE population would need to decrease on average by at least 2.3 million per year until 2030 to reach the target. For comparison, similar progress was achieved over the second half of the last decade, where a reduction in the population at risk of poverty or social

exclusion of around 10.5 million was achieved between 2015 and 2020, equivalent to on average around 2.1 million per year.

Figure ES2: Evolution of the population at risk of poverty or social exclusion and its components in the EU27 (1000s), 2015-2025, adjusted for major breaks in DE (in 2020) and in FR (in 2022)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030 Target
AROPE	104,877	103,556	98,142	95,066	95,516	94,479	95,436	94,593	93,664	92,616	92,015	80,516
AROP	76,112	76,640	74,134	73,787	73,685	73,393	73,799	72,462	70,994	71,611	71,787	
SMSD	40,925	37,943	33,044	30,202	30,532	28,658	26,859	28,171	29,013	27,227	26,652	
(Quasi-)Jobless HHs	33,356	32,974	30,105	27,970	27,108	27,129	29,537	26,795	26,159	25,826	25,791	

Source: Eurostat (EU-SILC, table ilc_pecs01) and DG EMPL calculations. Note: Figures adjusted for major breaks in DE (in 2020) and in FR (in 2022)

With regard to the poverty and social exclusion reduction target for children, **compared to 2019 the child population in the EU at risk of poverty or social exclusion has changed only marginally by 2025**, with an underlying rise of around 0.3 million in the number of children at risk of poverty and a reduction of 0.7 million in the number experiencing severe material and social deprivation, and essentially no change in the number of children living in (quasi-)jobless households. The gap to achieving the target for children remains at around 5 million.

In terms of individual Member States, figures for 2025 show mixed trends in the population at risk of poverty or social exclusion compared to the year before and in progress towards national targets and contributing to the overall EU target (Table ESA1). Just over half of countries saw a rise in this population in 2025, thus moving away from the poverty target, and around a third a noticeable reduction. Relative to the year 2019, there have been noticeable absolute reductions in the population at risk of poverty or social exclusion in under half of Member States, but in contrast, substantial rises have occurred in a few others. The developments in the child population at risk of poverty or social exclusion and with regard to

progress towards national targets for the reduction of poverty and social exclusion among children remain limited.

Recent common trends identified by the Social Protection Performance Monitor (SPPM)

The update of the Social Protection Performance Monitor (SPPM) dashboard ([6]) points to a broadly stable situation overall but with rather mixed developments across Member States ([7]) and across many key social indicators in 2025, although with signs of improvement in the situation in some (Figure ESA2). Among the latter, positive developments in the social situation, with significantly more Member States registering positive changes than those recording negative ones, could be observed in the following areas:

- significant **improvements in real gross household disposable income** in two-thirds of Member States, and related to this a rise in the poverty threshold in a similar number of countries, reflecting an overall improvement in household financial conditions, and a significant reduction in severe material and social deprivation rates in a third of countries;
- significant **reductions in the material and social deprivation rate for children** in 10 MS;
- **falls in the housing cost overburden rate** in almost half (12) of MS;
- continued **rises in the employment rate of older workers** in 14 MS;
- **reductions in self-reported unmet need for medical care** in a third of countries.

However, the overall picture during the reference period is one of rather mixed developments in most areas, with similar numbers of countries showing an improvement or a deterioration, although with clear signs of overall deterioration in the social situation concerning the effectiveness of social protection systems in reducing the at-risk-of-poverty rate for (quasi-)jobless households (where 8 MS recorded a deterioration), and to some extent in the risk of poverty or social exclusion for adults with disabilities, where the rate worsened in a third of Member States. Also of note was the very limited change in the situation for young people and in addressing the depth and persistence of income poverty.

In a longer-term perspective, developments compared to 2019 (the reference year for the EU poverty and social exclusion target for 2030) continue to paint a general picture of quite limited change, though with the exception of the following important areas:

- significant reductions in the at-risk-of-poverty rate in around a third of Member States;

[6] The SPPM dashboard is a tool which uses a set of key EU social indicators for monitoring developments in the social situation in the European Union (for details on the methodology see the technical annex), mainly based on the latest annual 2025 EU-SILC data (referring to 2025 for deprivation indicators and 2024 for income and work intensity indicators) and 2025 LFS data.

[7] Generally, changes refer to 2024-2025, but for healthy life years at 65 and real change in gross household disposable income the year refers to 2024 and the changes to 2023-2024, as no 2025 figures available.

- widespread improvements in aggregate real gross household disposable incomes;
- widespread success in raising the employment rates for older workers;
- improvements in healthy life years in many countries.

In contrast, there have been rather **mixed developments** in the following areas:

- **in the situation of people aged 65 and over,** with a third of countries registering improvements in the at-risk-of-poverty-or-social-exclusion rate, the median relative income ratio and the aggregate replacement ratio for this age group but a broadly similar number of countries showing a deterioration;
- in the **healthy life years at 65** indicators and in the at-risk-of-poverty-or-social-exclusion rate for **persons with disabilities**;
- **the situation for children** has improved in only a few countries;
- a significant number of countries have witnessed a **weakening of the effectiveness of social protection systems**, as highlighted by declines in the impact of social transfers in reducing poverty and rises in the poverty risk for persons living in (quasi-)jobless households, even if an almost similar number showed an improvement.

Near-term outlook

Looking ahead, at EU level the risk of poverty is expected to have remained broadly stable, with a marginal increase of only 0.1 pp for 2025[8] to 16.4% and with stability in most countries. The at-risk-of-poverty rate for children is also expected to have remained stable at EU-level, again with a marginal increase of only 0.1 pp for 2025 to 19.7%, and with rates stable for almost all countries. The estimates also point to a rather stable trend in all countries in income inequalities based on 2025 incomes, as measured by the income quintile share ratio (S80/S20).

GDP growth in the EU is expected to be 1.1% for 2026 as a whole and to improve to a modest 1.4% in 2027, according to the European Commission's Spring 2025 Economic Forecast[9]. This slight slowdown in growth largely reflects the impact of the outbreak of the conflict in the Middle East. Labour market conditions had already begun to soften before the outbreak of the conflict but employment growth is now projected to slow to 0.3% in 2026 and 0.4% in 2027, while the unemployment rate is expected to remain stable at around 6%. Labour income over the forecast horizon is only mildly affected in nominal terms, as stronger wage growth broadly offsets weaker employment expansion. However, the upward revision to the inflation forecast would reduce the growth of households' real disposable income over the forecast horizon. Risks to the outlook are primarily linked to the evolution of the conflict in the

[8] Based on flash estimates of the expected developments in income and poverty for the income year 2025, Latest developments in income dynamics and poverty - Statistics Explained - Eurostat

[9] Spring 2025 Economic Forecast: Moderate growth amid global economic uncertainty - European Commission

Middle East and its implications for global energy markets. A prolonged conflict and more gradual supply normalisation would lead to stronger inflationary pressures and weaker growth.

B. Key structural social challenges facing Member States

The analysis of Member States' Key Social Challenges (KSCs) and Good Social Outcomes (GSOs) continues to point to a heterogeneous performance of social protection and social inclusion systems across the EU, along with broad stability overall in the social situation that has been ensured during recent years. Differences in level and intensity of the outcomes point to persistent challenges and emerging ones, as summarised below:

- All Member States except two have at least one KSC in the area of **poverty and social exclusion,** considering the total population, children and the working age population groups, while 16 Member States show GSOs in this area. This encompasses a diverse range of challenges, ranging from the risk-of-poverty or social exclusion, the at-risk-of-poverty rate, the share of people living in (quasi)-jobless households, the severe material and social deprivation rate, the persistent at-risk-of-poverty rate, and the relative median poverty risk gap. As regards **income inequality**, KSCs appears in 10 Member, while 1 Member State has a GSO. Regarding the **housing situation**, notably issues related to housing cost overburden and housing deprivation, for various age groups, there are KSCs in 14 Member States with only 4 Member States registering GSOs in this area. The analysis on **energy poverty** highlighted KSCs in 9 Member States and GSOs in 6 Member States. As regards the social **situation of migrant people**[10], KSCs were identified in 12 countries and GSO in 9 countries, showing that in some countries there can be both challenges and good social outcomes in different aspects of this policy areas. KSCs concerning the social **situation of persons with disabilities** were identified in 10 Member States, notably in relation to their risk of poverty or social exclusion and their poverty gap compared to people without disability. **Roma inclusion** features as a KSC in 6 Member States. The **territorial dimension** of poverty and social exclusion, in relation to its regional dimension or the divide between urban and rural areas, is flagged as a KSC for 11 Member States.

- The **effectiveness of social protection** has been analysed from the perspective of the **capacity of social transfers** to reduce the risk of poverty for the general population, people in working age and children, the **depth of poverty** for children and in the working age population, as well as the incidence of **in-work poverty** and the long-term unemployment rate. Overall, a large majority (24) of Member States show some KSC and 12 show GSOs. In addition, a non-JAF analysis on **social inclusion of children**, identified a KSC in 5 Member States regarding equal opportunities for children, especially for those from a disadvantaged socio-economic background. The adequacy or coverage of **minimum income** schemes, according to the SPC benchmarking exercise in this area, was found to remain weak in 8 Member States. From the perspective of **gaps in access to social**

[10] This year, the social situation of migrant people has been monitored for the first time in this exercise through indicators related to non-EU born people, complemented by non-JAF analysis on in-work poverty and gaps with native born people.

protection for non-standard workers or the self-employed (or some categories of), challenges were observed in 9 Member States regarding formal coverage, effective access or adequacy.

- Regarding pensions, the analysis encompassed issues related to old age poverty and other pension adequacy challenges, including gender gaps in pensions. Poverty or social exclusion in people aged 65 years old or more is a KSC in 11 Member States, while 3 registered a GSO. In terms of income replacement, 15 Member registered KSCs in their aggregate replacement ratio and 3 showed GSOs. Key challenges were observed in 4 Member States concerning gender pension gap issues.

- Insufficient access to long-term care services, their lack of affordability, quality, or the sub-optimal design of long-term care systems, has been identified as a KSC in 14 Member States, while GSOs have been flagged for 3 Member States only.

- The health status analysed by life expectancy of the population either at birth or at 65 (or both in many instances), proves to be a challenge in 19 Member States. As concerns access to healthcare, challenges have been identified in unmet needs for medical care in 14 Member States.

C. Monitoring policy developments

The activities of the Social Protection Committee focus mainly on three main interlinked areas of policy work, which also support the implementation of the European Pillar of Social Rights and its Action Plan: thematic work, the European Semester, and mutual learning. Furthermore, the Committee carried out several joint activities with the Employment Committee (EMCO), providing numerous deliverables to the Council, partially related to the European Semester. Chapter V of the report covers activities since September 2025 ([11]).

Thematic work

In 2025, the Social Protection Committee (SPC) had its 25th anniversary, marked by a dedicated event hosted by the Cyprus EU Presidency in conjunction with the SPC informal meeting in February 2026. On that occasion, a time capsule, gathering messages for future (2050) policy makers was put together, to be opened in 25 years.

The SPC held thematic discussions in line with the priorities of the Danish and Cyprus presidencies and to follow up certain initiatives, including in particular this year the preparation of the EU Anti-poverty strategy (see box).

A thematic discussion was held on social housing gathering reflections from the Member States on their challenges concerning adequate provision of affordable housing, which affects vulnerable groups, social cohesion, and labour mobility. While the definition and extent of social housing vary a lot throughout the Member States, it is a key element in the provision of affordable housing for vulnerable groups and a

([11]) The closing date of the Annual Report 2025, the number of meetings covers the period of September 2025 to September 2026.

driver of social cohesion. Even if wider housing policies might not be a 'core policy area' for the SPC's work, social housing or housing assistance is considered as a starting point for a wider focus on how housing and social policies strengthen and reinforce each other.

Another **thematic discussion** on the **role of enabling services in reducing poverty and encouraging activation** was organised. The discussion concluded that the positive labour market dynamics of recent years in the European Union has not been accompanied by similar positive developments in poverty and social exclusion for a significant part of the population. This apparent paradox shows that job integration or income support alone is not sufficient, poverty is multidimensional and needs complementary and coherent policies with medium and long-term planning.

Box: Thematic work on the European Anti-Poverty Strategy

On 6 May 2026, the European Commission presented the first-ever EU Anti-Poverty Strategy (APS), to accelerate progress towards the EU's 2030 poverty reduction target and help eradicate poverty by 2050. The EPSCO ministers had multiple discussions[12] on the potential elements and main directions of the Strategy, underlining the multidimensional aspect and an integrated and life cycle approach towards preventing and addressing poverty.

During the preparation of the Strategy, the SPC was consulted[13], focusing on policy aspects and on its potential role in the implementation and monitoring of the APS. After its adoption, the package was presented jointly to SPC and EMCO[14], with a full overview of its elements. A more in-depth discussion on the follow-up activities and ways of monitoring took place in SPC[15]. Throughout all these discussions, there was broad agreement that the SPC should play a central role in the follow-up of the APS, building on existing tools and processes, and without creating additional administrative burden.

SPC monitoring actions will reflect a three-dimensional approach. The SPC Annual Report (AR) is a key vehicle for monitoring in line with the overarching objectives of the OMC for social protection and social inclusion. Beyond monitoring social outcomes and the progress made towards the EU and national targets, the forthcoming editions of the report will introduce elements illustrating ex ante and ex post analysis of the impact of policies on poverty, where relevant.

More systematic reliance on existing thematic reporting or analysis exercises will ensure monitoring in all relevant areas: child poverty (linked to the European Child Guarantee), working age poverty (linked with minimum income report and access to social protection) and old age poverty (linked to the ADAGE working group report) without additional reporting obligations for the Member States.

Mutual learning activities, exchanging national practices on national poverty frameworks will guarantee the involvement of relevant actors, also with the application of the 'Principles for effective anti-poverty

[12] EPSCO meetings in June 2025, February 2026, June and July 2026.
[13] In October 2025 and February 2026.
[14] On 20 May, 2026.
[15] On 30 June, 2026.

policies', proposed by the Commission. Thematic SPC discussions will facilitate mutual understanding of anti-poverty frameworks and exchanges of best practices informed by the principles.

The SPC and its indicator subgroup will be involved in the preparations and implementation of various initiatives of the social package. Concerning further indicators development, the ISG will explore avenues for improving existing indicators and developing new ones to meet the additional monitoring needs[16] arising from the APS.

Building on the thematic social reporting on **access to social protection** (in the 2025 SPC Annual Report) the SPC held an **in-depth discussion** examining both recent reforms and their impact and challenges in ensuring access to adequate, effective and transparent social protection, and possible ways forward at EU and national level. Specific emphasis was placed on transparency, simplification and the role of digitalisation. While digitalisation of social protection, which has accelerated in recent years, is seen as a key driver of more transparent and accessible systems, the digital divide remains a barrier and Member States stated that digitalisation should remain human-centred.

A **thematic discussion**, with a focus **on financing social protection in the light of demographic challenges and changes in the labour markets** was held. Views were shared on strategies, which can be put in place to ensure that social protection will effectively contribute to resilient societies, and its financing fit for evolving needs and resource constraints in the years to come and their priority areas of social protection reforms.

A **thematic discussion** on addressing **housing exclusion** was framed by the The European Affordable Housing Plan and was supported by an overview of on-going OECD work focusing on affordable housing and homelessness. It explored the main challenges, in terms of affordability and rising housing prices, with a special focus on the housing struggles faced by young people. It was underlined that even countries with well-established housing systems face challenges and the role of social housing for vulnerable groups is important. Housing benefits can be complementary to social housing, playing a role for instance to avoid segregation phenomena. Young people are disproportionally affected by the housing crisis — due to lower incomes, precarious work and movement to urban areas. Independent living often comes at the cost of housing insecurity, cost overburden and poor-quality housing.

The **2026 Thematic Social Reporting focused on the implementation** of the 2021 Council Recommendation on **European Child Guarantee** (2024-2026) and perspectives for strengthening it. The findings served also as evidence base for the Commission Communication Breaking the cycle of child poverty – Strengthening the European Child Guarantee, which was published on 6 May 2026. The

[16] According to the Anti-Poverty Strategy *"…The rapid pace of changes exacerbated by the cost of living, as well as significant shifts in the labour market and workforce, calls for better anticipation and stronger evidence that becomes available more rapidly. To this end, the Commission will improve monitoring of poverty and put forward new indicators to measure the impact of affordability components on poverty, with a view to having them agreed by 2028 and identify a strong monitoring basis for progress towards the 2050 ambition. The aim is to improve the timeliness and comprehensiveness of poverty-related data, including by enriching the measurement of material deprivation and standardising it at EU level, and to explore other approaches to measure both affordability and severe poverty, and to have more granular indicators of territorial disparities…"*

Communication goes beyond provision of services to vulnerable children, pointing to the importance of measures which support households' incomes – such as activation of parents excluded from the labour market and child-related benefit systems Since the adoption of the Guarantee, important gains have been registered. Early childhood education and care (ECEC) participation among children at risk of poverty or social exclusion (AROPE) has risen (by 2 p.p. for those below 3). School meal programmes have been expanded in at least 7 Member States. More children, particularly those AROPE, have gained access to school-based activities. However, gaps in implementation persist in those areas and beyond. Concerning education, thanks to universal education systems, the provision of free and effective access to education for children in need was formally followed by all Member States. However, the implementation of specific aspects of the recommendation, such as sufficient measures to prevent and reduce early school leaving and to support inclusive education, as well as the coverage of hidden costs through e.g. free school materials and transport to schools, remains highly uneven between the Member States. Tackling these challenges will be crucial to prevent the gap between the share of low achievers among children with low socioeconomic status (from 23.5% in 2018 to 28.8% in 2022) and their more advantaged peers (4.2% to 4.7%) from further widening. Despite progress made in accessing healthcare, in many Member States satisfaction with the availability of state-funded services is low, and shortages of specialists lead to long waiting times, especially in mental health care. Compared to other services covered by the Guarantee, Member States seem to dedicate less attention to access to healthy nutrition. Concerning the efforts made to ensure adequate housing and quality alternative care, implementation shows a mixed picture. It leaves room for additional measures to reach permanent housing solutions and provision of relevant social and advisory services for homelessness, as well as securing priority and timely access to social housing or housing assistance for families in need. Efficient coordination between various governance areas and levels remains crucial for successful implementation, while insufficient funding available for and invested in the Guarantee limits the positive impact of these efforts. The integration of (individual) services into broader coherent and consistent support systems, which address the root causes of child poverty and can bring children out of their vulnerable situation is key.

The European Semester

During the 2026 Semester cycle, the Committee contributed jointly with the Employment Committee (EMCO) to the elaboration of the Joint Employment Report and the corresponding Council conclusions. The Committee also conducted the Multilateral Implementation Reviews (MIRs) of country-specific recommendations (CSRs) in policy areas under its competence, reviewing Member States' reform implementation efforts. Additionally, based on the Social Convergence Framework (SCF) as laid out in the Joint Employment Report (JER) 2026 Key Messages, the countries falling into the second stage analysis were reviewed in joint SCF reviews of the Employment Committee (EMCO) and the SPC, also covering for the 2025 CSRs as relevant.

The conclusions of the reviews fed into the joint Opinion of the EMCO and SPC on the 2026 cycle of the European Semester, endorsed by the Council. The reviews concerned pension, long-term care and healthcare policies, and social protection and social inclusion systems, including measures tackling energy poverty and housing challenges. Many of the reviews assessed the implementation of CSRs

carried over in past cycles of the European Semester, which indicates the **long-term and structural nature** of the observed challenges.

The reviews further highlighted persistent social challenges, in particular related to the areas of poverty and social exclusion. Risks remain elevated for specific population groups, including households with children, persons with disabilities and other groups in vulnerable situations, often compounded by regional disparities in service provision. These **challenges continue to affect social cohesion and upward social convergence** and are linked, inter alia, to issues of benefit adequacy, accessibility, take-up and the effectiveness of social protection systems in addressing poverty risks. Child poverty in particular continues to require heightened attention, given its long-term implications for equal opportunities and intergenerational upward social convergence. At the same time, population ageing is increasing pressures on health and long-term care systems and workforce availability in the health, care and social sector, while also raising broader sustainability challenges for social protection systems. While reforms of social assistance and social protection systems are underway in many Member States, these remain at different stages of implementation and will require continued monitoring and adjustment over time.

Joint EMCO-SPC deliverables to the Council.

In accordance with the Work Programmes for 2025 and 2026, the Committee provided numerous documents jointly with the Employment Committee to support the Council.

- Employment and social aspects of the 2026 Council Recommendation on the economic policy of the euro area (9 March 2026);
- Council Conclusions on the 2026 Joint Employment Report approved by the Council (EPSCO) on 9 March 2026;
- 2026 Joint Employment Report;
- 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
    - SPC multilateral implementation reviews 2026 ;
    - EMCO-SPC Social Convergence reviews 2026

Thematic work carried out in SPC working groups

The initial mandate of the **Minimum Income Network** (**MINET**) working group was running up to the end of 2025. Following a positive assessment by the SPC, the mandate has been renewed for another four years, until 2029. Under the new mandate, the group continues to hold two in-person meetings per year, as well as regular online meetings. The meetings in the second half of 2025 and so far in 2026 focused on the role that quality social services play in supporting and empowering minimum income recipients, on the dissemination and added value of the 2025 Minimum Income Report, and the individualised approach to the provision of income and social support, and how it is operationalised at the level of service-delivery. MINET was consulted on the EU Anti-Poverty Strategy and engaged in a discussion around three main

dimensions: policy priorities, EU support, and good national practices for the prevention and reduction of poverty.

The SPC has established a new **Working Group on Adequate Social Protection in Old Age (WG ADAGE),** which core mandate is to provide the SPC with in-depth analysis of social protection policies that ensure adequate living standards for older persons. This work is set against the critical backdrop of Europe's ongoing demographic transformations and evolving labour markets. The group's focus is concentrated on the two key pillars of old-age social protection: adequate pensions and affordable, high-quality long-term care (LTC). The primary and most significant deliverable of this group is the preparation of the 2027 Report on Adequate Social Protection in Old Age.

Mutual learning activities

In order to further support the implementation of the 2019 Council recommendation on **access to social protection for workers and self-employed,** three mutual learning events were organised on monitoring, including data and indicators, social protection coverage for vulnerable groups of workers (precarious temporary workers and solo self-employed) with a focus on pension awareness and the role of digitalisation, and the coverage and contributions for the self-employed.

The **meetings of the national Child Guarantee Coordinators** contributed to the exchange of good practices and monitoring of the implementation of the related Council Recommendation. The exchanges focused on discussing good practices in the different areas covered by the ECG (including early childhood education and care, free healthy school meals, inclusive education, adequate housing, healthcare including mental health). In addition, dedicated meetings discussed the update of the common monitoring framework to assess implementation of the European Child Guarantee.

Concerning the **Council Recommendation on access to affordable high-quality long-term care**, mutual learning activities built on the measures reported by the Member States in their national implementation plans and subsequent policy dialogues. The objective is to support Member States in designing reforms and investments in the areas of social protection for long-term care (LTC), availability and accessibility, quality, LTC workforce and support for informal carers. A specific mutual learning event was organised on Enhancing the Monitoring and Evaluation of Evidence-Based Practices in Long-Term Care.

To follow up on the Communication on better assessing the **distributional impact of Member States' policies**, stressing the importance of **Distributional Impact Assessment** (DIA) analyses, four mutual learning events were organised since mid-2025. The meetings provided opportunities for exploring country practices with a thematic focus on climate change, taxation, simulations of poverty developments and flash estimates on income and poverty developments.

The work at the EU level to tackle and reduce homelessness takes place under the umbrella of the European Platform on Combatting Homelessness.[17] Since its launch, the Platform has become a focal point in the fight against homelessness, through four work strands: (1) promoting mutual learning, (2) supporting the development of better statistical evidence and knowledge on homelessness (3) promoting the use of EU funds (4) mainstreaming homelessness and housing exclusion across EU policies. Key actions related to the analytical strand of the Platform include: 1/ the recently concluded pilot project coordinated by KU Leuven on a European Homelessness Count (two city counts in the Autumn of 2024 and of 2025 in 15 and 35 cities respectively); 2/ the OECD Policy toolkit, monitoring framework and data mapping launched in December 2024; 3/ a new, on-going project with the OECD on a blueprint for integrated action plans and on homelessness policy evaluation.

Under the peer review program of the SPC, six peer reviews were organised and an additional two are planned in 2026. The aim of the peer reviews was to identify strengths, weaknesses, opportunities, and threats of given approaches and explore their potential transferability to other Member States. Topics of the peer reviews covered '*Elaborating, coordinating and monitoring a national strategy against poverty*', hosted by Belgium, '*Social inclusion for families and children*', initiated by Lithuania, '*Equal access to goods and services for persons with disabilities through reasonable accommodation and accessibility measures*' proposed by Germany, '*Improving coverage of long-term care focusing on regional disparities in access*' proposed by Greece, '*Designing social protection systems for persons with disabilities to facilitate transitions to and from the labour market*', proposed by Belgium, and *'Redefining home-based care and support services for the silver generation'* proposed by France. '.

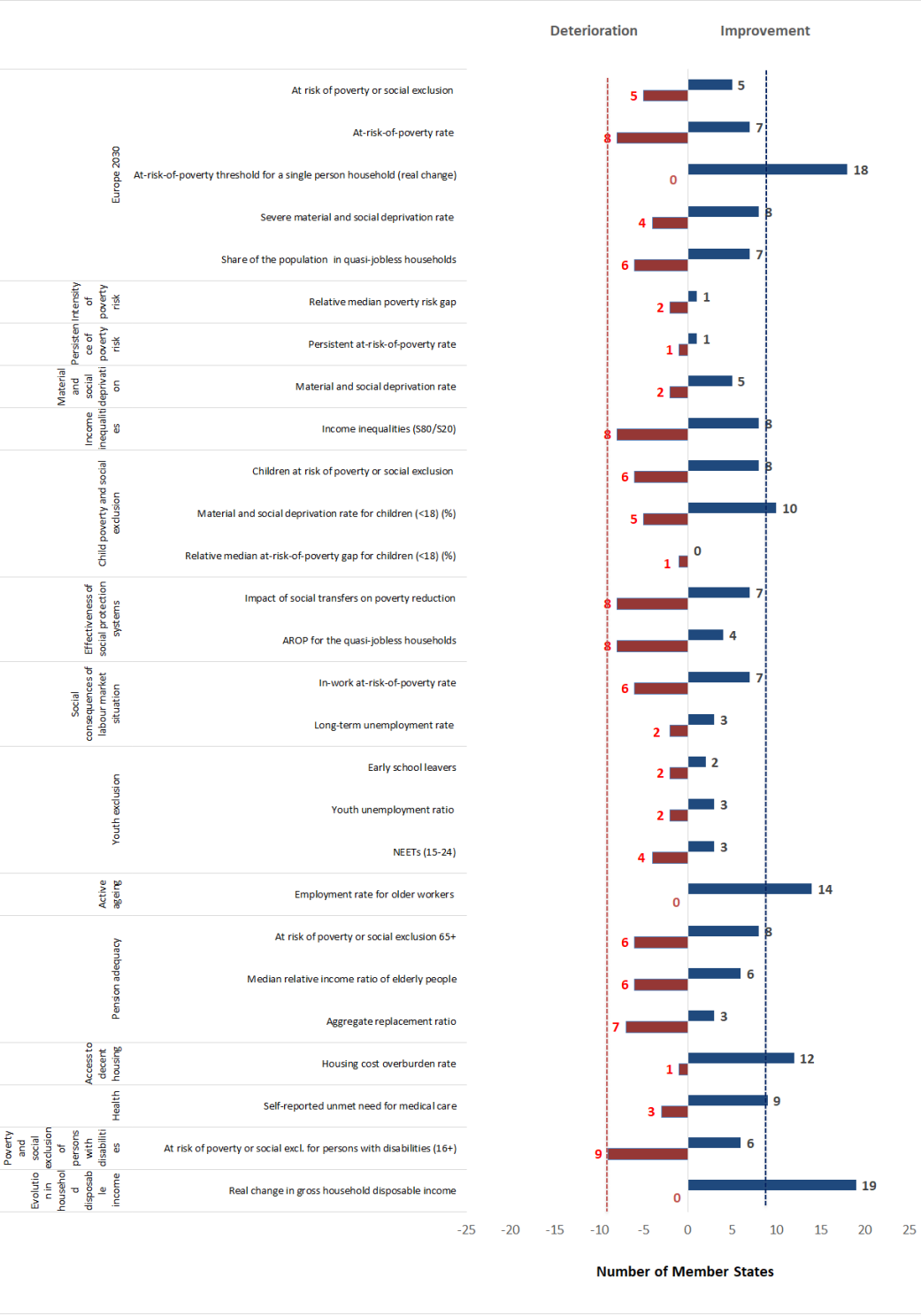
[17] The Platform was launched by the Lisbon Declaration in June 2021, and brings together Member States, the European Parliament, the Committee of the Regions, the Economic and Social Committee, the OECD, the Council of Europe Development Bank, social partners and relevant civil society stakeholders, in a joint commitment to fight homelessness.

Table ESA1: Developments across Member States in the population at risk of poverty or social exclusion, and comparison to national poverty reduction targets or equivalent in terms of AROPE

	National target (reduction of AROPE in 1000s vs 2019 figures). Non-AROPE based targets shown in parentheses)	AROPE population 2019 (1000s)	AROPE population 2020 (1000s)	AROPE population 2021 (1000s)	AROPE population 2022 (1000s)	AROPE population 2023 (1000s)	AROPE population 2024 (1000s)	AROPE population 2025 (1000s)	*Mini charts of trends to latest available year*	Change 2019-2020 (1000s)	Change 2020-2021 (1000s)	Change 2021-2022 (1000s)	Change 2022-2023 (1000s)	Change 2023-2024 (1000s)	Change 2024-2025 (1000s)	Overall change 2019-2025 (1000s)
BE	-279	2,269	2,308	2,166	2,137	2,176	2,124	1,925		39	-142	-29	39	-52	-199	-344
BG	-787	2,324	2,332	2,193	2,206	1,933	1,953	1,869		8	-139	13	-273	20	-84	-455
CZ	-120	1,264	1,205	1,132	1,209	1,247	1,183	1,213		-59	-73	77	38	-64	30	-51
DK*	(-30 VLWI)	994	970	1,000	997	1,056	1,065	1,065		-24	30	-3	59	9	0	71
DE**	(-1200 VLWI)	17,401	16,735	17,255	17,543	17,886	17,687	17,522		-666	520	288	343	-199	-165	121
EE	-39	311	300	293	332	327	302	296		-11	-7	39	-5	-25	-6	-15
IE	-90	988	932	985	1,003	988	898	1,007		-56	53	18	-15	-90	109	19
EL	-860	3,059	2,880	2,971	2,722	2,658	2,744	2,797		-179	91	-249	-64	86	53	-262
ES	-2,815	12,169	12,642	13,040	12,189	12,552	12,458	12,500		473	398	-851	363	-94	42	331
FR*	-1,100	11,716	12,006	12,115	12,970	12,740	12,950	13,143		290	109	855	-230	210	193	1,427
HR*	-298	841	806	817	752	772	810	777		-35	11	-65	20	38	-33	*-64*
IT	-3,200	14,803	14,821	14,834	14,305	13,392	13,525	13,265		18	13	-529	-913	133	-260	-1,538
CY	-10	167	163	158	162	164	164	167		-4	-5	4	2	0	3	0
LV	-95	506	473	488	482	476	449	454		-33	15	-6	-6	-27	5	-52
LT	-223	712	685	661	690	695	744	762		-27	-24	29	5	49	18	50
LU*	-4	119	119	126	121	139	132	123		0	7	-5	18	-7	-9	*4*
HU*	Reduce MSD rate of families with children to 13% (AROPE by 292,000)	2,010	1,844	1,859	1,773	1,858	1,811	1,827		-166	15	-86	85	-47	16	-183
MT*	(-3.1 AROPE p.p.)	100	100	103	103	105	108	109		0	3	0	2	3	1	9
NL	-163	2,809	2,739	2,862	2,863	2,770	2,723	2,806		-70	123	1	-93	-47	83	-3
AT	-204	1,434	1,460	1,519	1,555	1,592	1,529	1,686		26	59	36	37	-63	157	252
PL	-1,500	6,575	6,305	6,296	5,873	5,972	5,815	5,396		-270	-9	-423	99	-157	-419	-1,179
PT	-765	2,173	2,056	2,312	2,084	2,104	2,095	1,995		-117	256	-228	20	-9	-100	-178
RO	-2,532	7,032	6,897	6,572	6,525	6,033	5,294	5,169		-135	-325	-47	-492	-739	-125	-1,863
SI	-9	279	295	275	276	287	302	324		16	-20	1	11	15	22	45
SK	-70	795	744	841	888	943	980	895		-51	97	47	55	37	-85	100
FI	-100	788	810	773	891	866	927	952		22	-37	118	-25	61	25	164
SE	-15	1,879	1,832	1,790	1,942	1,932	1,843	1,971		-47	-42	152	-10	-89	128	92

*Source: Eurostat (EU-SILC). Note: * Countries that have expressed their national target in relation to an indicator different from the EU headline target indicator (AROPE), or in a format other than absolute population reductions.*

Figure ESA1: Areas of deterioration (social trends to watch) and improvement for the period 2024-2025 (or latest year available)*



Source: Social Protection Performance Monitor

Notes: [+]Changes generally refer to the period 2024-2025 (although for income and household work intensity indicators the changes actually refer to 2023-2024). At-risk-of-poverty rate (AROP), severe material and social deprivation rate (SMSD) and the share of the population in (quasi-)jobless households indicators are components of the AROPE indicator. Figures for real change in gross household disposable income and healthy life years at 65 refer to 2023-2024 as no 2025 figures available. For LU, major break in 2025 for EU-SILC based indicators, so no changes for LU for the SILC-based indicators reflected in the chart.

I. Introduction

The SPC is an advisory policy committee to the Employment and Social Ministers Council (EPSCO) that provides a representative forum for multilateral social policy coordination, dialogue and cooperation at EU level (as defined in Article 160 of the Treaty on the Functioning of the European Union (TFEU)). It brings together policy makers from all EU Member States and the Commission with the aim to identify, discuss and implement the policy mix that corresponds best to meeting the various challenges faced by Member States in the area of social protection policies. It uses the social open method of coordination (OMC) and is assisted in carrying out its tasks by the permanent Indicators Sub-Group (ISG) and the non-permanent Minimum Income Network Group (MINET) and Working Group on Adequate Social Protection in Old Age (ADAGE).

The yearly activities of the SPC are defined in the SPC work programme ([18]), which is set at the start of each year and is presented at the Spring meeting of the Employment and Social Ministers. The work programme is prepared taking into consideration the most current EU policy priorities and topics of the incoming Presidencies of the EU and the Commission. In 2026, in addition to the activities listed in its annual programme, the SPC also engaged (jointly with the Employment Committee) in various activities initiated by the Cyprus and Irish EU Presidencies. In 2025, the SPC had its 25th anniversary, which was marked through an event hosted by the Cyprus EU Presidency in conjunction with the informal SPC meeting in February 2026. The anniversary event included interventions by current and former chairs of the Committee, the Commission, the representative of the Council General Secretariat and all Member States. A time capsule, gathering heartwarming messages for future (2050) policy makers was put together, to be opened in 25 years **([19])**.

The present report delivers on the Treaty mandate of the Committee to monitor the social situation in the European Union and the development of social protection policies. Through its analysis it provides input to the Council on the main social policy priorities to recommend to the Commission in the context of the preparation of the European Semester Autumn Package.

On the basis of the Social Protection Performance Monitor (SPPM) and Member States' social reporting, the report aims at i) **overall monitoring of the social situation** ([20]), especially the progress towards the 2030 target on reducing poverty and social exclusion and highlighting the common *social trends to watch*, ii) **identifying the key structural social challenges facing individual Member States as well as their good social outcomes, and iii) reviewing the most recent social policy developments in Europe**. The overview of the social situation makes use of the available information including some more timely, non-standard data sources ([21]) on the very latest developments.

([18]) Work programme of the SPC for 2026.

([19]) All the handwritten and printed messages are kept in the capsule, stored in the Commission premises and to be handed over to future directors responsible for the SPC secretariat over the next 25 years.

([20]) Figures quoted in this report are generally based on data available around 29 June 2026, unless otherwise stated.

([21]) These include Eurostat flash estimates of expected developments in income and poverty for the year 2025, early estimates for social protection expenditure from ESSPROS, the European Commission's Spring 2026 Economic Forecast, a "financial

A separate annex to the report (Annex 1) contains the country profiles, which provide for each Member State a snapshot of progress towards the national 2030 poverty and social exclusion target, trends in the main social indicators for each country, and the main social challenges and good social outcomes identified for each country. Annex 2 provides details of the methodology for the SPPM-based assessments as well as definitions and data sources for indicators used in the report.

distress" indicator derived from harmonised EU consumer surveys and data on the number of social benefit recipients collected via ISG delegates.

II. Overview of developments in the social situation in the EU

Following a scene setting on the main economic and labour market developments in the EU up to 2025 or early 2026, together with trends in expenditure, take-up and effectiveness of social benefit schemes, this section provides a review of the latest trends from the Social Protection Performance Monitor (SPPM) dashboard. It is mainly based on the late June 2026 update of the SPPM dashboard, a tool that uses a set of key EU social indicators for monitoring developments in the social situation in the European Union. The latest update of the SPPM dashboard is based on the set of 2025 EU-SILC data (which refers to 2025 for deprivation indicators and 2024 for income and work intensity indicators), and 2025 Labour Force Survey data. In addition, some indications are also provided on the more recent developments in income, based on Eurostat flash estimates, together with a summary of the economic and social outlook for 2026 as a whole.

The ISG continues to work on addressing existing data gaps in order to improve social data and indicators for monitoring of the social situation (such as better indicators on access to services, improving data on specific groups who are particularly affected by poverty, having more granular indicators of territorial disparities, having longer longitudinal data to follow the evolution of people regarding poverty and other social indicators on a longer-term basis, developing indicators on wealth and indebtedness, new indicators to measure affordability issues, and indicators to measure severe poverty), which will be reflected once available in future editions of the annual report.

(a) Development in the economic, labour market and social situation up to early 2026

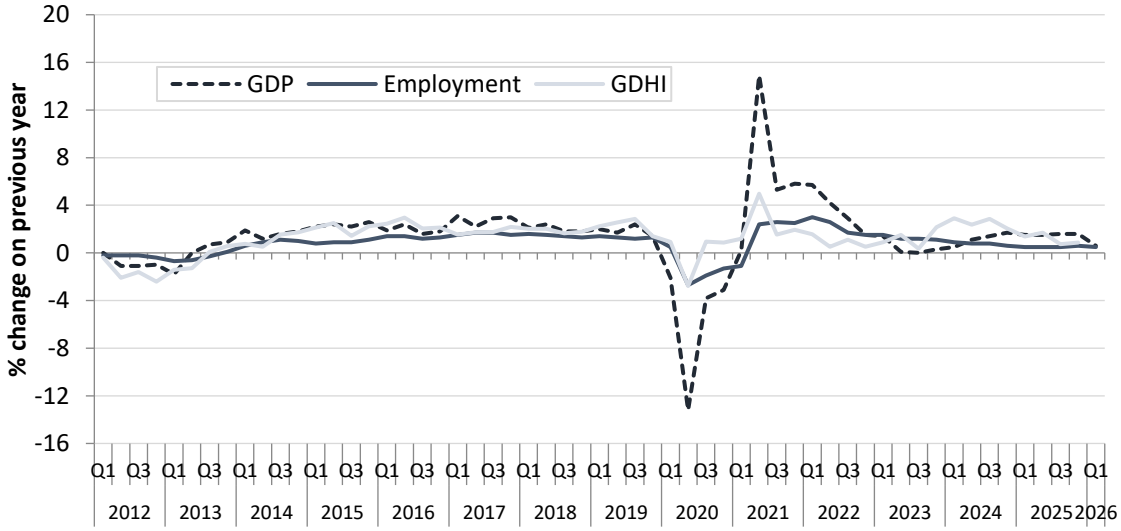
Economic growth in the EU was broadly stable over the course of 2025, with year-on-year GDP growth rates remaining around the 1.5-1.6% mark, before falling to 0.6% in the first quarter of 2026 (Figure 1). Total employment continued to expand, although with the rate of year-on-year growth, broadly stable at 0.5%, considerably lower than in the preceding years post-2020.

The unemployment rate in the EU remained remarkably constant at 6.0% over the whole of 2025 and into the Spring of 2026, despite an upturn over the early part of 2026 in consumers' expectations that the level of unemployment would worsen, following the outbreak of the conflict in the Middle East and the impact on the oil supply (Figure 2). The unemployment rate consequently remained at historically low levels despite the geopolitical and oil price shock. According to the European Commission's Spring 2026 Economic Forecast ([22]) employment growth is now projected to slow to 0.3% in 2026 and the unemployment rate to remain stable around 6%.

([22]) Spring 2026 Economic Forecast: Slowdown in growth as energy shock drives up inflation - Economy and Finance

Year-on-year growth in 2025 in real aggregate household income in the EU27 (as measured through real gross disposable household income (GDHI)) was lower than in the previous year and broadly declined over the first part of the year before stabilising at around the 1% mark in the third and fourth quarters and into the first quarter of 2026. This reflects a fall in the contribution from real compensation of employees compared to the previous year, and to a lesser extent of the self-employed, and a negative net contribution from social benefits (Figure 3). Nevertheless, in the last quarter of 2025, real gross disposable household income for the EU was still around 8.7% higher compared to the same quarter of 2019, before the COVID pandemic, and 5.7% higher compared to the last quarter of 2021, just before Russia launched its war of aggression against Ukraine and the subsequent energy crisis hit the EU.

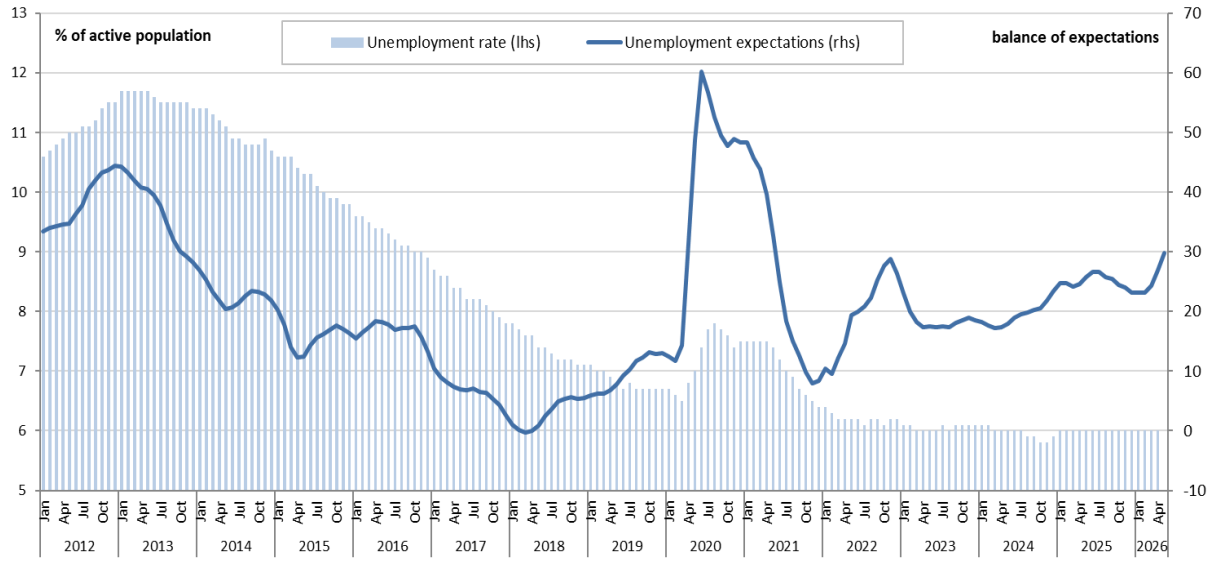
Figure 1: Real GDP, GDHI and employment growth in the EU, quarterly 2012-2026 (% change on same quarter of previous year)



Source: Eurostat, National Accounts [namq_10_gdp, namq_10_pe, nasq_10_nf_tr], DG EMPL calculations. Data not seasonally adjusted.

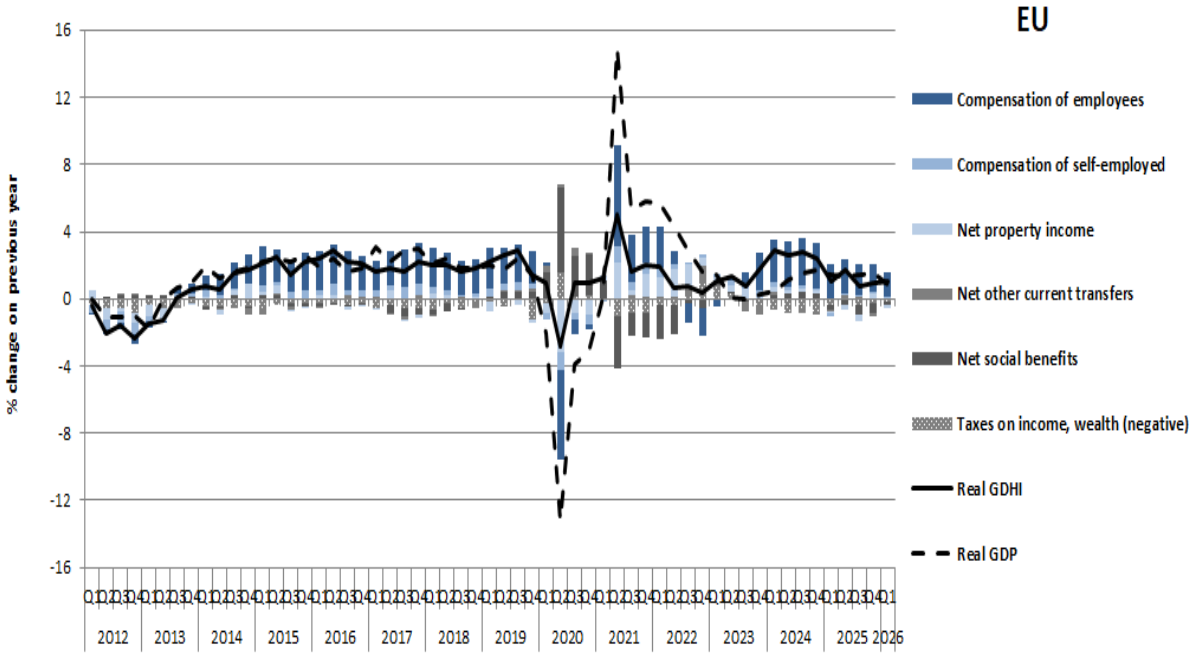
Note: GDHI EU aggregate for Member States for which data are available. Nominal GDHI is converted into real GDHI by deflating with the deflator (price index) of household final consumption expenditure.

Figure 2: Unemployment rate versus unemployment expectations in the EU



Source: Eurostat, series on unemployment; European Commission, Business and Consumer Surveys [une_rt_m, ei_bsco_m]. Data seasonally adjusted.
Notes: Unemployment expectations: consumers' expectations for unemployment in the country over the next 12 months, moving average over past 3 months. The right scale is the balance between the share of respondents who expect higher unemployment and those who expect a lower one.

Figure 3: Real GDP growth, real GDHI growth and its main components - EU



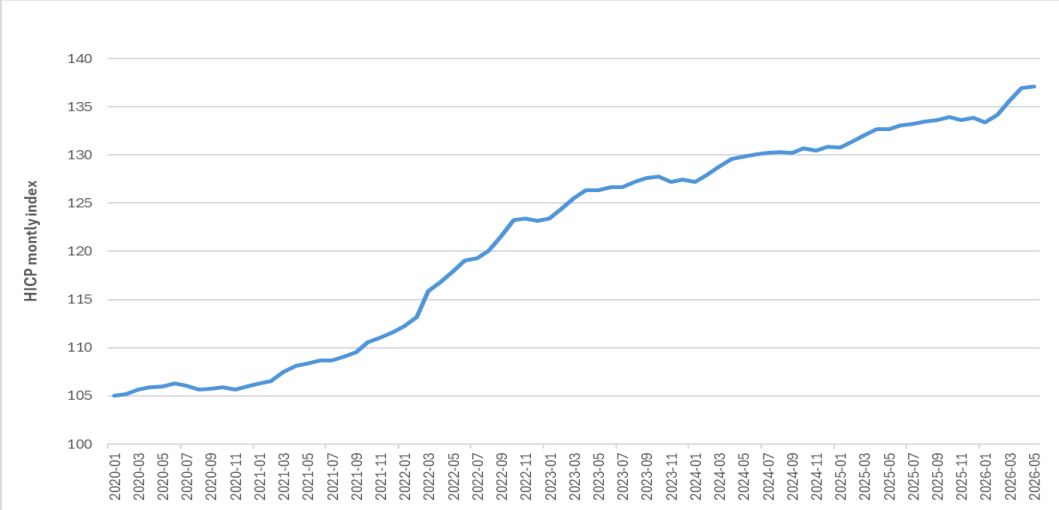
Source: Eurostat, National Accounts [nasq_10_nf_tr and namq_10_gdp]. Data non-seasonally adjusted
Notes: The nominal GDHI is converted into real GDHI by deflating with the deflator (price index) of household final consumption expenditure. DG EMPL calculations.

Inflation remained subdued in 2025, but with another sharp rise in early 2026

Inflation in the EU remained subdued over 2025 compared to the sharp rises of the years immediately following the launching by Russia of its war of aggression against Ukraine (Figure 4). In most Member States inflation in 2025 was broadly similar to that of the previous year, but with rates remaining relatively high, at over 4% after increasing further, in EE, HR, HU, RO and SK, and with marked rises in LV and LT,

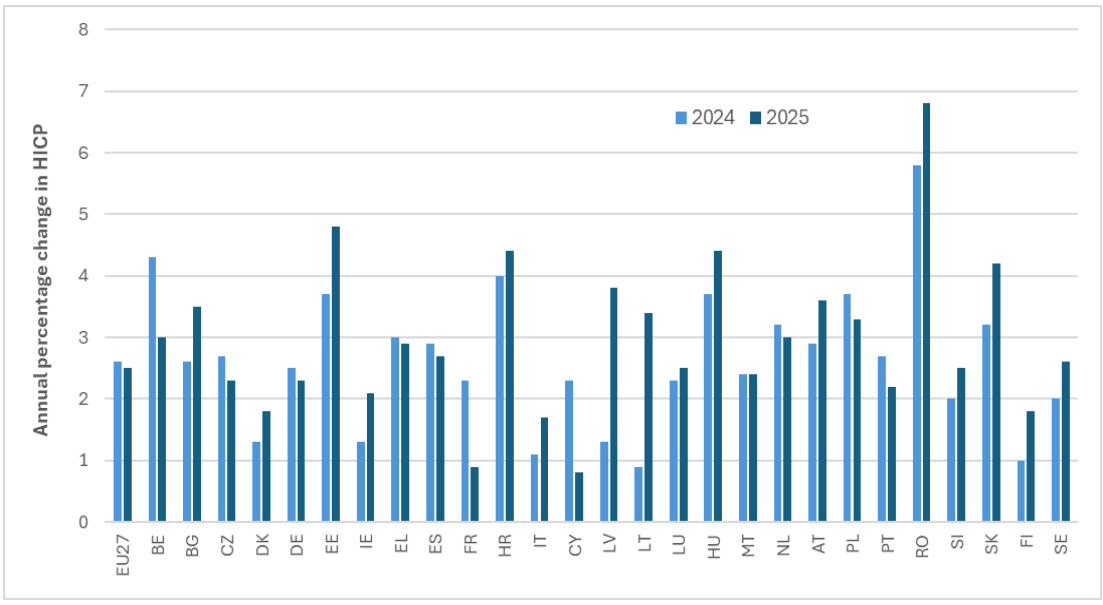
which contrasts with notable falls in BE, CY and FR (Figure 5). However, going into 2026 there are clear signs of another sharp rise in inflation in the EU, following the outbreak of conflict in the Middle East and the impact on the oil supply feeding through into rising prices.

Figure 4. EU27 Harmonised Index of Consumer Prices, January 2020 to May 2026



Source: Eurostat, HICP - monthly data (index) [prc_hicp_minr], 2015=100

Figure 5. Changes in Harmonised Index of Consumer Prices across Member States (Annual percentage change 2024 and 2025)



Source: Eurostat, HICP annual data (prc_hicp_aind)

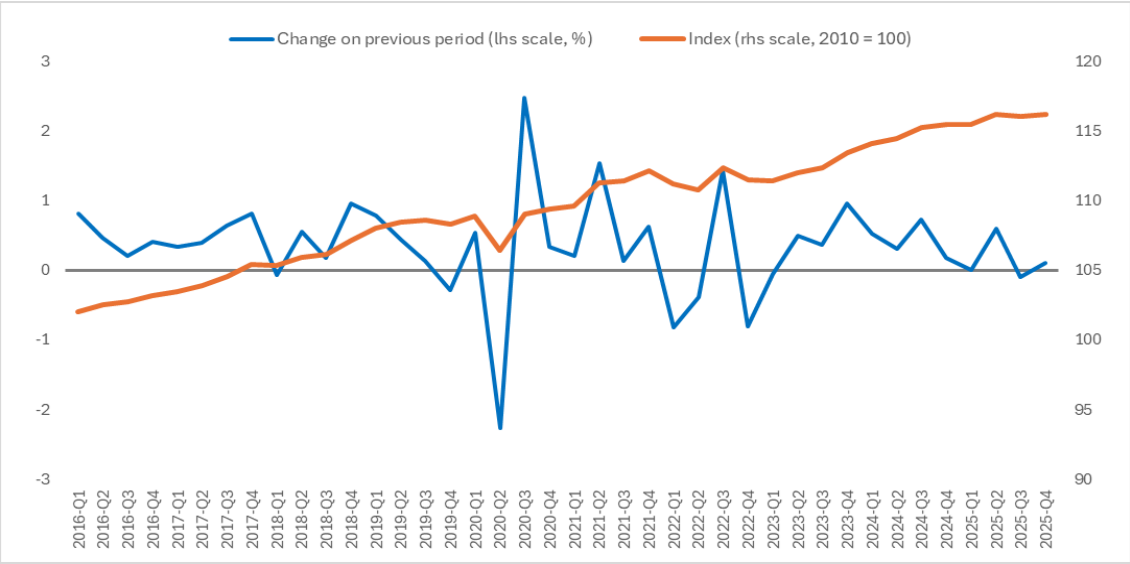
The cumulative effect of price increases over recent years since the inflation shock of 2022 remains a concern for EU citizens. However, an indicator based on quarterly national accounts data - the "quarterly growth rate of the gross disposable income of households and non-profit institutions serving

households, per capita in real terms"([23]) - shows that, based on figures for those available countries, people in the EU have generally seen some recovery in households' purchasing power in real terms over the period 2023-2025, although with the improvement on a downward trend and petering out in the latter half of 2025 (Figure 6). The cumulative effect over time, as shown by the index of gross disposable income of households in real terms per capita, indicates that at EU level household income per capita has improved by around 7% compared to 2019, with strong underlying improvements in Greece, Hungary, Poland, Portugal and Romania, and with an overall decline only observed in Finland. Compared to the end of 2021, before Russia launched its war of aggression against Ukraine and the subsequent inflation shock of 2022, at EU level household income per capita has improved by around 3.6%. These figures reflect developments in purchasing power for the population as a whole, and it should be borne in mind that, in general, people on lower incomes are more impacted by inflation than those with median or higher incomes, and hence the developments in their purchasing power may be less positive. However, with regard purely to income it appears that there has been a slight adjustment to the benefit of lower incomes in the distribution across quintiles at EU-level, with a decline in the inter-quintile income ratio from 5 in 2019 and 2021 to 4.6 in 2025.

Developments in household purchasing power, for the two-thirds of EU Member States for which quarterly GDHI data is available, indicate that GDHI in real terms per capita rose in most of these countries over 2025. The exceptions were Austria, Finland, France and Romania, where purchasing power fell and notably so in the latter, and Ireland and the Netherlands, where the change was negligible (Figure 7). The most notable increases were in Greece and Poland. With regard to the overall change in purchasing power over the last two years, between the last quarter of 2023 and that of 2025, all countries recorded an improvement, apart from Finland with a slight decline, and with rises in Poland and Portugal being especially strong.

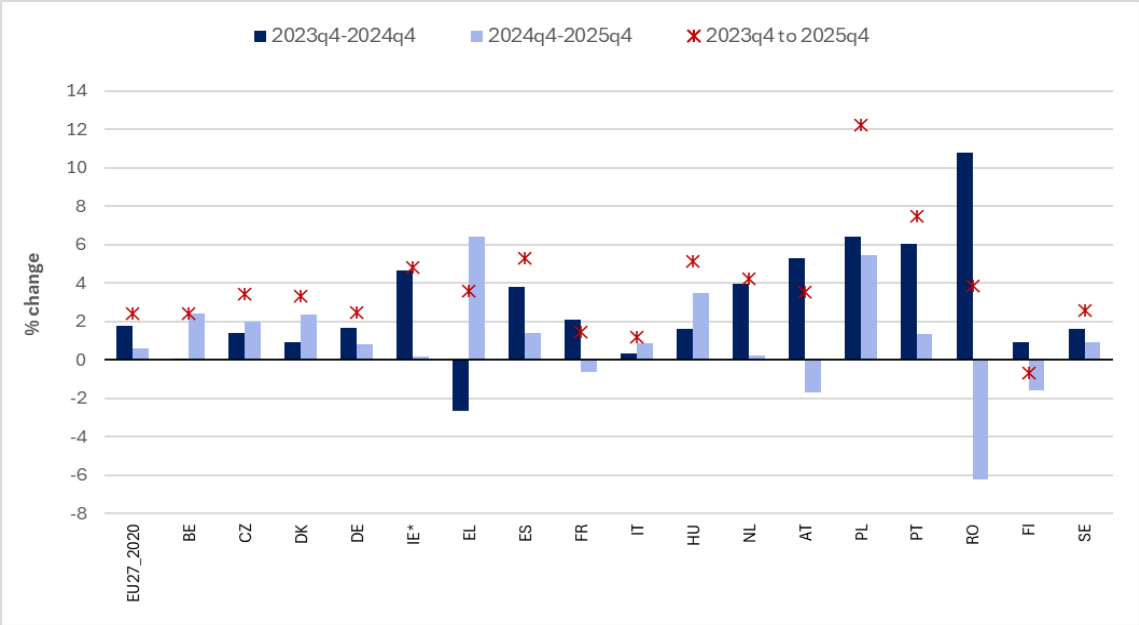
Figure 6 – Estimated quarterly growth rate (in % vs previous quarter) of the Gross disposable income of households, in real terms per capita, and evolution in index

([23]) The "quarterly growth rate (in %, versus the previous quarter) of the Gross (non-adjusted, i.e. social transfers in-kind are not taken into account) disposable income (seasonal and calendar adjusted) of households and NPISH (Non-profit institutions serving households) per capita in real terms. This indicator allows to monitor the evolution of purchasing power on a quarterly basis, although it is only available for around two thirds of the Member States.



Source: Eurostat, national accounts [nasq_10_ki]. Note: Data are seasonally and calendar adjusted.

Figure 7 - Growth rate in gross disposable income of households in real terms per capita, 2023Q4 to 2025Q4, for Member States where quarterly data is available



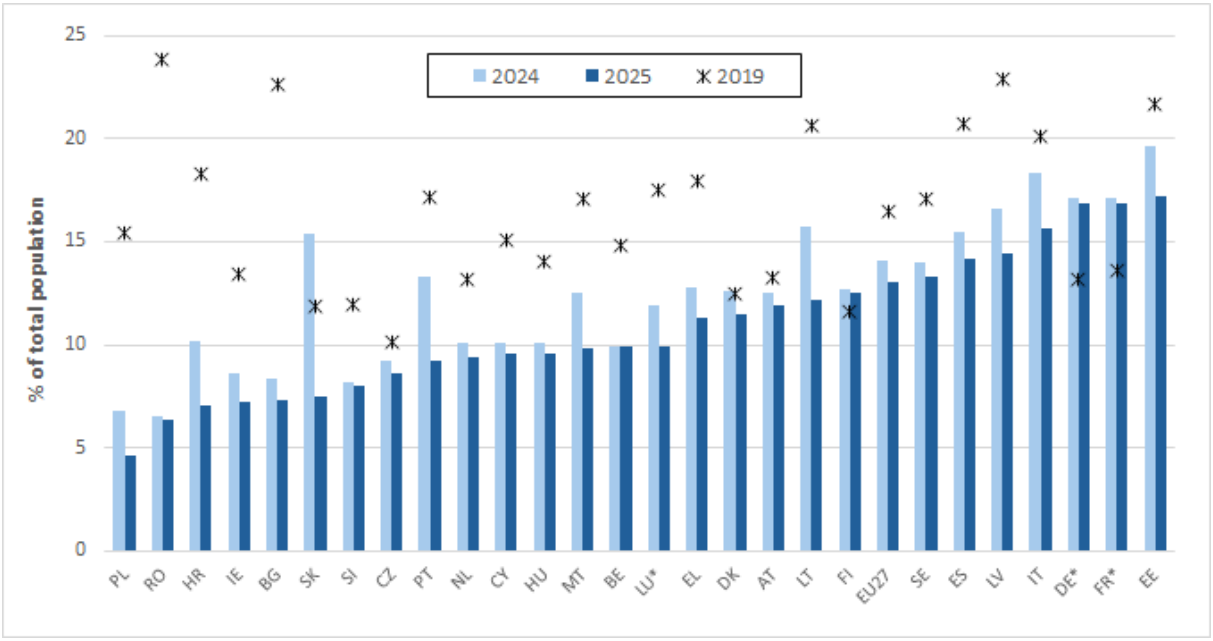
Source: Eurostat, national accounts [nasq_10_ki]. Note: Estimates have been obtained by dividing "(non-adjusted for social transfers in kind) GDHI for households and NPISH" (in current prices in national currency, source: ESTAT) by the price deflator index of the "final consumption expenditure for households and NPISH" (in national currency, source: ESTAT) and by the total population of a Member State (source: ESTAT) (linearly smoothing over quarters the population between year's start and year's end). GDHI and price index data used are those seasonally and calendar adjusted.

The at-risk-of-poverty rate anchored in time[24], a useful complement to the standard at-risk-of-poverty rate as it freezes the poverty threshold in real terms and controls for the effects of a moving (income)

[24] The at risk of poverty rate at a fixed moment in time (2019) is the share of persons in the total population with a nominal equivalized disposable income below the at-risk-of-poverty threshold calculated in survey year 2019 up-rated by inflation over the years (based on the annual harmonised index of consumer prices (HICP)). This results in the 'real' value of the threshold base year, i.e. adjusted for price increases in subsequent years. It involves keeping the poverty threshold fixed in real terms over a longer

poverty threshold, fell in all Member States apart from Belgium (where it was unchanged) between 2024 and 2025 (Figure 8), confirming that the financial situation for households at the bottom of the income distribution generally improved over 2025 in absolute terms. The strongest reductions were in Croatia, Lithuania, Portugal and above all Slovakia. For most countries the anchored poverty rate in 2025 was markedly lower than that in 2019, the main exceptions being Finland, France ([25]) and Germany which have seen a worsening of the rate.

Figure 8 - At-risk-of-poverty rate (%) anchored at a fixed moment in time, 2019, 2024 and 2025



Source: Eurostat, EU-SILC [tessi220]

Note: For DE, major break in time series in 2020, so figure to show longer term change refers to 2020 instead of 2019. For FR there is a major break in series in 2022, so 2019 figures are not fully comparable to 2024 and 2025. For LU there is a major break in series in 2025, so figures are not fully comparable to previous years.

Financial distress among consumers

In line with the improvement in real gross disposable household income in 2025, the overall share of people in the EU reporting financial distress ([26]) declined further over the course of the year and into 2026, falling continuously to April before ticking up slightly to 14.4% in May 2026 (Figure 9).

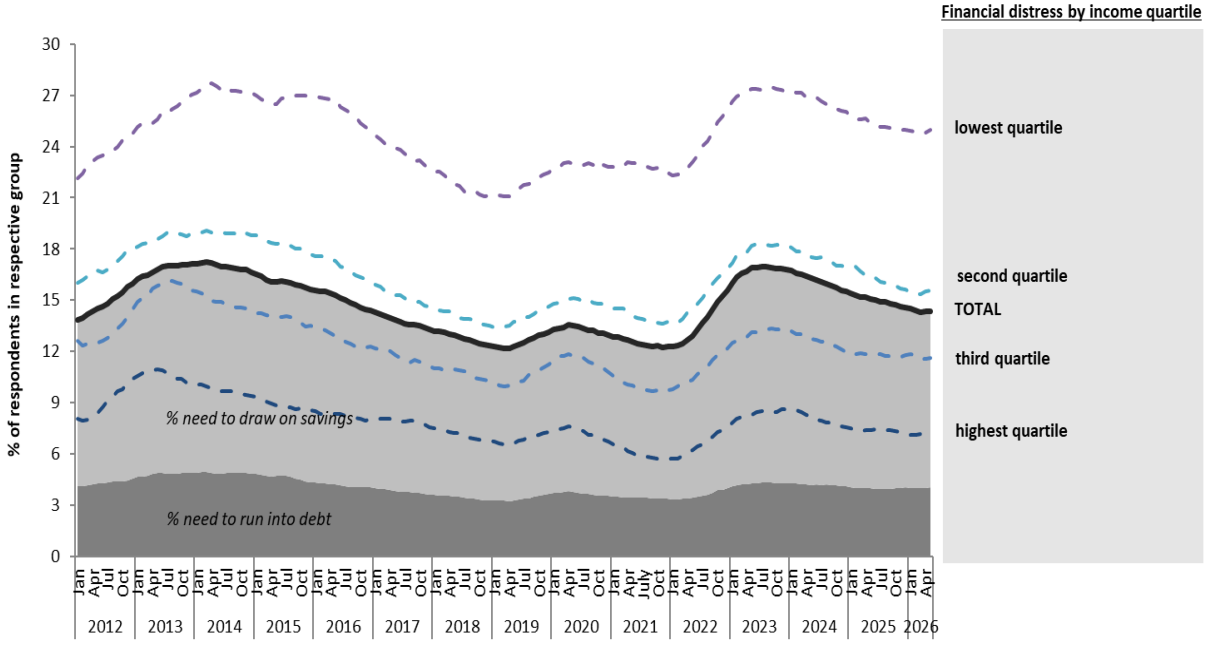
period of time and can thus provide useful context information to the at-risk-of-poverty rate, especially in times of falling incomes or high inflation.

([25]) For FR there is a major break in series in 2022, so 2019 figures are not fully comparable to 2024 and 2025.

([26]) The "financial distress" indicator is derived from EC joint harmonised EU business and consumer surveys, and provides a timely indication of trends in the share of the population whose households are facing financial difficulties and how households in the different income quartiles have been affected. The indicator focuses on households declaring that they had to "draw on their savings or go into debt in order to meet current expenditure". While subjective, it can provide a timely indication of the deterioration/improvement in the financial situation of households, and help to signal expected developments in the main indicators derived from EU-SILC.

Despite the recent improvement, the level of financial distress remains fairly high compared to 2019, reflecting the lasting impact of the sharp rises in prices over 2022 and 2023. Underlying the May 2026 figure, 10.3% of respondents reported a need to draw on savings and 4.1% the need to run into debt. While these are down on the recent peaks in 2023 of 12.7% and 4.3% respectively, they indicate that many people still need to make use of their savings and that one in every twenty-five people are running into debt in order to cope. Moreover, the impact of the recent sharp rise in inflation from spring 2026 onwards is yet to be seen fully in the financial distress figures.

Figure 9: Reported financial distress in the EU by income quartile – 2012 to spring 2026



Source: European Commission, Business and Consumer Surveys. 12-month moving average (DG EMPL calculations)

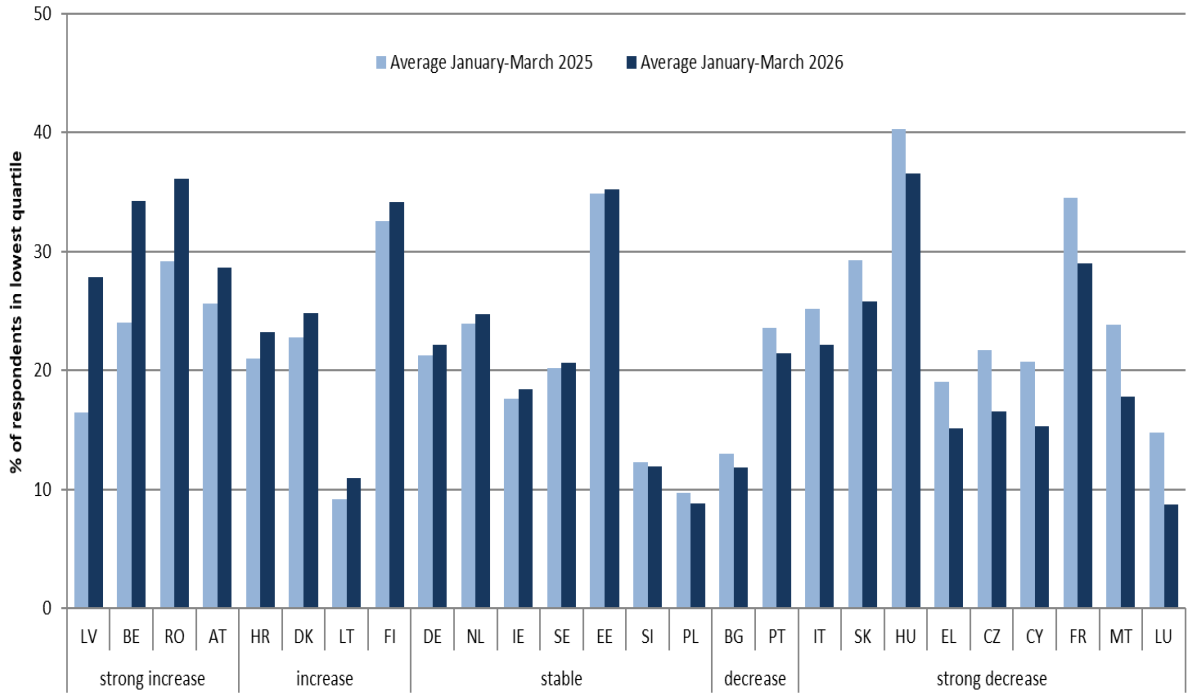
Notes: Reported financial distress by income quartile, and components of reported financial distress (share of adults reporting necessity to draw on savings and share of adults reporting need to run into debt). The overall share of adults reporting having to draw on savings and having to run into debt are shown respectively by the light grey and dark grey areas, which together represent total financial distress.

Financial distress remains particularly high for those on low incomes, affecting one in four of those in the lowest income quartile, and with a more noticeable uptick from March to May 2026 as the outbreak of the conflict in the Middle East started to impact consumer prices. However, together with those in the second income quartile, financial distress has fallen more strongly for this group than for those in the upper quartiles compared to the level at the start of 2025, thus leading to a slight narrowing of the gap. In May 2026, 25.0% of those in the lowest income quartile reported being in financial distress, compared to 7.2% for those in the highest income quartile. Shares of those in financial distress in the middle-income brackets, i.e. the second and third quartiles, were 15.6% and 11.6% respectively. The sharp rise in the cost of living of previous years continues to be felt by all income groups, but especially so by those in the lower part of the income distribution.

Developments over the latest year in the level of financial distress among people in the lowest income quartile vary considerably across Member States. Financial distress decreased strongly in a third of

Member States between the first quarter of 2025 and that of 2026, and most markedly so in Luxembourg and Malta. For around a third of Member States, reported financial distress remained broadly stable or slightly down on the previous year. For the remaining third, the share of people in financial distress in the lowest quartile increased, but markedly so only in 4 countries (Austria, Belgium, Latvia and Romania) (Figure 10). In the first quarter of 2026, the share of people in the lowest income quartile reporting financial distress was especially high (at or above 30%) in Belgium, Estonia, Finland, Hungary and Romania.

Figure 10: Reported financial distress in the lowest income quartile across Member States, 2025 Q1 and 2026 Q1



Source: European Commission, Business and Consumer Surveys. 3-month moving average (DG EMPL calculations).
Note: No data for ES in 2025.

(b) Trends in expenditure, take-up and effectiveness of social benefit schemes

Expenditure on social protection benefits

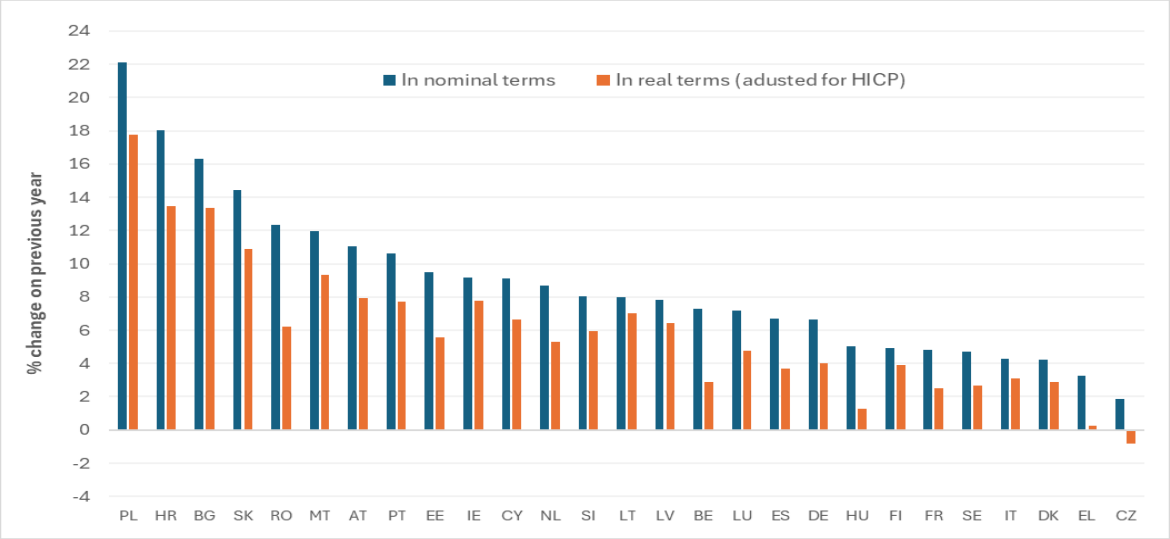
A key element affecting the redistribution of income, and hence poverty, is transfers through social benefit payments. Early estimates **([27])** on EU expenditure on social protection benefits in 2024 indicate that EU countries combined spent 27.3% of gross domestic product (GDP), or €4,923 billion, on social protection benefits in that year. In nominal terms this was an increase of 6.9% compared with 2023, but

([27]) This section compares early estimates and core data available for Member States in June 2026 with indicators based on the ESSPROS Core System for the previous year. The early estimates do not include 'administration costs'.

of 4.2% in real terms. Relative to GDP, expenditure on social protection benefits increased from 26.7% to 27.3%, up 0.6 pps, resulting from GDP rising at a slower pace (up 4.4% in nominal terms) than expenditure on social protection benefits (up 6.9%).

In nominal terms, many Member States saw substantial rises in expenditure on social protection benefits in 2024, with increases in excess of 6% in more than two-thirds of Member States. The largest increases in social protection expenditure in 2024 (Figure 11) were observed in Poland (up 22.1% compared with 2023) followed by Croatia (up 18.0%) and Bulgaria (up 16.3%). In contrast, expenditure on social protection benefits rose at a relatively slow pace in 2024 in Czechia (up 1.9%), Greece (up 3.2%) and Denmark and Italy (both up just over 4%). When adjusted for inflation (using the overall national HICP in 2024), the change in expenditure in real terms was considerably lower than the nominal change in almost all Member States, although still remaining substantial at around 4% or more in two-thirds of countries. The largest downward corrections for inflation were for Belgium, Croatia, Poland and above all Romania, while the real change in expenditure in Greece was close to zero and in Czechia slightly negative.

Figure 11: Annual percentage change in expenditure on social protection benefits, 2024, in nominal terms and real terms (adjusted for annual change in HICP)



Source: Eurostat (online data code: spr_exp_func) and Eurostat early estimates, and DG EMPL calculation of real change.
Note: for euro area Member States, variations are based on data in euro terms. For countries not in the euro area, variations are based on data in national currencies. All 2024 data are preliminary except for BG, HR, MT, AT.

The number of social benefit recipients for different social schemes

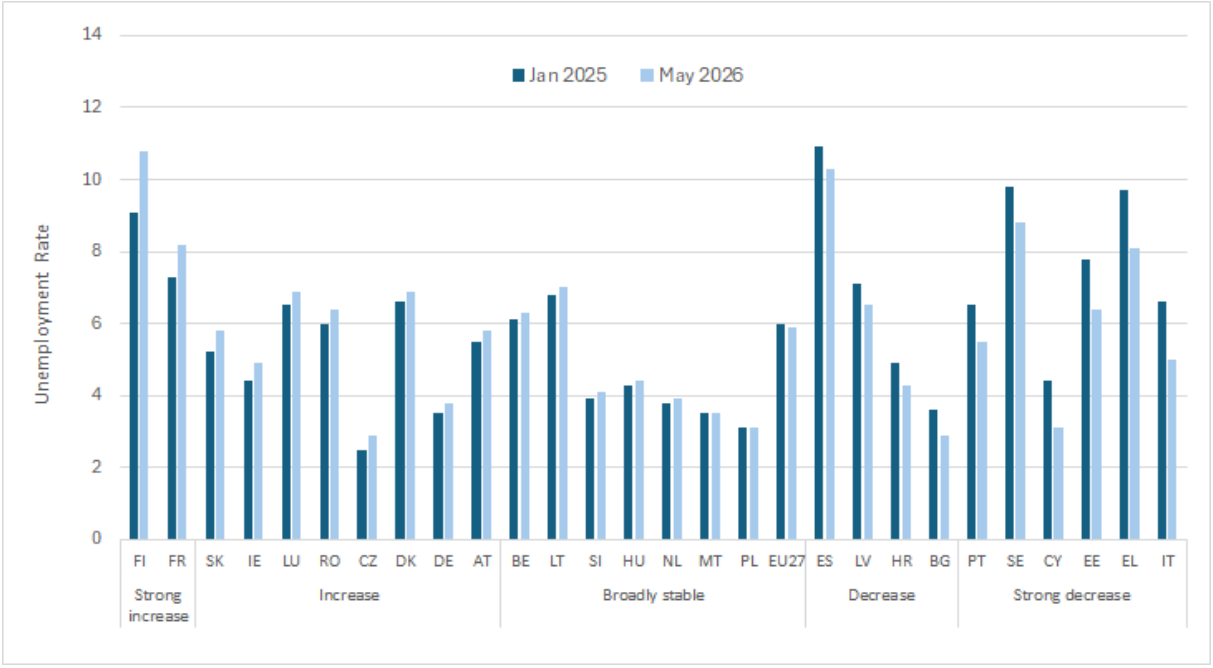
Since the financial crisis of 2008, the SPC has been collecting data on the number of social benefit recipients for different social schemes ([28]) (generally unemployment, social assistance and disability benefits). From this data, it is possible to get a timely picture of the level of usage and pressure on social

([28]) Although this information needs to be assessed with due caution (as it does not offer cross-country comparability due to the diversity of concepts and underlying definitions used) the numbers of beneficiaries are available every month in most Member States and help to observe trends and the timing of the impact of crises.)

security systems across the EU, and how these have changed over recent periods. Nevertheless, possible budget adjustment measures can also affect eligibility and level of social benefit schemes.

The general macro-economic background over the year up to spring 2026 led to a broadly constant average unemployment rate for the EU as a whole, with the seasonally-adjusted rate remaining constant at 6.0%. The rates reflect historically low levels, well down on those experienced during the more recent COVID crises. However, underlying the broadly stable development at EU level are more noticeable variations in the evolution of unemployment rates in individual Member States. For just over a third of Member States the unemployment rate declined noticeably over this period, most notably in Cyprus, Estonia, Greece, Italy, Portugal and Sweden. In contrast, rates remained broadly stable in just under a third of countries, and rose in the remaining third, most notably in Finland and France (Figure 12).

Figure 12: Unemployment rates (seasonally adjusted) in the EU and Member States in January 2025 and May 2026



Source: Eurostat, LFS - monthly data (UNE_RT_M), seasonally adjusted

Against this background, the latest figures available, generally covering up to spring or early summer 2026 for around three-quarters of Member States, suggest the following main developments in benefit recipient numbers compared to the same month of the previous year ([29]) (Table 1):

- Comparing the latest available month with the same month in the previous year, the number of unemployment benefit recipients has risen in slightly under half the reporting Member States, and particularly so (in relative terms) in Czechia, Estonia and Malta. The number decreased in 12 countries, in relative terms most notably in Belgium and Greece (Table 1, left-hand columns)).

(29) As with unemployment, there are also seasonal patterns in the number of people receiving unemployment benefits, so the most recent observation for each Member State is compared with the same reporting month in the previous year.

- The number of recipients of social assistance benefits has fallen noticeably in two-thirds of reporting Member States, with particularly significant relative reductions in Czechia, Ireland and Lithuania (Table 1, right-hand columns). In contrast, there were rises in the number of social assistance benefit recipients only in a few countries, with a notable increase only in Spain.

Table 1: Year-on-year change in unemployment benefit recipient numbers and social assistance recipient numbers for latest month of data available in 2026

	Change in **unemployment benefit** recipient numbers for latest available month of data versus same month of previous year			Change in **social assistance** recipient numbers for latest available month of data versus same month of previous year		
	Absolute change (1000s)	Relative change (%)	Latest month of data	Absolute change (1000s)	Relative change (%)	Latest month of data
BE	-82.5	-28.8	April 2026	na	na	-
BG	na	na	-	na	na	-
CZ	14.1	16.5	May 2026	-17.0	-25.8	April 2026
DK	na	na	-	na	na	-
DE	-35.0	-0.7	March 2026	na	na	-
EE	4.5	30.2	May 2026	-0.5	-7.2	May 2026
IE	6.0	4.3	May 2026	-2.0	-20.0	May 2026
EL	-15.9	-12.5	May 2026	-29.5	-11.7	May 2026
ES*	40.2	2.3	April 2026	373.9	16.6	June 2026
FR	55.4	2.0	Feb 2026	37.7	2.0	March 2026
HR	-1.0	-5.6	May 2026	-2.0	-4.5	May 2026
IT	na	na	-	na	na	-
CY	na	na	-	na	na	-
LV	-2.2	-7.1	May 2026	-1.0	-9.1	May 2026
LT	-0.9	-1.1	May 2026	-9.1	-14.2	May 2026
LU	-0.6	-5.6	May 2026	0.3	3.1	June 2026
HU	-4.6	-5.4	April 2026	na	na	-
MT	0.12	20.7	June 2026	-0.09	-2.4	June 2026
NL	19.0	10.3	April 2026	4.0	1.0	April 2026
AT	22.0	7.3	Feb 2026	na	na	-
PL	-7.3	-5.9	May 2026	na	na	-
PT	-10.1	-5.4	May 2026	-15.7	-9.2	May 2026
RO	5.0	9.6	May 2026	-4.0	-1.5	April 2026
SI	-0.5	-3.6	April 2026	-1.9	-2.7	May 2026
SK	2.5	6.9	May 2026	0.0	-0.1	May 2026
FI	20.1	6.3	Dec 2025	1.7	1.1	May 2026
SE	-8.7	-3.4	Dec 2025	-6.3	-8.1	Dec 2025

Source: SPC data collection on social benefits recipients
Note: For unemployment benefit: No recent monthly data for BG, DK and CY. Data for IT only annual figures available. For social assistance: No recent monthly data for AT, BE, BG, CY, DK and HU. Data for DE, IT and PL only annual figures available. For ES, data refers only to monthly data for the IMV (Minimum Vital Income) national scheme, but there exist also regional minimum income schemes that are included in social assistance but for which data is only available annually.

Trends in individual Member States regarding the number of recipients of standard benefits can be found in the related chart in the country profiles produced as a separate annex (Annex 1) to this SPC annual report.

Effectiveness of income support systems

The effectiveness of social cash benefits in addressing poverty, as measured by the impact of social transfers (excluding pensions) on reducing monetary poverty, varies greatly across Member States. In 2025, it ranged from 15.5% in Greece, and only slightly over 20% in Croatia, Hungary, Latvia, Romania and Spain, to 50% or more in Belgium, Denmark and Ireland (Table 2). These large differences highlight the potential scope for improvement in some Member States in the size and effectiveness of social protection expenditure. Between 2024 and 2025, just under a third of Member States (7) recorded significant improvements in the capacity of social cash transfers to reduce the risk of poverty, while in a similar number (8) the impact was significantly reduced, most notably in Austria and the Netherlands. In the longer term, between 2019 and 2025, only 5 countries (Belgium, Bulgaria, Denmark, Italy and Romania) have significantly strengthened the impact of social transfers in reducing the risk of poverty, with especially strong improvements in Belgium and Italy, where in both the impact has increased by more than 10 pps. In contrast, there are 7 countries where the impact has significantly decreased compared to 2019, most notably in Austria, Hungary and Slovenia, where for all the impact has decreased by more than 10 pps. For the remaining half of Member States, no significant changes were observed compared to the situation in 2019.

Table 2: Impact of social transfers (excluding pensions) on at-risk-of-poverty reduction in 2025, and evolutions 2024-2025 and 2019-2025

	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2025	33.2	52.6	26.9	40.0	51.8	34.0	29.6	51.5	15.5	23.2	38.5	23.5	30.6	31.3
2024-2025 change in pp	-0.9	-0.5	-0.8	-0.6	1.4	-1.7	-1.9	0.7	-1.1	-0.7	-0.4	1.9	-0.7	0.9
2019-2025 change in pp	0.5	10.9	3.2	0.8	4.6	-0.5	1.5	-6.9	-7.3	0.2	n.a.	n.a.	10.4	-1.0
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2025	22.0	27.3	44.2	23.1	24.9	36.8	34.8	38.9	26.0	21.7	34.4	40.8	44.6	38.3
2024-2025 change in pp	0.5	1.5	n.a.	-0.5	1.4	-4.2	-5.8	-2.6	3.5	2.9	-3.3	4.1	-1.8	-2.2
2019-2025 change in pp	-1.4	-4.2	n.a.	-13.3	-1.4	-1.5	-14.4	2.0	1.7	6.4	-11.1	2.8	-9.3	-2.5

Source: Eurostat (EU-SILC)

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "n.a." refers to changes being subject to a major break in series. Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance. ii) For the at-risk-of-poverty rate, the income reference year is the calendar year prior to the survey year. iii) In 2022 there was a break in the time series for almost all Member States (with the exception of Finland) in the AROP rates before social transfers, due to changes in the definition of disposable income before transfers (excluding pensions). However, this was not a major change and longer-term comparisons are still feasible while acknowledging this change. iv) For DE the longer-term comparison is for 2020 to 2025 due to the major break in EU-SILC data series in 2020. v) Long-term changes not shown for FR, HR and LU due to the existence of major breaks in series.

One group particularly in need of support from social benefits are persons living in (quasi-)jobless households ([30]), but Member States also differ substantially in terms of the adequacy of the income benefits they provide to such households. In 2025, the poverty risk for people living in (quasi-) jobless households ranged from as high as around 75% or over in Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovenia, Slovakia and Sweden, and even over 80% in Malta, to around 50% or under in Belgium, Cyprus, Denmark and Ireland.

A third of Member States experienced a significant worsening of the poverty risk for people in (quasi-)jobless households between 2024 and 2025, with particularly strong increases in Malta and the Netherlands (Table 3), suggesting a notable reduction in the effectiveness of safety nets in terms of income support in these countries. In contrast, significant improvements were recorded in only 4 Member States, most notably in Hungary and Ireland. The longer-term trend since 2019, has also mainly been one of mixed developments across countries in income poverty reduction for (quasi-)jobless households. In a third of Member States the at-risk-of-poverty rate increased significantly compared to 2019, while almost half recorded statistically insignificant changes in the situation. Only 5 countries have managed to achieve marked improvements compared to 2019, most notably Belgium and Romania.

Table 3: At-risk-of-poverty rate for the population living in (quasi-)jobless households in 2025 (in %), and evolutions 2024-2025 and 2019-2025

	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2025	66.3	50.0	75.0	69.4	46.3	66.5	74.6	47.3	68.0	64.4	71.4	71.0	63.4	49.6
2024-2025 change in pp	1.3	-0.5	-0.4	-4.9	1.0	3.7	-1.0	-12.5	0.8	0.6	1.1	-1.7	-2.0	0.7
2019-2025 change in pp	0.5	-13.4	-2.7	8.4	-8.2	9.6	5.7	-4.5	9.7	4.2	n.a.	n.a.	-6.2	5.0
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2025	79.7	75.9	57.6	67.8	82.7	71.9	63.0	62.0	63.2	74.7	77.4	78.7	69.7	77.9
2024-2025 change in pp	-1.8	6.6	n.a.	-10.5	15.1	11.6	-3.7	7.8	0.3	-8.6	1.7	8.3	3.4	5.6
2019-2025 change in pp	0.9	-2.4	n.a.	6.1	11.6	8.6	5.2	-3.3	0.8	-9.6	3.6	1.2	6.4	-6.7

Source: Eurostat (EU-SILC)

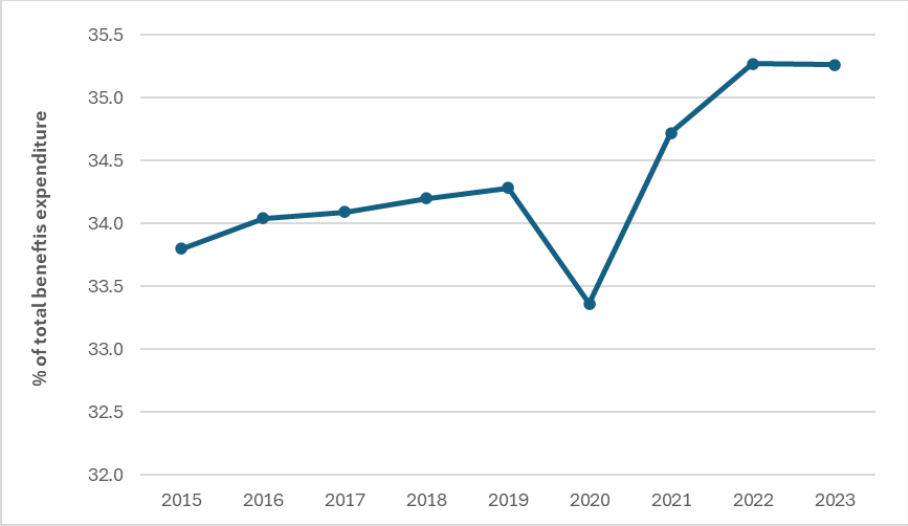
Note: i) Only significant changes have been highlighted in green/red (positive/negative changes. "n.a." refers to to changes being subject to a major break in series. Eurostat calculations on statistical significance of net change have been used where available, combined with checks for substantive significance. ii) For the at-risk-of-poverty rate, the income reference year is the calendar year prior to the survey year. Similarly, (quasi-)jobless households (i.e. very low work intensity) refers to the household situation in the previous calendar year. For DE the longer-term comparison is for 2020 to 2025 due to the major break in EU-SILC data series in 2020. Long term changes not shown for FR, HR and LU due to major breaks in series.

The above assessment of the effectiveness of social transfers in reducing income poverty does not, however, consider non-cash benefits such as transfers in kind. High-quality welfare services in the form of healthcare, education, long-term care services and childcare, etc., contribute strongly to a more equitable distribution of welfare, and have long been a feature especially of Nordic and West European

([30]) Households where working-age adults (18-64) worked 20% or less of their total work potential during the year prior to the EU-SILC survey.

welfare systems. Eurostat figures on EU expenditure on social protection benefits indicates that as European welfare states have turned more towards in-kind benefits or have adapted their systems to meet the changing structure of support needs (such as those arising from ageing populations), there has been a gradual shift from spending on cash benefits to spending on in-kind benefits, which on average accounted for around 35% of social spending in European countries in 2023 (Figure 13).

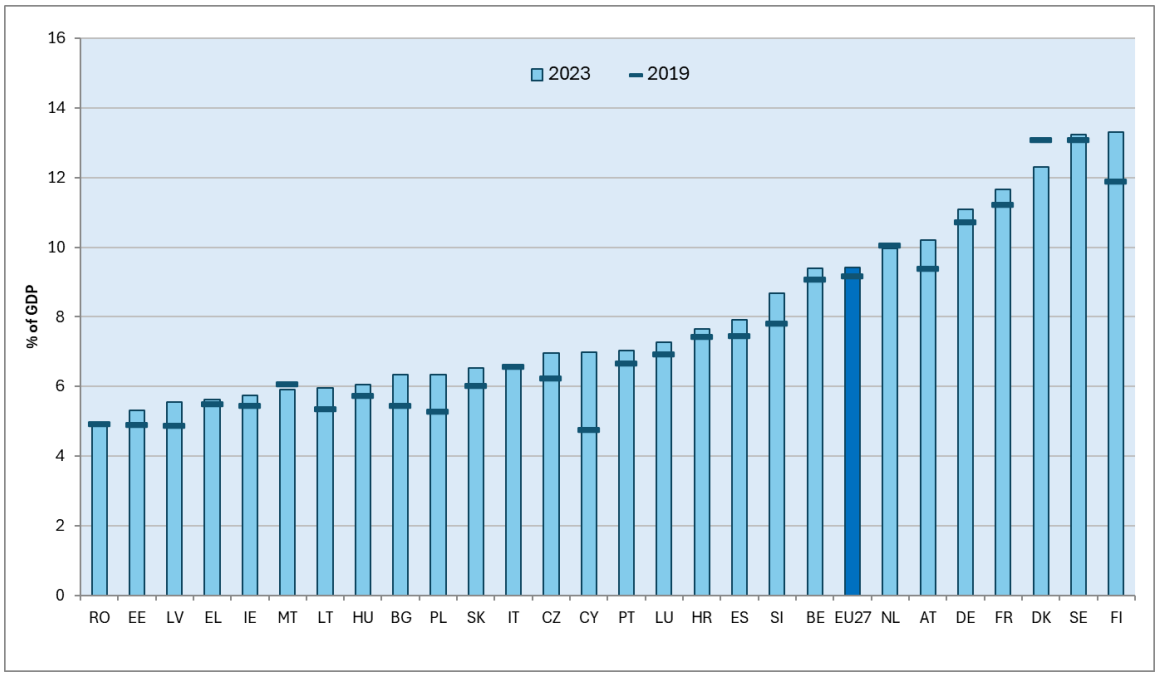
Figure 13: Trends in the share of benefits in kind in total benefits expenditure in the EU, 2015-2023



Source: Eurostat (Esspros)

In-kind benefits expenditure averaged around 9.4% of GDP in the EU in 2023, ranging from around 5-6% of GDP in the Baltic States, Greece, Ireland, Malta and Romania to over 12% in Denmark, Finland and Sweden (Figure 14). In most countries the spending on in-kind benefits as a share of GDP has increased since 2019, with the most marked rises in Finland, Poland and above all Cyprus. It declined significantly only in Denmark. In general, the countries which achieve a low impact of social transfers on income poverty reduction tend also to be those that spend less on in-kind services.

Figure 14: Social benefits in-kind, as % of GDP, 2019 and 2023



Source: Eurostat (Esspros)

Note: Figures refer to benefits in kind, i.e. goods and services provided in kind to beneficiaries and not only in-kind services.

(c) Main trends to watch from the 2026 SPPM dashboard update

Main latest year trends

EU-SILC 2025 data **([31])** point to a reduction of around 0.5 million compared to 2024 in the overall number of people at risk of poverty or social exclusion in the EU. Overall, few Member States experienced significant reductions in the AROPE rate and its components, with a broadly similar number showing a deterioration, other than on severe material and social deprivation where the balance of countries' developments was more to the positive.

The update of the Social Protection Performance Monitor (SPPM) dashboard ([32]), which is mainly based on the latest annual 2025 EU-SILC data ([33]) and 2025 LFS data , points to a broadly stable situation overall, but with rather mixed developments overall across Member States ([34])in many areas in 2025, although with signs of improvement in the situation in some (Figure 15). Among the latter, positive

([31]) Figures are for data extracted from the relevant source on 29 June 2026.

([32]) The SPPM dashboard is a tool which uses a set of key EU social indicators for monitoring developments in the social situation in the European Union (for details on the methodology see the technical annex)

([33]) Which refers to 2025 for deprivation indicators and 2024 for income and work intensity indicators.

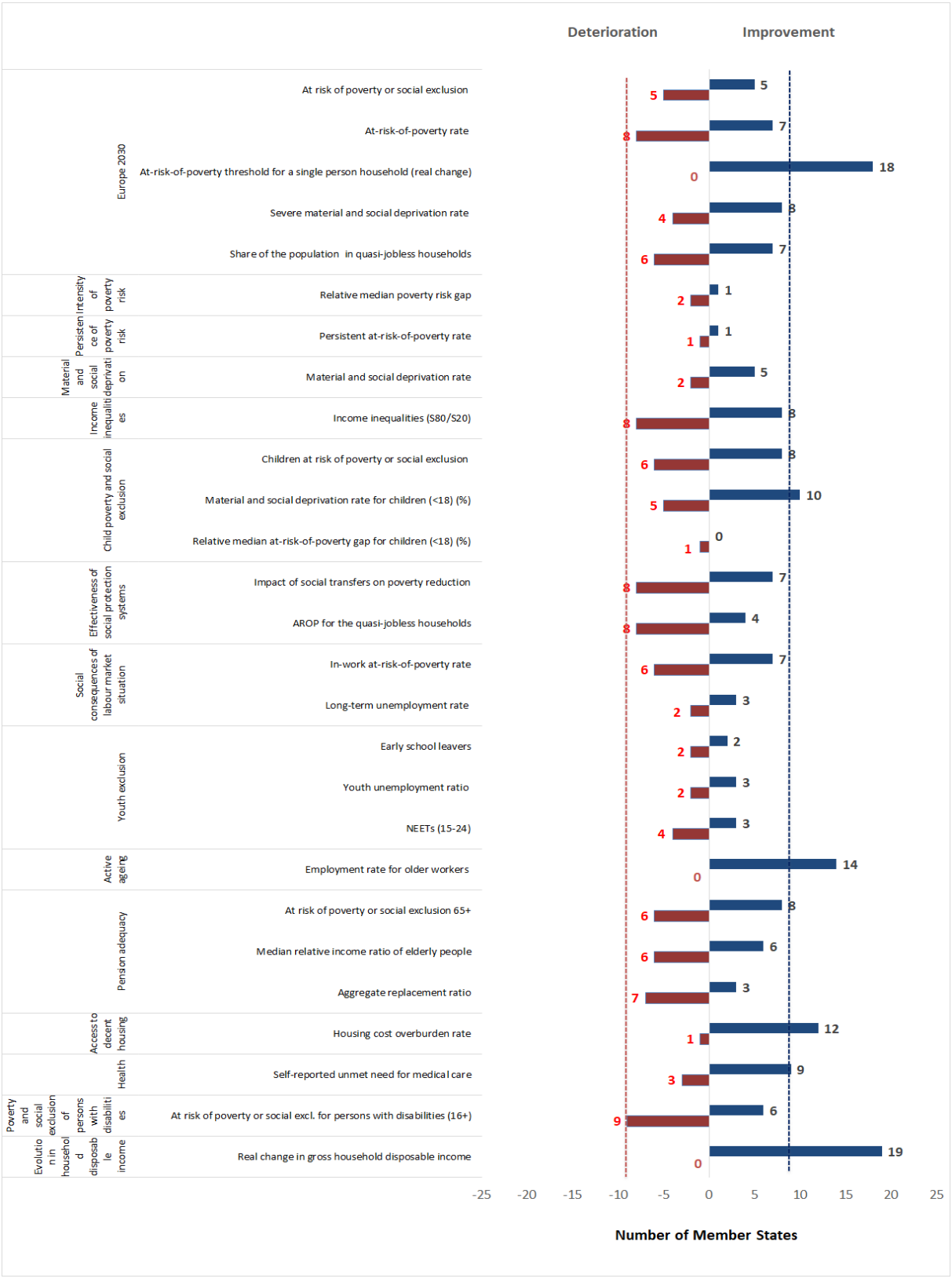
([34]) Generally, changes refer to 2024-2025, but for healthy life years at 65 and real change in gross household disposable income the year refers to 2024 and the changes to 2023-2024, as no 2025 figures available.

developments in the social situation, with significantly more Member States registering positive changes than those recording negative ones, could be observed in the following areas:

- significant improvements in **real gross household disposable income** in two-thirds of Member States, and related to this a rise in the **poverty threshold** in a similar number of countries, reflecting an overall improvement in household financial conditions, and a significant reduction in **severe material and social deprivation rates** in a third of countries;
- significant reductions in the **material and social deprivation rate for children** in 10 MS;
- falls in the **housing cost overburden** rate in almost half (12) of MS;
- continued rises in the **employment rate of older workers** in 14 MS;
- reductions in self-reported **unmet need for medical care** in a third of countries.

However, the overall picture during the reference period is one of rather mixed developments in most areas, with similar numbers of countries showing an improvement or a deterioration, although with signs of a balance towards deterioration in the social situation concerning the effectiveness of social protection systems in reducing the **at-risk-of-poverty rate for (quasi-)jobless households**, (where 8 MS recorded a deterioration) and to some extent in the risk of poverty or social exclusion for **adults with disabilities**, where the rate worsened in a third of Member States. Also of note was the very limited change in the situation for **young people** and in addressing the **depth and persistence of income poverty**.

Figure 15: Areas of deterioration (social trends to watch) and improvement for the period 2024-2025 (or latest year available)[+]

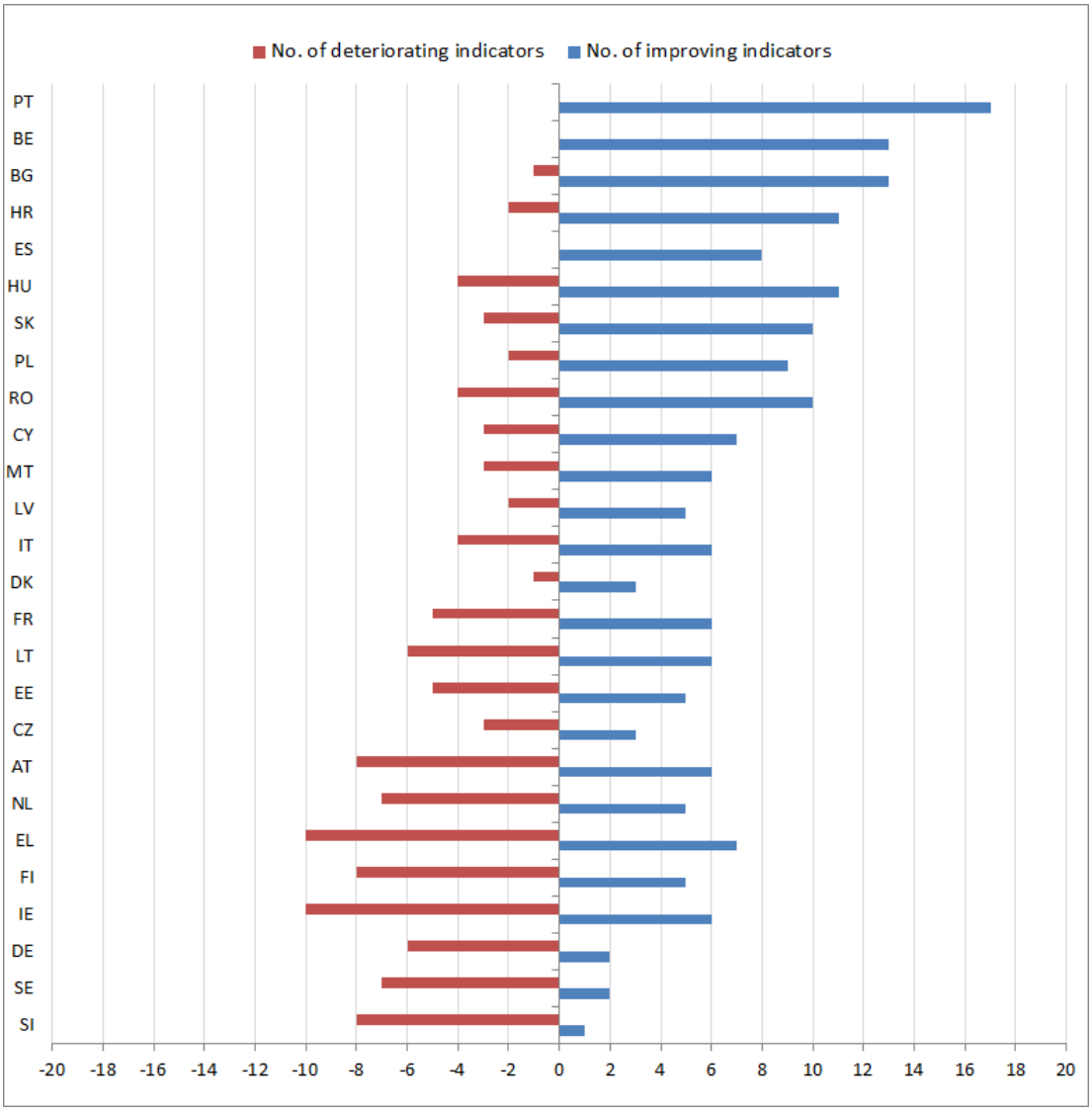


Source: Social Protection Performance Monitor.

Notes: ⁺Changes generally refer to the period 2024-2025 (although for income and household work intensity indicators the changes actually refer to 2023-2024). At-risk-of-poverty rate (AROP), severe material and social deprivation rate (SMSD) and the share of the population in (quasi-)jobless households indicators are components of the AROPE indicator. Figures for real change in gross household disposable income and healthy life years at 65 refer to 2023-2024 as no 2025 figures available. For LU, major break in 2025 for EU-SILC based indicators, so no changes for LU for the SILC-based indicators reflected in the chart.

Figure 16 highlights per country the number of significant improvements or deteriorations that have taken place in the social indicators in the SPPM dashboard in the latest reference period (generally between 2024 and 2025). This shows a mixed picture in developments in the social situation across EU countries, with around half of Member States recording either a higher number of indicators showing a significant deterioration rather than an improvement (most notably Slovenia, Sweden, Germany and Ireland) or a broadly similar number. For the other half, developments were clearly more tilted towards the positive, this especially being the case in Belgium, Bulgaria, Croatia and above all Portugal, all with many indicators showing improvement and few to none showing a decline.

Figure 16: Number of SPPM key social indicators per Member State with a statistically significant improvement or deterioration from 2024 to 2025+



Source: Social Protection Performance Monitor

Notes: (i) Bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2024 and 2025 (or 2023-2024 where 2025 figures not available). Countries are ordered by net balance in the number of indicators with a positive versus negative change; (ii) For EU-SILC based indicators for income and household work intensity, changes actually refer to the year before the survey. (iii) Figures do not reflect latest year changes for healthy life years at 65 indicators; (iv) Real change in gross household disposable income refers to changes 2023-2024 as no 2025

figures available (v) For LU, major break in series in EU-SILC data in 2025, so figures for LU not shown in the above comparison across Member States.

Main trends from the SPPM compared to 2019

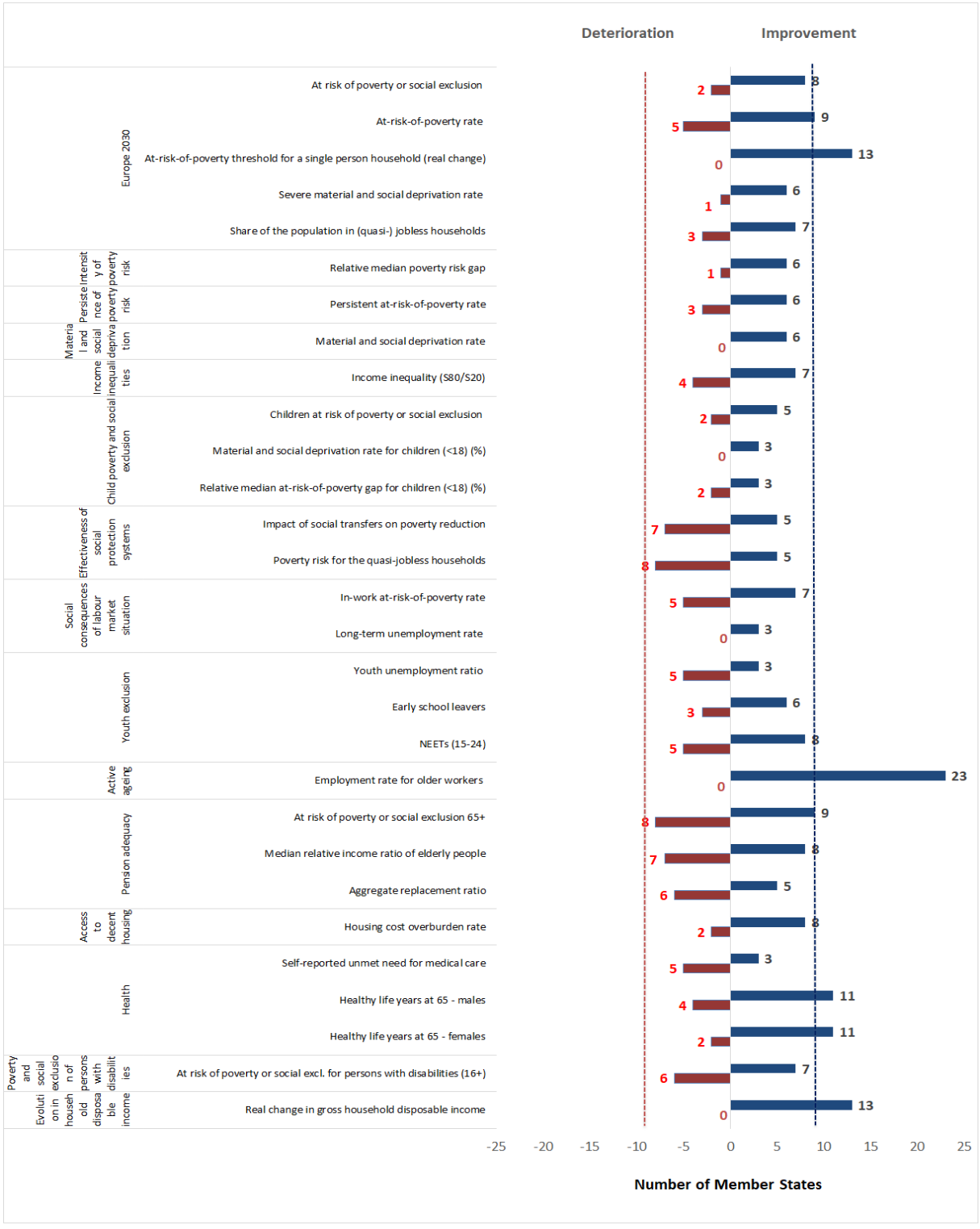
In a longer-term perspective, developments compared to 2019, the reference year for the European Pillar of Social Rights Action Plan's poverty and social exclusion target for 2030, continue to paint a general picture of quite limited change except in a few areas (Figure 17). This reflects in part the impact of recent crises including the COVID pandemic, the ongoing Russian war of aggression against Ukraine, and the substantial rise in inflation over recent years, which have impeded the Member States in achieving a significant improvement in the social situation. Only around a third of Member States have experienced substantial improvements in the risk of poverty or social exclusion compared to 2019, and similarly for the risk of poverty, while even fewer countries have seen significant improvements in the AROPE components on severe material and social deprivation and the share of (quasi-)jobless households. On the other hand, it should be recognised that the social situation in the EU has proven to be rather resilient as it has generally not deteriorated given the backdrop of the serious challenges posed by the recent crises.

Results from the SPPM dashboard highlight that there have been significant reductions in the at-risk-of-poverty rate in around a third of Member States, and improvements in the at-risk-of-poverty threshold in half, the latter also reflecting widespread improvements in aggregate real gross household disposable incomes. However, this has not translated into reductions in severe material and social deprivation rates in many countries, reflecting the marked rise in inflation over recent years and the greater impact of this on lower income households. Also of note is the widespread success in raising the employment rates for older workers compared to 2019 across a large majority of Member States (23) and improvements in healthy life years in many countries. In contrast, there have been rather mixed developments in the situation of older people aged 65 and over, with a third of countries registering improvements in the at-risk-of-poverty-or-social-exclusion rate and the median relative income ratio for this age group but a broadly similar number of countries showing a deterioration. This is also the case for the AROPE for persons with disabilities. Moreover, the situation for children has improved in only a few countries, despite the child-related goal of the 2030 poverty reduction target and ongoing implementation of the European Child Guarantee. Furthermore, a significant number (almost a third) of countries have witnessed a weakening in the effectiveness of social protection systems, as highlighted by declines in the impact of social transfers in reducing poverty risk and rises in the poverty risk for persons living in (quasi-)jobless households, even if a smaller number showed an improvement.

Figure 18 shows the number of indicators in the SPPM dashboard for which a given country registered a significant deterioration or improvement over the period 2019 to 2025. For around half of Member States, there is a significantly higher number of indicators showing positive developments rather than negative ones, this being especially the case in Belgium, Bulgaria, Italy and above all in Romania, all with many indicators showing improvement and few to none showing a decline. In contrast, Austria, Denmark, Malta and Sweden, and above all Finland, have relatively few indicators showing an improvement in the situation compared to 2019, and with a higher number showing a deterioration,

indicating that the social situation in those countries has worsened. In addition, developments have either been rather mixed, with broadly similar numbers of improving and deteriorating indicators, or with hardly any change, in several countries, with the latter including Czechia, Germany and the Netherlands.

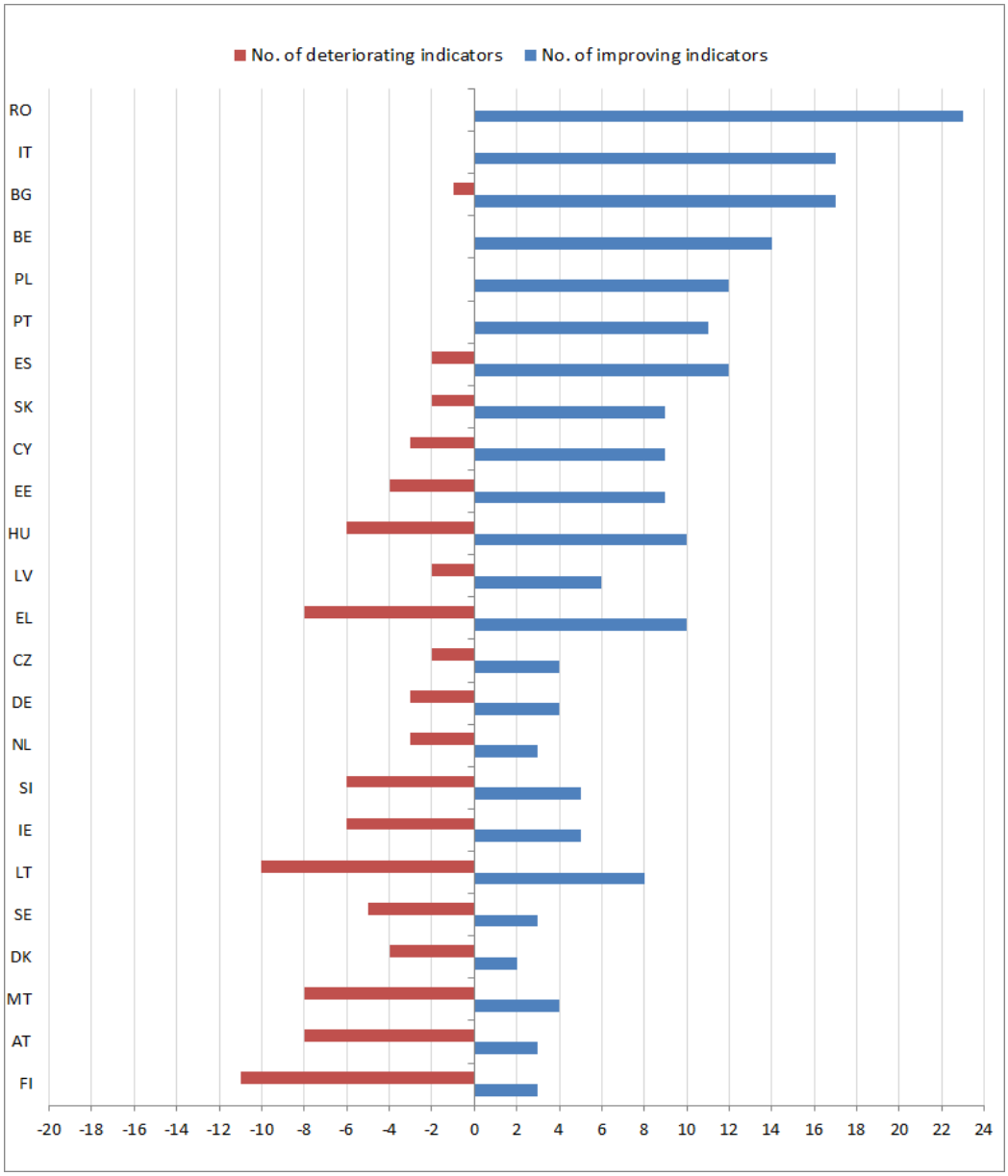
Figure 17. Areas of deterioration (social trends to watch) and improvement for the period 2019-2025+



Source: Social Protection Performance Monitor

Notes: ⁺ For EU-SILC based indicators, the changes generally refer to 2019-2025 (although for income and household work intensity indicators the changes actually refer to 2018-2024). Figures for healthy life years at 65 and real change in gross household disposable income refer to changes 2019-2024.. Bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2019 and 2025. For DE, major break in the time series in 2020 for EU-SILC, so changes for 2020-2025 are used. For FR, major break in series in EU-SILC data in 2022, due to the new inclusion of overseas departments and regions, which has a significant negative effect on many social indicators, so comparison to 2019 does not reflect the SILC-based indicators for FR. For HR, major break in series in EU-SILC data in 2023 and 2024 for income-related indicators (and also AROPE) so these are also not reflected. For LU, several minor breaks in series for EU-SILC based indicators and a major break in 2025, so no changes reflected for LU for the SILC-based indicators. Figures are for data extracted from the relevant source on 29 June 2026

Figure 18. Number of SPPM social indicators per Member State with a significant deterioration or improvement between 2019 and 2025



Source: Social Protection Performance Monitor

Notes: (i) The bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2019 and 2025. Figures for healthy life years at 65 and for real change in gross household disposable income refer to 2019-2024 as no 2025 figures available; (ii) Countries are ordered by net balance in the number of indicators with a positive versus negative change; (iii) For DE, major break in the time series in 2020 for EU-SILC, so figures for changes in EU-SILC based indicators are for 2020-2025. For early school leavers, there is a major break in 2024 so the corresponding change 2019-2025 is not shown. There is also a significant break in time series for the housing cost overburden rate in Germany for 2023, so longer-term change not shown. The reduction of "healthy life years at 65 - males" and "the reduction of healthy life years at 65 - females" in Germany is mainly attributed to methodological adjustments. Therefore, comparability to previous years is limited and changes versus 2020 are not shown; (iv) For FR, major break in series in EU-SILC data in 2022, due to the inclusion of overseas departments and regions, which has a significant negative effect on many social indicators, so FR not shown in the above comparison across Member States. (v) For HR, major break in series in EU-SILC data in 2023 and 2024 for income-related indicators (and also AROPE), so HR also not shown in the comparison across MS; (vi) For IE, break in EU-SILC series in 2020, due to a change in the income reference period for Ireland and a change in the household definition. Results should therefore be interpreted with caution Changes in the persistent at-risk-of-poverty rate refer to 2019-2024.; (vii) For LU, major break

in 2025 for EU-SILC based indicators, so LU not included in the chart. (viii) For SK, figures for the persistent at-risk-of-poverty rate refer 2019-2024; (ix) Figures are for data extracted from the relevant source on 29 June 2026

SPPM dashboard update (2025 EU-SILC and LFS data)

Dimensions																													
2030 target	At risk of poverty or social exclusion (in %)																												
	2025	20.9	21.4	16.5	29.0	11.5	17.9	21.2	21.8	18.8	27.5	25.7	20.8	20.7	22.6	17.1	24.7	26.3	18.2	19.5	19.4	15.8	18.6	15.0	18.6	27.4	15.5	16.7	17.2	18.6
	2024-2025 change in pp	~	~	-1.8	-1.3	~	~	~	~	1.7	0.6	~	~	-1.0	~	~	~	~	n.a.	~	~	~	1.7	-1.0	-1.1	~	1.1	~	~	1.1
	2019-2025 change in pp	~	~	-3.6	-4.2	~	~	~	-1.9	~	~	~	n.a.	n.a.	-2.0	~	-2.0	~	n.a.	~	~	~	2.1	-2.9	-2.5	-8.7	~	~	2.7	~
	At-risk-of-poverty rate (in %)																												
	2025	16.8	n.a.	10.9	21.2	9.6	11.8	16.1	19.5	13.0	19.6	19.5	16.8	19.5	18.6	14.9	22.0	22.6	14.8	14.0	16.9	13.4	15.9	13.2	15.4	18.4	14.3	12.2	13.4	15.6
	2024-2025 change in pp	~	n.a.	-0.5	-0.5	~	~	0.6	~	~	~	~	0.4	-0.8	~	~	~	1.1	n.a.	~	~	1.3	1.6	-0.6	-1.2	-0.6	1.1	-2.3	0.8	0.8
	2019-2025 change in pp	~	n.a.	-3.9	-1.4	~	~	~	-2.2	~	1.7	-1.2	n.a.	n.a.	-1.5	~	~	2.0	n.a.	~	~	~	2.6	-2.2	-1.8	-5.4	2.3	~	1.8	-1.5
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																												
	2025	n.a.	n.a.	16116	8906	10314	15177	15956	10288	15270	8167	13445	14275	11847	13574	14269	10258	10282	22604	7175	14432	17828	19431	11955	9981	7717	13581	9200	14454	14896
	2024-2025 change in %	n.a.	n.a.	~	10.6	~	2.7	~	~	5.0	4.7	~	~	17.3	5.8	4.4	7.6	12.5	n.a.	3.4	9.2	4.4	6.9	10.5	11.4	~	~	23.8	2.6	3.7
	2019-2025 change in %	n.a.	n.a.	~	56.2	~	~	~	~	16.7	22.0	~	n.a.	n.a.	~	14.9	24.2	30.9	n.a.	18.5	21.3	~	~	40.9	22.2	57.8	17.3	15.6	~	~
	Severe material and social deprivation rate (in %)																												
	2025	6.3	6.0	4.9	15.0	2.6	4.5	5.6	3.5	5.2	14.9	8.1	7.0	2.0	5.2	2.2	4.8	5.5	3.4	8.5	4.1	2.6	2.9	2.0	4.3	16.8	1.9	7.0	3.3	3.9
	2024-2025 change in pp	~	~	-1.3	-1.6	~	~	-0.6	~	0.7	0.9	~	~	~	0.6	~	-0.5	-0.6	n.a.	-0.8	~	-0.5	-0.8	~	~	~	~	~	~	0.9
	2019-2025 change in pp	~	~	~	-7.1	~	~	~	~	~	~	~	n.a.	-2.6	~	~	-2.7	-4.2	n.a.	-2.3	~	~	~	~	~	-7.7	~	~	~	2.4
	Population living in (quasi-) jobless households (in %)																												
	2025	7.9	8.6	11.0	7.7	4.9	9.7	10.3	6.4	8.8	6.5	8.0	8.9	4.0	8.2	4.2	6.6	11.4	5.5	4.1	4.2	7.8	6.9	4.1	4.9	5.6	3.8	4.0	10.7	8.0
	2024-2025 change in pp	~	~	-0.4	~	~	-0.9	~	1.1	1.4	-1.0	~	~	-0.7	-1.0	~	~	2.0	n.a.	-0.6	~	~	0.9	~	~	1.3	~	-1.0	1.4	~
	2019-2025 change in pp	~	~	-1.9	~	~	~	2.0	~	-4.1	-6.2	-2.9	n.a.	-3.5	~	-2.2	~	3.8	n.a.	~	~	~	~	~	~	~	~	-2.3	2.6	~
Intensity of poverty risk	Relative median at-risk-of-poverty gap (in %)																												
	2025	22.5	n.a.	14.6	25.1	16.7	20.3	21.7	20.4	16.5	21.7	26.9	20.6	28.0	24.6	18.1	29.9	26.0	18.6	24.4	22.5	16.0	22.5	19.7	22.6	25.5	17.4	20.5	16.8	23.1
	2024-2025 change in pp	~	n.a.	~	4.0	~	~	1.3	~	~	~	~	~	~	~	~	~	~	n.a.	~	~	~	~	~	-3.1	~	~	~	~	~
	2019-2025 change in pp	-2.1	n.a.	~	~	~	~	-2.8	~	~	-5.3	~	n.a.	n.a.	-5.4	~	~	~	n.a.	-8.3	5.4	~	~	-2.3	~	-7.5	~	~	~	~
Persistence of poverty risk	Persistent at-risk-of-poverty rate (in %)																												
	2025	9.8	n.a.	6.4	15.5	5.0	5.8	6.1	12.9	10.0	14.3	12.5	10.3	17.2	14.9	9.8	14.1	14.0	10.7	6.3	10.7	7.6	9.4	7.5	9.5	12.6	8.6	8.9	8.0	8.8
	2024-2025 change in pp	~	n.a.	~	~	~	~	~	~	n.a.	1.8	~	n.a.	-4.2	~	~	~	~	n.a.	~	~	~	~	~	~	~	~	n.a.	~	~
	2019-2025 change in pp	-1.3	n.a.	-4.4	~	~	~	-3.7	-3.8	1.2	2.5	~	n.a.	n.a.	~	~	~	-5.2	n.a.	~	~	~	~	~	-3.0	-4.2	~	1.8	~	~
Material and social deprivation	Material and social deprivation rate (in %)																												
	2025	12.0	11.8	9.4	24.5	5.8	8.5	10.7	8.7	10.0	30.1	15.4	13.3	4.4	10.1	7.6	11.3	12.9	6.2	15.3	8.7	5.9	6.3	4.8	10.2	26.8	5.1	11.6	7.5	6.9
	2024-2025 change in pp	~	~	-1.7	-2.6	~	~	~	~	~	1.0	~	~	~	1.6	-1.4	~	~	n.a.	-1.0	~	~	-1.2	~	~	~	~	~	~	~
	2019-2025 change in pp	~	~	~	-9.1	~	~	~	~	~	~	~	n.a.	-5.9	~	-5.5	~	-7.2	n.a.	-4.9	~	~	~	~	~	-11.9	~	~	~	~

Dimensions		[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Income inequalities	Income quintile ratio (S80/S20)																												
	2025	4.6	4.7	3.2	6.9	3.3	4.1	4.7	5.1	3.9	5.2	5.2	4.7	4.8	5.1	4.6	6.7	6.5	4.6	4.7	4.5	3.8	4.2	3.6	4.9	4.4	3.5	3.3	3.9	4.6
	2024-2025 change in %	~	~	-5.8	~	~	~	4.2	~	4.0	~	-2.8	~	-3.8	-7.2	4.5	6.4	~	n.a.	6.6	-11.4	~	~	-5.7	-6.5	-5.4	3.8	~	5.4	5.5
	2019-2025 change in %	-7.4	~	-9.7	-14.3	~	~	~	~	~	~	-11.8	n.a.	n.a.	-14.6	~	~	~	n.a.	10.6	7.4	~	~	-16.9	-5.8	-38.3	~	~	6.5	5.8
Child poverty and social exclusion	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)																												
	2025	24.3	25.2	18.9	33.1	15.4	14.8	23.5	19.4	23.7	29.6	33.8	27.5	15.7	27.1	14.0	17.6	19.9	25.2	23.0	23.3	12.7	24.4	15.6	19.2	32.4	12.5	22.7	17.1	23.4
	2024-2025 change in pp	~	~	-1.3	-2.0	~	~	~	2.9	2.8	1.7	~	1.3	-3.6	~	~	~	-2.9	n.a.	~	-3.2	-3.1	3.5	~	-1.5	-1.4	~	~	~	2.5
	2019-2025 change in pp	~	~	-4.1	~	~	~	~	~	~	~	~	n.a.	n.a.	~	-8.1	~	-5.9	n.a.	-4.3	~	~	4.3	~	~	-6.7	~	~	3.3	~
	Material and social deprivation rate for children (<18) (%)																												
	2025	13.6	13.7	11.5	22.9	8.2	8.5	12.3	9.9	13.6	31.3	17.5	17.7	2.6	11.8	9.6	8.0	10.6	9.1	17.2	11.5	4.7	7.5	4.0	9.5	29.9	4.0	11.4	5.6	8.2
	2024-2025 change in pp	~	~	-2.2	-2.9	~	~	~	1.5	-1.5	2.5	-1.9	1.8	~	1.4	-1.6	~	n.a.	n.a.	-2.3	~	-1.7	-1.2	~	-1.3	1.7	~	-2.8	~	~
	2019-2025 change in pp	~	~	~	~	~	~	~	~	~	~	~	n.a.	~	~	-7.8	~	~	n.a.	-9.6	~	~	~	~	~	-6.8	~	~	~	~
	Relative median at-risk-of-poverty gap for children (<18) (%)																												
	2025	22.6	n.a.	14.0	35.0	24.5	19.6	19.2	29.6	18.5	21.8	29.0	20.6	26.5	22.3	21.4	26.7	24.3	18.6	31.2	25.0	19.2	18.4	18.4	22.8	27.3	15.4	25.0	14.9	21.8
	2024-2025 change in pp	~	n.a.	~	~	~	~	~	8.8	~	~	~	~	~	~	~	~	~	n.a.	~	~	~	~	~	~	~	~	~	~	~
	2019-2025 change in pp	-2.8	n.a.	~	~	9.5	~	-4.4	9.0	~	~	~	n.a.	n.a.	-11.2	~	~	~	n.a.	~	~	~	~	~	~	-15.3	~	~	~	~
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)																												
	2025	33.2	n.a.	52.6	26.9	40.0	51.8	34.0	29.6	51.5	15.5	23.2	38.5	23.5	30.6	31.3	22.0	27.3	44.2	23.1	24.9	36.8	34.8	38.9	26.0	21.7	34.4	40.8	44.6	38.3
	2024-2025 change in pp	~	n.a.	~	~	~	1.4	-1.7	-1.9	~	~	~	~	1.9	~	~	~	1.5	n.a.	~	1.4	-4.2	-5.8	-2.6	3.5	2.9	-3.3	4.1	-1.8	-2.2
	2019-2025 change in pp	~	n.a.	10.9	3.2	~	4.6	~	~	-6.9	-7.3	~	n.a.	n.a.	10.4	~	~	-4.2	n.a.	-13.3	~	~	-14.4	~	~	6.4	-11.1	~	-9.3	~
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																												
	2025	66.3	n.a.	50.0	75.0	69.4	46.3	66.5	74.6	47.3	68.0	64.4	71.4	71.0	63.4	49.6	79.7	75.9	57.6	67.8	82.7	71.9	63.0	62.0	63.2	74.7	77.4	78.7	69.7	77.9
	2024-2025 change in pp	~	n.a.	~	~	-4.9	~	3.7	~	-12.5	~	~	~	~	~	~	~	6.6	n.a.	-10.5	15.1	11.6	~	7.8	~	-8.6	~	8.3	3.4	5.6
	2019-2025 change in pp	~	n.a.	-13.4	~	8.4	-8.2	9.6	~	~	9.7	4.2	n.a.	n.a.	-6.2	~	~	~	n.a.	6.1	11.6	8.6	~	~	~	-9.6	~	~	6.4	-6.7
Social consequences of labour market	In-work at-risk-of poverty rate (in %)																												
	2025	8.3	8.3	4.1	11.8	4.1	5.9	6.7	10.5	5.7	9.7	11.2	8.7	7.9	10.2	6.9	9.0	8.7	9.6	8.3	9.2	5.2	8.9	8.5	8.6	10.7	5.5	6.6	3.1	7.1
	2024-2025 change in pp	~	~	~	~	0.4	~	~	~	0.4	-0.8	~	0.5	-0.5	~	-0.5	~	~	n.a.	1.3	~	0.7	1.4	-0.8	-0.6	~	~	-3.7	~	-0.5
	2019-2025 change in pp	-0.8	~	~	2.8	~	~	-1.8	~	~	~	-1.6	n.a.	n.a.	-1.6	~	~	~	n.a.	-2.8	2.7	~	1.2	-1.4	-2.1	-4.7	1.0	2.2	~	~
	Long-term unemployment rate (in %)																												
	2025	1.9	2.1	2.0	1.5	0.8	0.9	1.1	1.8	1.1	5.0	3.4	1.8	1.8	3.1	0.9	2.3	2.5	2.0	1.5	0.6	0.5	1.3	0.8	2.2	2.1	1.1	3.4	2.4	1.8
	2024-2025 change in pp	~	~	~	-0.7	~	~	~	~	~	~	-0.4	~	~	~	-0.4	~	~	~	~	~	~	~	~	~	0.3	~	~	0.6	~
	2019-2025 change in pp	~	~	~	~	~	~	~	~	~	-6.3	-1.9	~	~	-2.8	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~

Dimensions																													
Youth exclusion	**Early school leavers (in %)**																												
	2025	9.1	n.a.	7.3	8.6	6.1	10.0	13.1	10.2	3.6	3.0	12.8	7.2	2.1	8.2	9.8	8.8	5.9	7.8	9.3	8.6	7.4	10.0	4.0	6.1	15.5	5.5	6.8	9.9	6.7
	2024-2025 change in pp	-0.5	n.a.	~	~	~	~	~	~	0.8	~	~	-0.7	~	-1.6	~	~	~	n.a.	~	~	~	1.9	~	~	~	~	~	~	~
	2019-2025 change in pp	~	n.a.	~	-5.3	~	~	n.a.	~	~	~	-4.5	~	~	-5.1	~	~	1.9	~	-2.6	-5.6	~	2.2	~	-4.4	~	~	~	2.6	~
	Youth unemployment ratio (15-24)																												
	2025	6.2	6.3	6.0	2.5	2.9	9.6	3.9	8.9	6.2	4.6	8.4	8.5	5.4	4.6	5.2	5.3	5.0	8.1	4.3	5.1	7.4	6.6	3.8	6.7	6.2	4.3	3.9	11.7	13.9
	2024-2025 change in pp	~	~	~	~	~	~	~	~	~	~	-0.6	0.6	~	~	~	~	~	n.a.	~	~	~	~	~	-0.8	~	~	-1.3	1.7	~
	2019-2025 change in pp	~	~	~	~	~	3.5	~	3.8	~	-4.3	-2.3	~	~	-3.0	~	~	~	2.2	~	~	~	~	~	~	~	~	~	2.2	3.3
	NEETs (15-24)																												
	2025	9.0	9.0	7.4	11.5	4.9	7.9	8.2	10.9	6.4	9.3	9.4	11.0	9.0	9.9	9.4	9.1	12.5	7.7	9.5	8.4	3.9	9.7	7.1	6.9	16.5	6.8	8.0	9.1	5.0
	2024-2025 change in pp	~	~	~	~	~	1.1	0.5	~	~	~	-0.7	~	~	-2.1	~	~	~	~	~	~	~	1.0	~	-0.9	~	~	~	0.9	~
	2019-2025 change in pp	~	~	~	-2.2	~	~	1.7	3.2	-3.7	~	-2.7	~	-3.0	-9.1	-4.3	~	3.9	2.1	~	~	~	1.9	~	~	-1.9	~	-2.4	~	~
Active ageing	**Employment rate of older workers (55-64) in %**																												
	2025	66.4	66.5	61.5	71.2	78.3	74.7	75.3	77.0	69.4	59.6	62.4	61.7	54.9	61.2	71.0	73.6	69.9	49.5	72.1	61.4	75.8	60.9	60.1	69.5	57.0	57.6	66.6	72.3	78.3
	2024-2025 change in pp	1.2	1.2	2.1	1.3	1.3	~	~	~	1.3	2.3	1.3	1.4	~	2.2	~	~	~	~	1.7	3.9	~	2.1	1.1	1.9	3.6	~	~	~	~
	2019-2025 change in pp	7.8	6.8	9.4	7.7	11.6	~	~	5.1	7.7	16.7	8.6	7.2	11.4	7.0	9.9	6.3	~	6.4	15.2	11.3	6.3	6.4	11.9	11.3	16.6	9.4	7.8	6.4	~
Pension adequacy	**At risk of poverty or social exclusion for the elderly (65+) in %**																												
	2025	18.8	18.9	11.4	35.3	9.2	13.2	21.0	34.5	19.5	27.7	19.2	14.0	40.0	19.1	33.7	43.3	40.5	8.5	19.8	30.3	15.9	16.6	15.5	20.8	28.0	26.8	12.0	10.7	11.9
	2024-2025 change in pp	~	~	-3.0	-1.3	~	~	~	-5.5	-1.9	2.8	~	~	2.4	~	2.2	~	1.4	n.a.	-1.5	~	2.5	~	~	-3.0	-1.3	3.5	~	-2.6	~
	2019-2025 change in pp	~	~	-6.2	-11.7	-8.2	3.3	~	-10.1	7.7	7.2	~	n.a.	n.a.	~	7.7	-7.5	3.6	n.a.	6.5	~	2.7	~	-3.3	~	-16.5	6.8	~	-4.3	-3.4
	Median relative income of elderly people																												
	2025	0.91	n.a.	0.80	0.77	0.82	0.77	0.83	0.65	0.87	0.88	1.06	0.97	0.66	1.00	0.75	0.61	0.62	1.12	0.86	0.72	0.76	0.93	0.89	0.91	0.91	0.75	0.98	0.85	0.84
	2024-2025 change in %	~	n.a.	3.9	~	~	~	~	6.6	~	-4.3	~	3.2	-2.9	~	2.7	~	~	n.a.	-4.4	~	-2.6	~	~	4.6	4.6	-3.8	-7.5	~	~
	2019-2025 change in %	~	n.a.	~	14.9	12.3	~	~	12.1	-5.4	-12.0	6.0	n.a.	n.a.	~	~	8.9	-8.8	n.a.	-11.3	~	-5.0	-5.1	~	~	9.6	-9.6	15.3	4.9	~
	Aggregate replacement ratio																												
	2025	0.60	0.62	0.48	0.46	0.53	0.46	0.48	0.49	0.38	0.77	0.81	0.61	0.37	0.80	0.41	0.43	0.37	0.88	0.49	0.47	0.56	0.56	0.60	0.68	0.47	0.41	0.62	0.53	0.59
	2024-2025 change in %	~	~	~	4.5	-5.4	~	~	~	-5.0	-8.3	~	~	5.7	~	~	~	-2.6	n.a.	~	-4.1	~	~	~	11.5	~	-4.7	-19.5	~	~
	2019-2025 change in %	~	~	~	24.3	~	-8.0	~	~	-17.4	~	19.1	n.a.	n.a.	11.1	-8.9	~	-17.8	n.a.	-23.4	-20.3	~	~	~	~	14.6	~	17.0	~	~

Dimensions		EU27_2020	EA20	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
Health	Self reported unmet need for medical care																													
	2025	2.4	2.4	0.9	1.0	0.3	2.9	1.0	7.7	2.7	11.5	1.6	3.7	1.4	2.5	0.1	7.6	3.3	1.1	1.4	0.1	0.5	0.9	2.9	2.5	2.9	3.2	1.1	7.8	2.1
	2024-2025 change in pp	~	~	-0.5	~	~	~	~	-0.8	~	-0.6	~	-0.4	~	0.6	~	-0.8	-1.0	n.a.	0.4	~	~	~	-0.9	~	0.7	~	-0.5	-0.7	~
	2019-2025 change in pp	~	~	~	~	~	~	~	-7.8	~	3.4	1.4	n.a.	~	~	~	3.3	1.9	n.a.	~	~	~	~	~	~	-2.0	~	-1.6	3.2	~
	Healthy life years at 65 - males																													
	2024	10.0	n.a.	11.5	11.0	7.8	10.7	8.3	7.4	11.9	9.7	12.4	10.3	6.9	12.9	8.3	3.9	8.5	n.a.	7.2	12.5	9.7	9.1	8.8	10.3	6.8	11.2	4.5	9.4	14.3
	2023-2024 change in %	8.7	n.a.	~	5.8	5.4	12.6	~	7.2	~	19.8	20.4	~	13.1	17.3	~	-13.3	21.4	n.a.	~	-4.6	5.4	~	7.3	13.2	58.1	5.7	~	~	5.9
	2019-2024 change in %	~	n.a.	9.5	19.6	~	~	n.a.	15.6	-9.2	19.8	~	~	50.0	21.7	~	-13.3	41.7	n.a.	~	-13.2	~	18.2	8.6	30.4	~	28.7	~	~	-10.1
	Healthy life years at 65 - females																													
	2024	10.5	n.a.	12.1	12.7	8.2	11.8	8.8	7.9	12.7	10.4	12.5	11.5	6.6	13.3	8.1	4.5	9.3	n.a.	7.9	12.2	9.6	9.3	9.7	9.4	7.1	12.5	5.3	10.0	14.2
	2023-2024 change in %	9.4	n.a.	~	5.8	5.1	14.6	~	~	6.7	25.3	22.5	-4.2	11.9	24.3	-8.0	-10.0	22.4	n.a.	~	~	6.7	~	6.6	20.5	86.8	~	~	~	~
	2019-2024 change in %	~	n.a.	13.1	22.1	~	~	n.a.	~	~	35.1	~	~	34.7	30.4	14.1	~	45.3	n.a.	~	-19.2	~	20.8	~	36.2	~	45.3	12.8	~	-14.5
Poverty and social exclusion of persons with disabilities	At risk of poverty or social exclusion for persons with disabilities (% of people with disabilities above 16 years)																													
	2025	28.8	29.0	27.2	42.3	17.6	28.5	30.4	36.3	32.6	35.8	32.2	27.7	39.8	28.0	33.8	42.6	50.5	n.a.	28.3	35.9	23.4	22.0	24.4	28.1	37.0	26.9	19.8	22.2	28.1
	2024-2025 change in pp	~	~	-2.7	-1.5	2.0	~	~	-2.8	2.3	2.8	~	~	~	~	2.8	3.2	4.7	n.a.	-4.2	4.3	1.6	~	~	~	-1.4	2.5	~	-2.2	~
	2019-2025 change in pp	~	~	-4.9	-8.6	-7.1	5.4	~	-3.0	~	3.8	-2.7	n.a.	n.a.	~	4.0	~	10.0	n.a.	~	~	~	~	-3.2	~	-8.4	4.4	~	2.4	~
Access to decent Housing	Housing cost overburden rate																													
	2025	7.7	7.9	6.7	6.9	8.2	23.4	11.2	8.8	5.3	26.4	7.2	6.4	3.2	5.0	2.4	5.7	5.7	8.1	5.3	6.0	6.5	6.1	4.1	6.3	5.0	3.5	3.5	4.7	10.8
	2024-2025 change in pp	~	-0.6	~	-1.1	-1.0	n.a.	-0.8	~	0.8	-2.5	-0.6	-0.6	~	~	~	-1.0	~	n.a.	-3.7	~	~	~	-1.1	-0.6	~	~	-2.9	-0.7	~
	2019-2025 change in pp	-1.7	-1.9	-1.7	-9.1	~	n.a.	n.a.	4.4	~	-9.8	~	n.a.	n.a.	-3.7	~	~	~	n.a.	~	3.4	-3.4	~	-1.9	~	-3.6	~	-2.2	~	~
Evolution in real household disposable income	Real change in gross household disposable income (in %)																													
	2023-2024 change in %	2.5	2.4	~	n.a.	~	~	~	4.1	4.9	2.3	4.2	2.5	6.9	~	6.6	3.4	5.2	2.5	5.2	11.2	2.8	4.1	6.3	7.2	7.8	2.1	4.3	~	~
	2019-2024 change in %	~	~	~	n.a.	~	~	~	~	15.1	12.7	~	~	22.8	~	15.5	~	16.2	14.4	22.0	39.9	9.6	~	12.3	15.8	18.2	12.5	~	~	~

Note: i) Figures generally extracted from the relevant source on 29 June 2026; ii) Only significant changes are highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change), "n.a." refers to data not being available. See table in the technical annex for full details of significance tests; iii) The method used to estimate the statistical significance of the net changes, based on regression and developed by Net-SILC2 (an EU funded network consisting of a group of institutions and researchers conducting analysis using EU-SILC) is still under improvement; iv); Figures for healthy life years at 65 and real change in gross household disposable income refer to 2024 and the latest changes to 2023-2024 and to 2019-2024 as no 2025 figures available; v) For the LFS-based indicators Long term unemployment rate, Youth unemployment ratio, NEETs rate (15-24) and Employment rate of older workers, published recalculated data to avoid breaks in series are used. For "Early school leavers", data prior to 2021 aren't recalculated, so break in series for 2021; vi) For DK, there is a major break in time series in 2025 for the HCO indicator and it is not comparable to previous years. The break is a result of a methodological change in data collection to ensure more robust and precise data. Furthermore, it should be noted that Denmark has raised concerns regarding the HCO indicator and its interpretation in a Danish context. vii) For DE, major break in time series in 2020 for EU-SILC, so figures for longer term changes in EU-SILC based indicators refer to 2020 instead of 2019. Major break also in time series for LFS-based indicators in 2020 and 2021, but figures for changes versus 2019 can be shown if trend-adjusted series are used (which is the case for all LFS-based indicators except early school leavers). For early school leavers, there is an additional break in 2024. Therefore, the corresponding change 2019-2025 is not shown. There is also a significant break in time series for the housing cost overburden rate in Germany for 2023, so longer-term change not shown. The reduction of "healthy life years at 65 - males" and "the reduction of healthy life years at 65 - females" in Germany is mainly attributed to methodological adjustments. Therefore, comparability to previous years is limited and changes versus 2019 are not shown. viii) For FR, large break in 2023 in material and social deprivation and in all linked indicators (including AROPE) and major break in EU-SILC data series in 2022, due to the new inclusion of overseas departments and regions which has a significant negative effect on many social indicators, so comparison to 2019 not shown for the SILC-based indicators; ix) For HR, major break in series in EU-SILC data in 2023 and 2024 for income-related indicators (and also AROPE), so changes versus 2019 not shown for these indicators; x) For IE, there is a break in the EU-SILC based indicators in 2020, due to a change in the income reference period for Ireland and a change in the household definition, as well as due to the fact that the survey in 2020 was conducted primarily via telephone as opposed to in-person. Results should therefore be interpreted with caution. Figures for the persistent at-risk-of-poverty rate refer to 2024 rather than 2025, and changes to 2023-2024 and 2019-2024.; xi) For LU, several minor breaks in series (in 2020, 2021 and 2022) for EU-SILC based indicators, and a major break in 2025, so no changes shown for the SILC-based indicators. xii) For SI, the change of "healthy life years at 65 – males" and "healthy life years at 65 - females" indicators compared to 2019 is partially attributed to methodological adjustments (i.e. change in the EU-SILC questionnaire). Therefore, comparability to previous years is limited; xiii) For SK, figures for the persistent at-risk-of-poverty rate refer to 2024 rather than 2025, and changes to 2023-2024 and 2019-2024; xiv) For CY, break in series in 2024 due to use of new population census weights but impact not major. xv) Regarding the indicator on the impact of social transfers (excluding pensions) on poverty reduction, in 2022 there was a break in the time series for almost all Member States (with the exception of Finland) in the AROP rates before social transfers, due to changes in the definition of disposable income before transfers (excluding pensions). However, this was not a major change and longer-term comparisons are still feasible while acknowledging this change. xvi) In many Member States, the COVID-19 pandemic emerged during the data-collection period for the main social indicators. Although often difficult to clearly assess possible impacts on the final results, caution is warranted.

Box 1: A brief look at gender aspects of poverty and social exclusion in the EU

Labour market related indicators showing gender differences are commonplace, such as the employment rate (20-64 years) gap at EU level of 9.6 percentage points (reflecting an average employment rate for women of 71.3% compared to 80.9% for men) and the unadjusted gender pay gap, which amounted to 11.1% in 2024.

However, indicators showing the differences in the poverty and social exclusion situation between men and women need to be interpreted with more caution. Many of the key social indicators that are published do provide gender breakdowns. For example, in 2025 the at-risk-of-poverty-or-social-exclusion (AROPE) rate in the EU for women was 21.9% compared to 19.8% for men (a gap of 2.1 pps), the at-risk-of-poverty rates were respectively 17.1% and 15.5% and the rates of severe material or social deprivation 6.6% versus 6.0%. While this points to slightly worse social outcomes for women compared to men, the usual poverty measures are not ideal to examine gender aspects of poverty as they are based on income or deprivation at household level.

However, there are some social indicators available that can be used to provide a clearer and more appropriate indication of the extent of the gender differences and hence provide a better appreciation of gender aspects in the assessment of the social situation.

Clearer indications of the extent of gender differences can be obtained by focusing on specific subgroups or types of households where differences are more directly evident. For example, at EU level the AROPE rates for households consisting of single females is 33.3% compared to 29.9% for single male households (a gap of 3.4 pps), and for older persons (aged 65 and above) the rates are 21.2% for women and 15.8% for men (a gap of 5.4 pps).

More specific indicators allow a more direct comparison. These include the gender pension gap for older people aged 65 years or over, which amounted to 24.2% on average in the EU in 2025, and the EU-SILC based self-reported unmet need for medical examination for persons aged 16 years or above, which averaged 2.8% for women versus 2.0% for men in 2025 (a gap of 0.8 pps).

Moreover, more direct comparisons of the social situation of women versus men can be derived from the indicator of material and social deprivation, adopted in 2017 to replace the standard material deprivation indicator which the EU adopted in 2009, which consists of 13 items ([35]), 7 of which relate to the person's household and 6 to the person themselves.

The six personal deprivations are the inability for the person to: replace worn-out clothes with some new ones; have two pairs of properly fitting shoes; spend a small amount of money each week on him/herself ("pocket money"); have regular leisure activities; get together with friends/family for a drink/meal at least once a month; and have an internet connection for personal use.

The six personal items are collected at the "adult" level, i.e. for all persons aged 16 or over, and make the indicator gender and age sensitive for adults living in the same household. The figures for the gender gaps (i.e. the share of female adults who cannot afford the respective individual-level MSD item minus the share of male adults who cannot afford the item) for each item for the total adult population aged 16 years or over are shown in Figure 19. The main observations from this chart are:

([35]) The deprivation items are based on an "enforced lack concept", i.e. the person/ household lacks the item for financial reasons, not by choice (i.e. "Can you afford…"). Only people lacking an item for the affordability reason are considered as deprived of this item. Those lacking the item for any other reason are considered as not deprived of this item.

- across Member States, women generally have higher shares who cannot afford the respective individual level MSD item than men. At EU level, the largest average gaps are for the items on "*spending a small amount of money on oneself*" (2.5 pps) and "*regularly participating in a leisure activity*" (1.9 pps), but with gaps as large as around 5 pps on the former in Bulgaria, Portugal, Romania and Sweden, and on the latter in Lithuania and Romania. In contrast, for the items related to "*having an internet connection for personal use*" and "*having two pairs of properly fitting shoes*", the gaps across countries are almost always small (apart from BG and RO) and average 0.2 pps for both at EU level. For the items on "*replacing worn out clothes*" and "*getting together with friends or family for a drink or meal*" the average gap is around 1 pp, but again with considerable variation across countries;

- BG, EL, FR, HU, PT and RO generally show consistently more significant gaps for women across the individual-level items (excluding "internet connection" and "two pairs of shoes"). In contrast, the gaps for CY, DE, HR, IT, NL and SK are consistently either minor or actually to the detriment of men.

Figure 20 shows the similar gender gaps for each item but this time focusing only on the population aged 16 years or over at-risk-of-poverty. The main observations from this chart are:

- While among those at risk of poverty women generally show higher levels of deprivation than men, the picture is more nuanced than for the general population and the gender gaps are much more varied in terms of size and direction, with the gap being to the detriment of men in several countries. This is particularly the case for the items on replacing worn out clothes, participating regularly in leisure activities, having regular get-togethers with friends or family and internet connection. This would suggest that among poor families, men may often be suffering greater deprivation than women in some countries.

- at EU level, the largest average gaps are for the items on "*spending a small amount of money on oneself*" (2.7 pps) and "*regularly participating in a leisure activity*" (0.9 pps), but with gaps as large as 8 pps or more on the former in Malta, Portugal and Sweden, and on the latter in Denmark. In contrast, for the items related to "*having an internet connection for personal use*" and "*having two pairs of properly fitting shoes*", the gaps across countries are almost always small (apart from BG and RO) and actually to the detriment of men in most countries (averaging -0.4 pps at EU level for the former and -0.6 pps for the latter). For the items on "*replacing worn out clothes*" and "*getting together with friends or family for a drink or meal*" there is almost no gap at EU level, but again with considerable variation across countries;

- countries where among the poor population women generally consistently show higher levels of deprivation across the individual-level items (excluding "internet connection" and "two pairs of shoes"), are AT, BE, FR, HU, PT and RO.

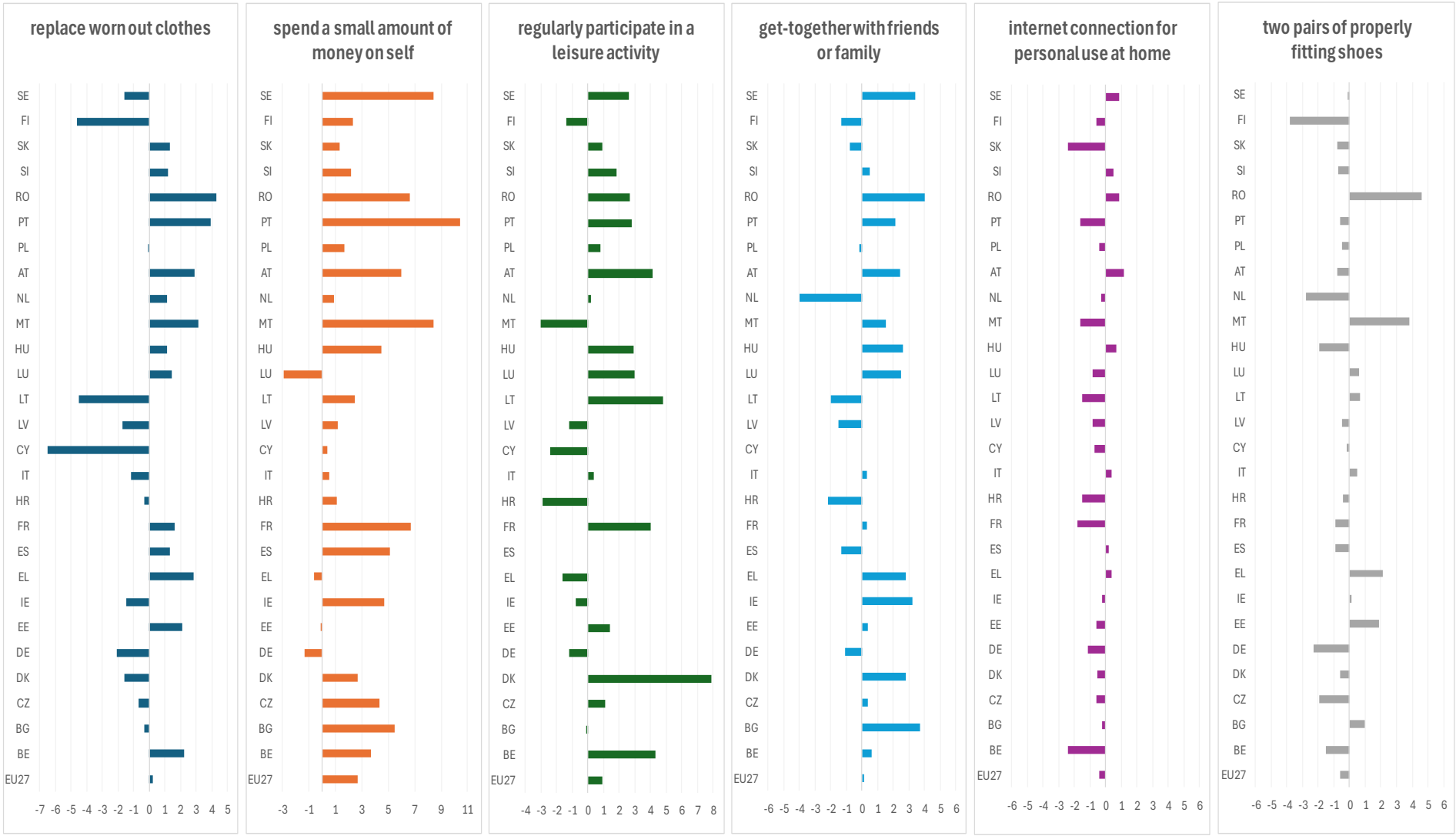
- In contrast, in CY, DE, FI, HR, IT, LV, NL, PL and SK the gaps are generally either very small or it is men that show higher levels of deprivation across the individual-level items.

Figure 19: Gender gap (women - men) in the share of adults who cannot afford individual level MSD items (percentage points), 2025



Source: Eurostat, EU-SILC

Figure 20: Gender gap (women - men) in the share of adults at risk of poverty who cannot afford individual level MSD items (percentage points), 2025



Source: Eurostat, EU-SILC

(d) Latest indications from Eurostat flash estimates of income developments in 2025

In May 2026, Eurostat published flash estimates ([36]) of the expected developments in income and poverty for the income year 2025 ([37]), which provide a more up to date picture **([38])** of income developments than available from the latest EU-SILC results (which relate to income in 2024). These provide a general indication of the expected annual change in certain income-related indicators ([39]) compared to 2024. Results are based on microsimulation and nowcasting techniques taking into account both the impact of the labour market evolution on employment income and the effect of changes in social protection schemes.

The detailed results from the flash estimates for 2025 incomes **([40])** are as follows:

- At EU level, the at-risk-of-poverty rate (AROP) is expected to have remained broadly stable, with a marginal increase of only 0.1 pp for 2025 to 16.4%, compared with 16.3% in 2024. According to the flash estimates (Table 4, with arrows indicating the estimated direction and magnitude of change), most countries' (18) AROP rates were either stable or did not change significantly, while rates decreased in 2 (Spain and Romania), and increased in 5 countries (Croatia, Germany, Hungary, Ireland and Slovenia).

- The at-risk-of-poverty rate for children is also expected to have remained stable at EU-level, again with a marginal increase of only 0.1 pp for 2025 to 19.7%, and with rates either stable or with statistically insignificant changes for almost all countries except Slovenia, where the rate is expected to have risen by 1.0 pp.

- The estimates point to a rather stable trend in all countries in income inequalities based on 2025 incomes, as measured by the income quintile share ratio (S80/S20). This can be explained by the joint movement of income along the deciles, i.e., by not particularly unbalanced changes along the various parts of the income spectrum.

([36]) For details on the methodology see here: Methodological note Flash Estimates 2025

([37]) For further details see the main document here: Latest developments in income dynamics and poverty - Statistics Explained - Eurostat

([38]) As EU-SILC income data refer to the previous year, Eurostat produces flash estimates of 2025 income to predict the evolution of AROP for the upcoming EU-SILC 2026.

([39]) All figures provided are part of the experimental statistics produced by Eurostat in the frame of advanced estimates on income inequality and poverty indicators. The flash estimates give a general message on the expected change, and estimates are currently produced for the at-risk-of-poverty rate and the median equivalised disposable income.

([40]) In this year's FE exercise, Poland was not included due to the unavailability of up-to-date EUROMOD input data, while Slovakia was not included due to data-quality issues with the EUROMOD input data. In addition, several AROP breakdowns for different countries were not published due to low reliability.

Table 4: Estimated changes in the at-risk-of-poverty rate between 2024 and 2025 based on estimates of 2025 incomes, by country

At-risk-of-poverty rate by country, 2024-2025 income years

Country	EU-SILC 2025 (2024 income*) % of population	Flash estimate (2025 income**) year-on-year change in pp
EU	**16.3**	**0.1**
Belgium	10.9	→
Bulgaria	21.2	→
Czechia	9.6	→
Denmark	11.8	→
Germany	16.1	↗
Estonia	19.5	→
Ireland	13.0	↗
Greece	19.6	→
Spain	19.5	↘
France	16.3	→
Croatia	19.5	↗
Italy	18.6	→
Cyprus	14.9	→
Latvia	22.0	→
Lithuania	22.6 (p)	→
Luxembourg	14.8 (b)	→
Hungary	14.0	↗
Malta	16.9	→
Netherlands	13.4	→ (p)
Austria	16.0	→
Poland	13.2	:
Portugal	15.4	→
Romania	18.4	↘
Slovenia	14.3	↗
Slovakia	12.2	:
Finland	13.4	→
Sweden	15.6	→

EU Statistics on Income and Living Conditions (EU-SILC)
Flash estimates of income inequality and poverty indicators (FE)
* Information on income for year T is collected in EU-SILC survey year T+1
**Flash estimates at country level are released as intervals

↗	increase (statistically significant , <2)
→	stability (statistically non-significant)
↘	decrease (statistically significant , >-2)
:	not available
b	break in series
p	provisional

Source: ilc_li02, Eurostat flash estimates

eurostat

Table 1: At risk of poverty rate by country, 2024-2025 income
Source: Eurostat ilc_li02, (flash estimates)

(e) Economic and labour market outlook as context for developments in the social situation over 2026

According to the European Commission's Spring 2026 Economic Forecast ([41]) real GDP growth in 2026 is projected at 1.1% in the EU and 0.9% in the euro area – down on the rates attained in 2025 (1.5% and 1.4% respectively). This slowdown in growth largely reflects the impact of the outbreak of the conflict in the Middle East, which has delivered one of the most significant global energy supply disruptions in recent history—coming less than five years after the energy shock triggered by Russia's war of aggression against Ukraine. The impact of the energy shock is set to extend into 2027, with EU GDP growth projected to pick up to a modest 1.4% and with inflation easing to 2.4%, down from 3.1% in 2026.

While the current shock differs in many respects from the 2022 energy crisis, it is expected to transmit through the economy along similar channels. Inflation data already point to a strong surge in energy prices. Energy inflation in the EU is expected to peak above 11% in the second quarter of 2026 and remain above 10% for the rest of the year, before declining in early 2027, and turning negative from the second quarter onwards. Price pressures are set to broaden progressively, as rising energy costs feed through the production chain and are partially passed through to consumers. This upward pressure will be reinforced by stronger-than-previously-expected wage pressures, as workers seek to preserve purchasing power.

Labour market conditions had already begun to soften before the outbreak of the conflict in the Middle East. With employment growth now projected to slow to 0.3% in 2026 and 0.4% in 2027, the unemployment rate is expected to remain stable at around 6%. Nominal wages are set to decelerate less than previously expected in 2026, growing by around 3.5% in 2027, as they adjust with a lag to higher inflation.

Labour income over the forecast horizon is only mildly affected in nominal terms, as stronger wage growth broadly offsets weaker employment expansion. However, the upward revision to the inflation forecast reduces growth of households' real disposable income over the forecast horizon. Recent survey data show that consumer confidence has deteriorated markedly, alongside a sharp increase in their inflation expectations.

Looking ahead, risks to the outlook are primarily linked to the evolution of the conflict in the Middle East and its implications for global energy markets. A prolonged conflict and more gradual supply normalisation would lead to stronger inflationary pressures and weaker growth. Moreover, a renewed period of high prices could lead households and firms to adjust consumption and investment more sharply, including through cutbacks in energy-intensive activities. Finally, while the risk of overall energy shortages appears contained, critical vulnerabilities remain for specific inputs.

([41]) Spring 2026 Economic Forecast: Slowdown in growth as energy shock drives up inflation - Economy and Finance

III. Progress on the 2030 target on reducing poverty and social exclusion

Following the European Pillar of Social Rights Action Plan ([42]), at the Porto Summit in May 2021 the European Council welcomed three EU headline targets to be achieved by the end of the decade in the areas of employment, skills, and social protection ([43]):

- At least 78% of the population aged 20 to 64 should be in employment by 2030;
- At least 60% of all adults should participate in training every year;
- The number of people at risk of poverty or social exclusion ([44]) should be reduced by at least 15 million by 2030 (compared to 2019).

Member States have proposed national targets to support the achievement of the common EU headline targets for 2030 (Table 5). These were discussed by EU employment and social affairs ministers at the Council meeting of 15 June 2022, and reveal a strong commitment to achieving the EU target, as shown by the individual (income) poverty-reduction ambitions of the Member States summing to a figure higher than the EU level commitment to reduce poverty and social exclusion by 15 million ([45]).

Complementary goals were also set out by the Action Plan, which aim to support the achievement of the headline targets. With regard to the poverty and social exclusion target, out of the 15 million people to lift out of poverty or social exclusion, at least 5 million should be children. Twenty-one Member States have set complementary targets for reducing the number of children at risk of poverty or social exclusion (Table 6).

The national targets will contribute to the shared ambition of reaching the EU headline targets by 2030 in the areas of employment, skills, and poverty reduction and their implementation is closely monitored by the Social Protection Committee and the Employment Committee, including in the context of the European Semester, the EU's coordination framework for economic and employment policies.

A key recent development has been the adoption in 2026 of an EU Anti-Poverty Strategy (see Chapter 5 for details), which will provide further impetus to efforts to reduce poverty in the EU.

([42]) ST 6649/21 + ADD 1-2

([43]) For reference, at the time starting values for the targets were 73.1% (2019), 37.4% (2016, data only collected every 6 years), and 92.2 million (2019) respectively.

([44]) The definition of AROPE (and its components regarding material and social deprivation and (quasi-)jobless households) changed in 2021 and this revised indicator is now used to monitor poverty and social exclusion. For further details see the Eurostat Glossary: At risk of poverty or social exclusion (AROPE) - Statistics Explained (europa.eu).

([45]) The national targets that are expressed in terms of the population at risk of poverty or social exclusion (i.e. not including those for DE, DK and MT) sum to around 15.6 million. Taking into account that the national targets for DE and DK are expressed in terms of subcomponents of AROPE and are expected to translate into similar declines in AROPE numbers, the overall ambition sums up to around 16.8 million.

Table 5: National minimum poverty reduction targets for 2030

	National minimum 2030 target for the reduction of poverty and social exclusion (in number of persons)	Summary of AROPE reference values in 2019		
		2019 AROPE population (in thousands)	Relative reduction in AROPE population (in %)	2019 AROPE rate
EU*	**Reduce the population in AROPE by at least 15 million**	95,516	-15.7	21.8
BE	Reduce the population in AROPE by 279,000	2,269	-12.3	20.1
BG	Reduce the population in AROPE by 787,000	2,324	-33.9	33.2
CZ	Reduce the population in AROPE by 120,000	1,264	-9.5	12.1
DK*	Reduce the number of persons living in households with very low work intensity by 30,000	994	n.a.	17.3
DE*	Reduce the number of persons living in households with very low work intensity by 1,200,000	17,401	n.a.	21.2
EE	Reduce the population in AROPE by 39,000	311	-12.5	23.7
IE	Reduce the population in AROPE by 90,000	988	-9.1	20.2
EL	Reduce the population in AROPE by 860,000	3,059	-28.1	29.0
ES	Reduce the population in AROPE by 2,815,000	12,169	-23.1	26.2
FR	Reduce the population in AROPE by 1,100,000	11,716	-9.4	18.8
HR	Reduce the population in AROPE by 298,000	841	-35.4	20.8
IT	Reduce the population in AROPE by 3,200,000	14,803	-21.6	24.6
CY	Reduce the population in AROPE by 10,000	167	-6.0	18.9
LV	Reduce the population in AROPE by 95,000	506	-18.8	26.7
LT	Reduce the population in AROPE by 223,000	712	-31.3	25.5
LU	Reduce the population in AROPE by 4,000	119	-3.4	20.1
HU	Reduce the material and social deprivation rate of families with children to 13%, and thereby reduce the population in AROPE by 292,000	2,010	-14.5	21.1
MT*	Reduce the AROPE rate by 3.1 percentage points	100	n.a.	20.7
NL	Reduce the population in AROPE by 163,000	2,809	-5.8	16.5
AT	Reduce the population in AROPE by 204,000	1,434	-14.2	16.5
PL	Reduce the population in AROPE by 1,500,000	6,575	-22.8	17.9
PT	Reduce the population in AROPE by 765,000	2,173	-35.2	21.1
RO	Reduce the population in AROPE by 2,532,000	7,032	-36.0	36.1
SI	Reduce the population in AROPE by 9,000	279	-3.2	13.7
SK	Reduce the population in AROPE by 70,000	795	-8.8	14.8
FI	Reduce the population in AROPE by 100,000	788	-12.7	14.5
SE	Reduce the population in AROPE by 15,000	1,879	-0.8	18.4

*Notes: * Countries that have expressed their national target in relation to an indicator different from the EU headline target indicator (AROPE), or in a format other than absolute population reductions. Denmark and Germany ([46]) express their national poverty reduction targets as a reduction in the number of persons living in (quasi-)jobless households (i.e. households with very low work intensity) that are expected to translate into similar declines in the numbers of people in AROPE over the decade. MT expresses its national poverty reduction target as a reduction of the AROPE rate by 3.1 percentage points. HU expresses its national poverty reduction target as a reduction of the material and social deprivation rate for families with children that can be translated into AROPE reduction if current circumstances prevail. LV set both an absolute reduction and an AROPE rate reduction to better reflect the impact of national policy measures on public support and minimize the impact of demographic trends (the number of people at risk of poverty or social exclusion should be reduced by at least 95 thousand or by 5 percentage points).*

([46]) The reference year for the German national target is actually 2020, when the AROPE population was 16,735,000 following a break in series in 2020.

+ EU aggregate for 2019 adjusted to account for the break in series in Germany in 2020 (see Eurostat table ilc_pecs01).

Table 6: National minimum 2030 targets for the reduction of poverty and social exclusion for children

	National minimum 2030 goal for the reduction of poverty and social exclusion (in number of persons) for children
EU	**Reduce the child population in AROPE by at least 5 million**
BE	Reduce the child population in AROPE by 93,000
BG	Reduce the child population in AROPE by 197,000
CZ	Reduce the child population in AROPE by 50,000
DK	
DE	Reduce the child population in AROPE by 300,000 , by decreasing children living in households with very low work intensity by 300,000
EE	Reduce the child population in AROPE by 13,000
IE	Reduce the child population in AROPE by 45,000
EL*	Reduce the child AROPE rate by 6.6 percentage points
ES	Reduce the child population in AROPE by 713,000
FR	Reduce the child population in AROPE by 300,000
HR	Reduce the child population in AROPE by 40,000
IT	
CY	Reduce the child population in AROPE by 3,000
LV	
LT	
LU	Reduce the child population in AROPE by 1,000
HU	
MT*	Reduce the child AROPE rate by 6 percentage points
NL	
AT	Reduce the child population in AROPE by 102,000
PL	Reduce the child poluation in AROPE by 300,000
PT	Reduce the child population in AROPE by 161,000
RO	Reduce the child population in AROPE by 500,000
SI	Reduce the child population in AROPE by 3,000
SK	Reduce the child population in AROPE by 21,000
FI	Reduce the child population in AROPE by 33,000
SE	Reduce the child population in AROPE by 5,000

*Notes: * Countries that have expressed their national target in a format other than absolute population reductions. EL and MT express their national poverty reduction targets for children as a reduction of the AROPE rate for children. Germany has expressed its national goal for the EU 2030 poverty reduction target for children in the following way: The number of children at risk of poverty or social exclusion shall be reduced by 300 thousand persons, by decreasing the number of children living in (quasi-*

)jobless households (i.e. households with very low work intensity) by 300 thousand. No targets set for reduction of child poverty and social exclusion in DK, IT, LV, LT and NL., while for HU its headline target also considers the situation of children by focusing on families with children as a target group.

Progress towards the 2030 EU poverty and social exclusion target

In 2025, 92.7 million people in the EU (20.9% of the population) were at risk of poverty or social exclusion (AROPE). This indicates there was an overall decline in the population at risk of poverty or social exclusion in the EU by 0.5 million between 2024 and 2025, driven by declines in Belgium (down 199 thousand), Germany (down 165 thousand), Italy (down 260 thousand) and Poland (down 419 thousand), which contrasts with notable rises in Austria (up 157 thousand), France (up 277 thousand), Ireland (up 109 thousand) and Sweden (up 127 thousand) **([47])**. More Member States recorded increases (15) than reductions (11) in the AROPE population, while the overall change equates to only a 0.1 percentage point decrease in the EU at-risk-of-poverty-or-social-exclusion rate.

The reduction in the EU population at risk of poverty or social exclusion reflects an underlying decrease of around 0.6 million in the population experiencing severe material and social deprivation (SMSD) and a very marginal reduction in the number of people living in (quasi-)jobless households (i.e. living in very low work intensity households, VLWI), but a rise of around 0.3 million in the population at risk of poverty (AROP).

As a result, in 2025 there were 72.4 million people in the EU at risk of poverty, 26.9 million experiencing severe material or social deprivation, and 26.1 million living in quasi-jobless households. The population at risk of poverty is by far the largest component of the AROPE population and has sizeable overlaps with the other two components (Figure 21). Around 5.7 million of those at risk of poverty or social exclusion experience all three aspects simultaneously.

At Member State level, 5 Member States (BE, BG, HR, PL and PT) recorded significant falls in their at-risk-of-poverty-or-social-exclusion rates in 2025 (Table 7). Around two-thirds of Member States recorded no significant change in their rates, while rates rose significantly in 5 countries (AT, EL, IE, SI and SE).

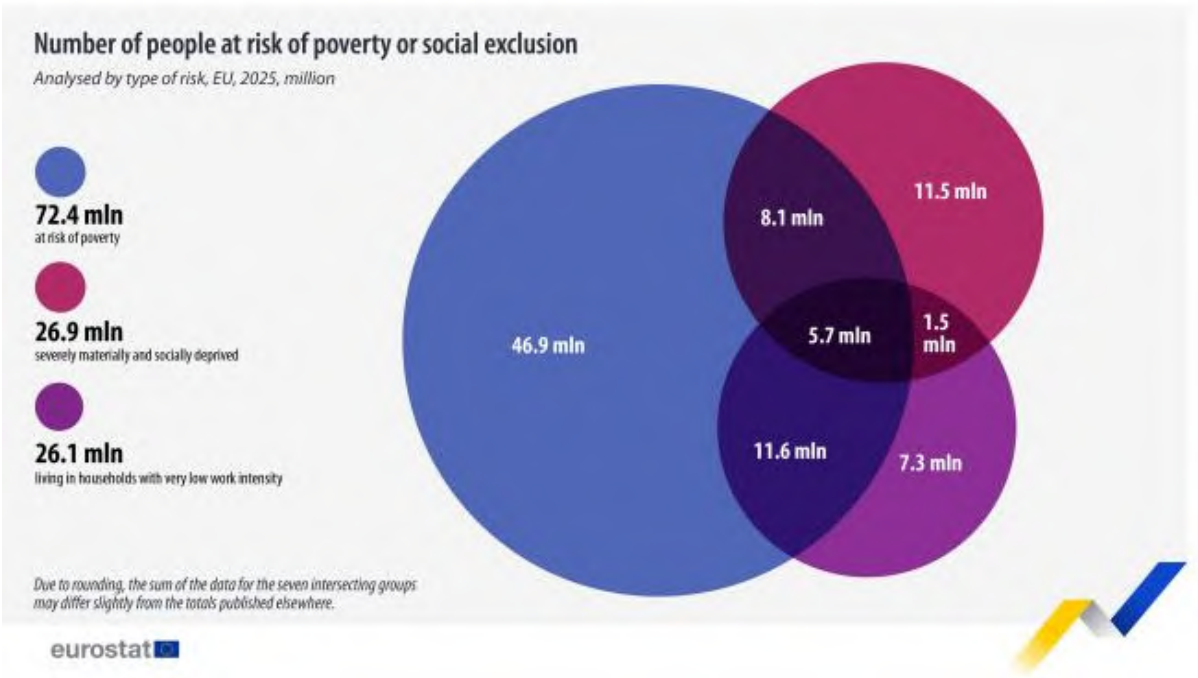
Compared to the reference year (2019) for monitoring progress towards the 2030 target of a reduction of the AROPE population by 15 million, adjusted data series for AROPE correcting for major breaks in France and Germany **([48])** (see Box 2) indicate that the EU population at risk of poverty or social exclusion in 2025 was down by 3.5 million compared to 2019 (Figure 22). Hence, progress has been made towards the target despite the series of crises the EU weathered in recent years. Underlying this was a fall of around 1.9 million in the population at risk of poverty, of 1.3 million in the number of people living in (quasi-)jobless households and of close to 3.9 million in the number of people experiencing severe material or social deprivation.

([47]) The changes mentioned are statistically significant for AT, BE, IE, PL and SE, but not so for EU, FR, DE and IT.

([48]) As there can be major breaks in the series on poverty and social exclusion, for all analysis relating to progress versus the 2030 poverty and social exclusion reduction target (i.e. comparisons to 2019), use is made of the data series published by Eurostat in table **ilc_pecs01** that adjusts for the major breaks in series for EU-SILC data in Germany (in 2020) and in France (in 2022).

The gap to achieving the target is now around 11.5 million, implying that the EU AROPE population would need to decrease on average by 2.3 million per year until 2030 ([49]) to reach the target. Stronger, sustained and more coordinated efforts are needed to come closer to the 2030 target, but it still remains within reach. For comparison, similar progress was achieved over the second half of the last decade, where a reduction in the population at risk of poverty or social exclusion of around 10.5 million was achieved between 2015 and 2020, equivalent to on average around 2.1 million per year.

Figure 21. Composition of EU AROPE population with regard to the three components, 2025



Source: Eurostat EU-SILC

Table 7. At-risk-of-poverty-or-social-exclusion rate in 2025 (%), and evolution (in pp) 2024-2025

	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2025	20.9	16.5	29.0	11.5	17.9	21.2	21.8	18.8	27.5	25.7	20.8	20.7	22.6	17.1
2024-2025 change in pp	-0.1	-1.8	-1.3	0.2	-0.1	0.1	-0.4	1.7	0.6	-0.1	0.3	-1.0	-0.5	0.0
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2025	24.7	26.3	18.2	19.5	19.4	15.8	18.6	15.0	18.6	27.4	15.5	16.7	17.2	18.6
2024-2025 change in pp	0.4	0.5	n.a.	0.2	-0.2	0.4	1.7	-1.0	-1.1	-0.5	1.1	-1.6	0.4	1.1

Source: Eurostat (EU-SILC)

Note: i) Only significant (for definition see table in the section on SPPM methodology in Annex 2) changes have been highlighted in green/red (positive/negative changes). ii) For LU, major break in series in EU-SILC data in 2025, so changes not shown.

([49]) Based on the reference year 2030 with AROPE figures from the EU-SILC 2030 data collection available in spring 2031.

Box 2: Estimates of AROPE and its components for the EU relative to 2019 accounting for major breaks in series in France and Germany

The agreed reference year against which progress is to be assessed towards meeting the EU target of a reduction of 15 million in the population at risk of poverty or social exclusion (AROPE) by 2030, as part of the Action Plan for the European Pillar of Social Rights, is the year 2019. For meaningful comparisons to this year, time series are required that are free from major breaks. However, the comparison to 2019 is affected by major breaks in series for EU-SILC data in Germany in 2020 and in France in 2022.

In 2020, the German EU-SILC survey, on which the AROPE indicator is based, was integrated into the newly designed German microcensus ([50]), leading to a substantial break in the time series between 2019 and 2020, with income variables being the most affected by the break. Given the size of the German population in the EU aggregate, the break has important implications not only for assessing progress in Germany but also for the EU as a whole. Consequently, efforts have been made by Eurostat to produce an adjusted break-free time series for AROPE and its components both for Germany and the EU aggregate. The result gives re-based 2019 estimates more in line with the new survey figures for 2020 onwards.

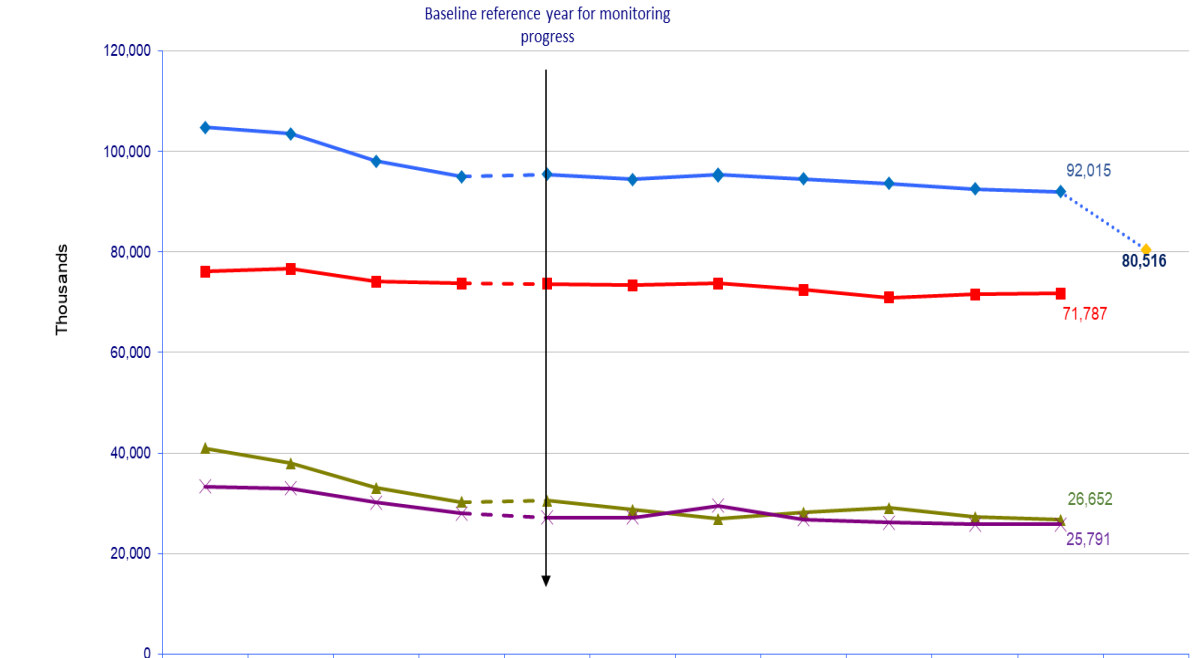
Similarly, a major break in EU-SILC data series occurred in France in 2022, due to the new inclusion of overseas departments and regions, which had a significant negative effect on many social indicators. In order to be able to make meaningful assessment of the progress since 2019, the data series not including the overseas territories (published under the reference "Metropolitan France" on the Eurostat web page) has been used to negate the effect of the break and the adjusted figures have been applied to the EU aggregate.

Hence, a break-free series adjusting for the major breaks in both Germany and France has been estimated ([51]) to provide a more appropriate basis for assessing progress since 2019 (Figure 22). On this basis, the total EU population at risk of poverty or social exclusion for the re-estimated AROPE population in 2019, taking into account the 2020 break in Germany, amounted to 95.4 million people (instead of the unadjusted total of 92.2 million), while the 2025 figure adjusted for the 2022 break in France amounted to 92.0 million (instead of the unadjusted total of 92.7 million).

([50]) For EU-SILC, a new rotation scheme and a full multi-mode-design were implemented along with completely new and complex IT tools for survey management and data collection.

([51]) For DE, the 2019 figures as re-calculated and published in Eurostat table ilc_pecs01, as explained in the information note attached to that table, are used as the basis for the EU aggregate, which is then adjusted to reflect also the values for Metropolitan France rather than the values for France in 2022-2025, to be in line with the 2019 figure.

Figure 22. Evolution of the EU27 population (1000s) at risk of poverty or social exclusion and its components, 2015-2025, adjusted for major breaks in DE and FR



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030 Target
AROPE	104,877	103,556	98,142	95,066	95,516	94,479	95,436	94,593	93,664	92,616	92,015	80,516
AROP	76,112	76,640	74,134	73,787	73,685	73,393	73,799	72,462	70,994	71,611	71,787	
SMSD	40,925	37,943	33,044	30,202	30,532	28,658	26,859	28,171	29,013	27,227	26,652	
(Quasi-)Jobless HHs	33,356	32,974	30,105	27,970	27,108	27,129	29,537	26,795	26,159	25,826	25,791	

Source: Eurostat (EU-SILC, table ilc_pecs01) and DG EMPL calculations.
Note: AROPE – population at risk of poverty or social exclusion; AROP – population at risk of poverty; (Quasi-)jobless HHs - population living in very low work intensity households; SMSD – population in severe material and social deprivation. For the at-risk-of-poverty indicator, the income reference year is the calendar year prior to the survey year. Similarly, the (quasi-)jobless households indicator refers to the previous calendar year while for severe material and social deprivation it is the current survey year. Series adjusted for major breaks in series for AROPE and its components, due to underlying major breaks in DE in 2020 (break adjusted backwards to 2019) and in FR in 2022 (EU aggregate uses figures for "Metropolitan France" rather than "France" to be in line with the 2019 figure). In many Member States, the COVID-19 pandemic emerged during the data-collection period and although often difficult to clearly assess possible impacts on the final results, caution is warranted regarding the 2020, and probably to a lesser extent, the 2021 figures.

For the child population in the EU, the population at risk of poverty or social exclusion fell by around 0.2 million between 2024 and 2025, with the largest falls in the Netherlands (101 thousand), Romania (92 thousand) and Spain (108 thousand), but a rise of 147 thousand in France **([52])**. As a result, in 2025 there were 19.3 million children in the EU at risk of poverty or social exclusion (or 24.3% of the child population), among which 15.5 million were at risk of poverty, 6.1 million experienced severe material or social deprivation, and 5.9 million were living in quasi-jobless households. Underlying the fall at EU level were a drop of 0.13 million in the child population experiencing severe material and social deprivation and only marginal changes in the population at risk of poverty and in the number of children living in (quasi-)jobless households. At Member State level, the share of children at risk of poverty or social exclusion fell significantly in 8 countries between 2024 and 2025, most notably in Croatia, Malta and the

([52]) The changes mentioned are statistically significant for FR, NL and RO but not so for ES.

Netherlands with declines of over 3 pps (Table 8). At the same time, 6 Member States recorded a significant increase in the share, among which Austria with a notable increase of 3.5 pps.

Table 8. At-risk-of-poverty-or-social-exclusion rate for children aged 0-17 (%) in 2025, and evolution (in pp) 2024-2025

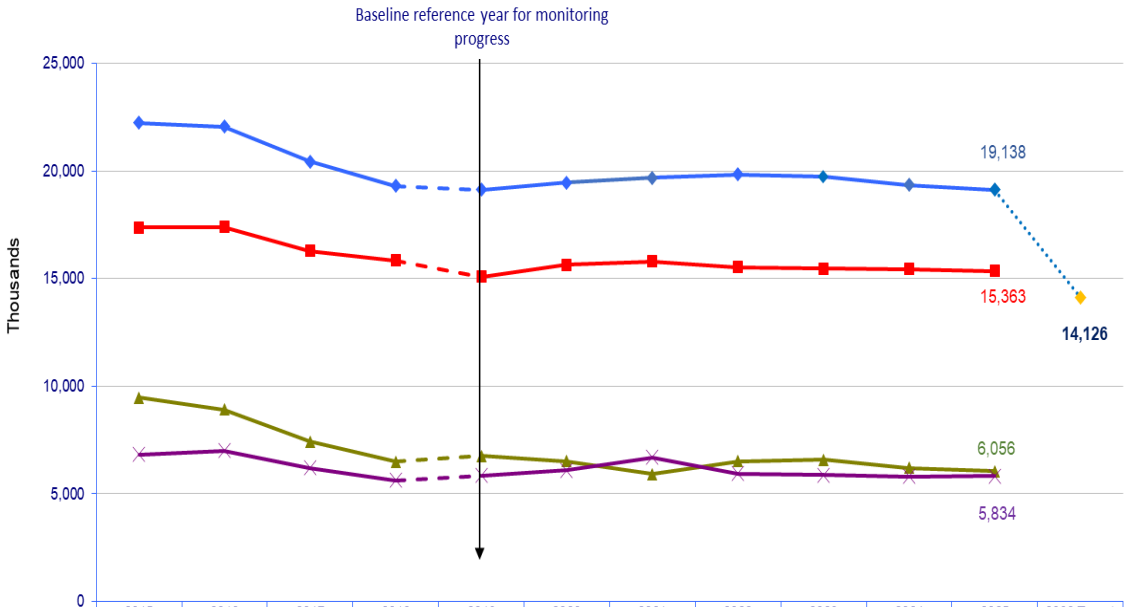
	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2025	24.3	18.9	33.1	15.4	14.8	23.5	19.4	23.7	29.6	33.8	27.5	15.7	27.1	14.0
2024-2025 change in pp	0.1	-1.3	-2.0	0.0	-1.1	0.6	2.9	2.8	1.7	-0.8	1.3	-3.6	0.0	-0.8
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2025	17.6	19.9	25.2	23.0	23.3	12.7	24.4	15.6	19.2	32.4	12.5	22.7	17.1	23.4
2024-2025 change in pp	-0.3	-2.9	n.a.	0.1	-3.2	-3.1	3.5	-0.5	-1.5	-1.4	0.7	0.1	-0.2	2.5

Source: Eurostat (EU-SILC)

Note: i) Only significant (for definition see table in the section on SPPM methodology in Annex 2) changes have been highlighted in green/red (positive/negative changes). ii) For LU, major break in series in EU-SILC data in 2025, so change not shown.

With regard to the poverty and social exclusion target, out of the 15 million people to lift out of poverty or social exclusion by 2030, at least 5 million should be children. Compared to the reference year 2019, figures adjusted for the major breaks in series for EU-SILC data in Germany and in France suggest the child population in the EU at risk of poverty or social exclusion had changed only marginally by 2025, with an underlying rise of around 0.3 million in the number of children at risk of poverty and a reduction of 0.7 million in the number experiencing severe material and social deprivation, and essentially no change in the number of children living in (quasi-)jobless households (Figure 23). The gap to achieving the target for children remains at around 5 million.

Figure 23. Evolution of the risk of poverty or social exclusion indicator for children and its components in the EU27 (1000s), 2015-2025, adjusted for major breaks in DE (in 2020) and in FR (in 2022)



	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2030 Target
AROPE	22,249	22,072	20,432	19,300	19,126	19,455	19,684	19,834	19,733	19,356	19,138	14,126
AROP	17,383	17,394	16,287	15,846	15,098	15,650	15,794	15,544	15,467	15,443	15,363	
SMSD	9,480	8,912	7,431	6,502	6,770	6,521	5,921	6,514	6,575	6,210	6,056	
(Quasi-)Jobless HHs	6,823	7,005	6,213	5,625	5,848	6,109	6,699	5,951	5,867	5,808	5,834	

Source: Eurostat (EU-SILC). Note: Series adjusted for major breaks in series for AROPE and its components, due to underlying major breaks in DE in 2020 (break adjusted backwards to 2019) and in FR in 2022.

Overview of Member States' progress towards achieving national 2030 targets for reduction of poverty and social exclusion

In terms of progress towards the 2030 EU target for the reduction of poverty and social exclusion, individual Member States' figures for 2025 (Table 9) show mixed trends in the population at risk of poverty or social exclusion compared to the year before and in progress towards national targets and contributing to the overall EU target. Just over half of countries saw a rise in this population in 2025, thus moving away from the poverty target, and around a third a noticeable reduction.

Relative to the year 2019, there have been substantial absolute reductions in the population at risk of poverty or social exclusion in under half of Member States, most notably in Belgium, Bulgaria, Greece, and above all in Italy, Poland and Romania, with declines of 1.5, 1.2 and 1.9 million respectively. In contrast, substantial rises have occurred in Austria, Finland, Spain, and most notably in France (up 1.4 million, based on the adjusted series).

Based on the 2025 figures, only Belgium has already achieved its national target for poverty reduction. Among the other 23 Member States that have expressed their target in terms of a reduction in the AROPE population, only 5 (Bulgaria, Latvia, Hungary, Poland and Romania) are on track to meet their national target (based on the assumption that the same progress would be achieved in the period 2025-2030 as was achieved in 2019-2025), with a further one (Italy) very close to being on track.

The developments in the child population at risk of poverty or social exclusion and with regard to progress towards national targets for the reduction of poverty and social exclusion among children is

shown in Table 10. The Netherlands, Romania and Spain recorded the largest reductions between 2024 and 2025, while France saw a notable rise. Relative to 2019, there have been substantial absolute reductions in the child population at risk of poverty or social exclusion in just over half of Member States, most notably in Italy and Romania, but the population has increased noticeably in a third of countries, with large rises in France and Germany.

Based on the 2025 figures, only Cyprus has already achieved its national target for the reduction in the number of children at risk of poverty or social exclusion. Among the other 20 Member States that have set a target for children, only 3 (Belgium, Croatia and Romania) are on track to meet their national target (again based on the assumption that the same progress would be achieved in the period 2025-2030 as was achieved in 2019-2025), with a further one (Sweden) very close to being on track.

Further information and summary charts on the progress of Member States towards their individual national 2030 targets in the domain of poverty and social exclusion are provided in Annex 1. Several Member States express their national poverty targets not in AROPE but in terms of other indicators as their main method of decreasing poverty and the annex provides details of developments in the respective indicators for the national targets.

Table 9. Developments across Member States in the population at risk of poverty or social exclusion, and comparison to national poverty reduction targets or equivalent in terms of AROPE

	National target (reduction of AROPE in 1000s vs 2019 figures). Non-AROPE based targets shown in parentheses)	AROPE population 2019 (1000s)	AROPE population 2020 (1000s)	AROPE population 2021 (1000s)	AROPE population 2022 (1000s)	AROPE population 2023 (1000s)	AROPE population 2024 (1000s)	AROPE population 2025 (1000s)	*Mini charts of trends to latest available year*	Change 2019-2020 (1000s)	Change 2020-2021 (1000s)	Change 2021-2022 (1000s)	Change 2022-2023 (1000s)	Change 2023-2024 (1000s)	Change 2024-2025 (1000s)	Overall change 2019-2025 (1000s)
BE	-279	2,269	2,308	2,166	2,137	2,176	2,124	1,925		39	-142	-29	39	-52	-199	-344
BG	-787	2,324	2,332	2,193	2,206	1,933	1,953	1,869		8	-139	13	-273	20	-84	-455
CZ	-120	1,264	1,205	1,132	1,209	1,247	1,183	1,213		-59	-73	77	38	-64	30	-51
DK*	(-30 VLWI)	994	970	1,000	997	1,056	1,065	1,065		-24	30	-3	59	9	0	71
DE*+	(-1200 VLWI)	17,401	16,735	17,255	17,543	17,886	17,687	17,522		-666	520	288	343	-199	-165	121
EE	-39	311	300	293	332	327	302	296		-11	-7	39	-5	-25	-6	-15
IE	-90	988	932	985	1,003	988	898	1,007		-56	53	18	-15	-90	109	19
EL	-860	3,059	2,880	2,971	2,722	2,658	2,744	2,797		-179	91	-249	-64	86	53	-262
ES	-2,815	12,169	12,642	13,040	12,189	12,552	12,458	12,500		473	398	-851	363	-94	42	331
FR+	-1,100	11,716	12,006	12,115	12,970	12,740	12,950	13,143		290	109	855	-230	210	193	1,427
HR+	-298	841	806	817	752	772	810	777		-35	11	-65	20	38	-33	*-64*
IT	-3,200	14,803	14,821	14,834	14,305	13,392	13,525	13,265		18	13	-529	-913	133	-260	-1,538
CY	-10	167	163	158	162	164	164	167		-4	-5	4	2	0	3	0
LV	-95	506	473	488	482	476	449	454		-33	15	-6	-6	-27	5	-52
LT	-223	712	685	661	690	695	744	762		-27	-24	29	5	49	18	50
LU+	-4	119	119	126	121	139	132	123		0	7	-5	18	-7	-9	*4*
HU*	Reduce MSD rate of families with children to 13% (AROPE by 292,000)	2,010	1,844	1,859	1,773	1,858	1,811	1,827		-166	15	-86	85	-47	16	-183
MT*	(-3.1 AROPE p.p.)	100	100	103	103	105	108	109		0	3	0	2	3	1	9
NL	-163	2,809	2,739	2,862	2,863	2,770	2,723	2,806		-70	123	1	-93	-47	83	-3
AT	-204	1,434	1,460	1,519	1,555	1,592	1,529	1,686		26	59	36	37	-63	157	252
PL	-1,500	6,575	6,305	6,296	5,873	5,972	5,815	5,396		-270	-9	-423	99	-157	-419	-1,179
PT	-765	2,173	2,056	2,312	2,084	2,104	2,095	1,995		-117	256	-228	20	-9	-100	-178
RO	-2,532	7,032	6,897	6,572	6,525	6,033	5,294	5,169		-135	-325	-47	-492	-739	-125	-1,863
SI	-9	279	295	275	276	287	302	324		16	-20	1	11	15	22	45
SK	-70	795	744	841	888	943	980	895		-51	97	47	55	37	-85	100
FI	-100	788	810	773	891	866	927	952		22	-37	118	-25	61	25	164
SE	-15	1,879	1,832	1,790	1,942	1,932	1,843	1,971		-47	-42	152	-10	-89	128	92

*Source: Eurostat (EU-SILC). Notes: * Countries that have expressed their national target in relation to an indicator different from the EU headline target indicator (AROPE), or in a format other than absolute population reductions. Denmark and Germany express their national poverty reduction targets as a reduction in the number of persons living in (quasi-)jobless households that are expected to translate into similar declines in the numbers of people in AROPE over the decade. HU expresses its target as reducing the material and social deprivation rate of families with children to*

13% by 2030, and thereby reduce the population in AROPE by 292,000. MT expresses its national poverty reduction target as a reduction of the AROPE rate by 3.1 percentage points. + Series for DE adjusted for major break in AROPE in 2020 (break adjusted backwards to 2019) and for FR adjusted in 2022-2025 due to a major break in 2022, due to the new inclusion of overseas departments and regions. Major breaks in HR in 2023 and 2024 for income-related indicators (and also AROPE) and for EU-SILC based indicators for LU in 2025, so the figures for these years are not strictly comparable with previous years nor to show change compared to 2019.

Table 10. Developments across Member States in the child population at risk of poverty or social exclusion, and comparison to national poverty reduction targets or equivalent in terms of AROPE

	National target (reduction of AROPE in 1000s vs 2019 figures)	AROPE population 2019 (1000s)	AROPE population 2020 (1000s)	AROPE population 2021 (1000s)	AROPE population 2022 (1000s)	AROPE population 2023 (1000s)	AROPE population 2024 (1000s)	AROPE population 2025 (1000s)	*Mini charts of trends to latest available year*	Change 2019-2020 (1000s)	Change 2020-2021 (1000s)	Change 2021-2022 (1000s)	Change 2022-2023 (1000s)	Change 2023-2024 (1000s)	Change 2024-2025 (1000s)	Overall change 2019-2025 (1000s)
BE	-93	532	516	492	459	461	478	446		-16	-24	-33	2	17	-32	-86
BG	-197	434	432	400	411	377	394	372		-2	-32	11	-34	17	-22	-62
CZ	-50	260	264	280	270	315	325	323		4	16	-10	45	10	-2	63
DK	n.a.	158	152	158	156	171	182	168		-6	6	-2	15	11	-14	10
DE*+	-300	2,874	3,144	3,357	3,549	3,526	3,377	3,382		270	213	192	-23	-149	5	508
EE	-13	50	44	45	43	49	44	51		-6	1	-2	6	-5	7	1
IE	-45	303	269	281	274	293	253	289		-34	12	-7	19	-40	36.0	-14
EL*	(-6.6 p.p. AROPE)	31.2	30.8	32.0	28.1	28.1	27.9	29.6		-0.4	1.2	-3.9	0.0	-0.2	1.7	-1.6
ES	-713	2,571	2,608	2,750	2,604	2,768	2,756	2,648		37	142	-146	164	-12	-108	77
FR+	-300	3,194	3,138	2,934	3,498	3,320	3,421	3,562		-56	-204	564	-178	101	141	368
HR+	-40	134	126	127	119	113	125	100		-8	1	-8	-6	12	-25	*-34*
IT	n.a.	2,658	2,797	2,851	2,660	2,471	2,421	2,401		139	54	-191	-189	-50	-20	-257
CY	-3	37	33	33	33	29	26	25		-4	0	0	-4	-3	-1	-12
LV	n.a.	67	72	75	73	75	65	62		5	3	-2	2	-10	-3	-5
LT	n.a.	128	115	108	110	111	117	99		-13	-7	2	1	6	-18	-29
LU+	-1	28	30	36	31	34	33	34		2	6	-5	3	-1	1	*6*
HU	n.a.	469	463	444	360	415	386	381		-6	-19	-84	55	-29	-5	-88
MT*	(-6 p.p. AROPE)	23.7	22.3	23.2	23.1	25.2	26.5	23.3		-1.4	0.9	-0.1	2.1	1.3	-3.2	-0.4
NL	n.a.	519	526	493	459	526	518	417		7	-33	-34	67	-8	-101	-102
AT	-102	312	345	368	353	376	344	395		33	23	-15	23	-32	51	83
PL	-300	1,089	1,096	1,140	1,138	1,136	1,070	1,022		7	44	-2	-2	-66	-48	-67
PT	-161	380	378	388	339	379	351	322		-2	10	-49	40	-28	-29	-58
RO	-500	1,426	1,483	1,508	1,496	1,360	1,255	1,163		57	25	-12	-136	-105	-92	-263
SI	-3	45	47	43	41	43	47	47		2	-4	-2	2	4	0	2
SK	-21	207	183	202	252	259	237	236		-24	19	50	7	-22	-1	29
FI	-33	147	152	138	155	144	178	173		5	-14	17	-11	34	-5	26
SE	-5	510	453	437	441	481	458	508		-57	-16	4	40	-23	50	-2

*Source: Eurostat (EU-SILC). Notes: * Countries that have expressed their national target in a format other than absolute population reductions. EL and MT express their national poverty and social exclusion reduction targets for children as a reduction of the AROPE rate for children. Germany has expressed its national goal for the EU 2030 poverty and social exclusion reduction target for children in the following way: The number of children at risk of poverty or social exclusion shall be reduced by 300 thousand persons, by decreasing the number of children living in (quasi-)jobless households (i.e. households with very low work intensity) by 300 thousand. No targets set for reduction of child poverty and social exclusion in DK, IT, LV, LT and NL., while for HU its headline target also considers the situation of children by focusing on families with children as a target group. + Series for DE adjusted for major break in AROPE in 2020 (break adjusted backwards to 2019) and in*

for FR adjusted in 2022, 2023 and 2024 due to a major break in 2022, due to the new inclusion of overseas departments and regions. Major breaks in HR in 2023 and 2024 for income-related indicators (and also AROPE) and for EU-SILC based indicators for LU in 2025, so the figures for these years are not strictly comparable with previous years nor to show change compared to 2019.

IV. Overview of the key social challenges and good social outcomes in the EU Member States

This section presents the findings concerning the key social challenges (KSCs) and good social outcomes (GSOs) in the EU Member States ([53]) as highlighted in the SPPM vertical assessment (SPPM VA, see Box 3) tables in the Country Profiles annexed to the report.

Box 3: SPPM Vertical Assessment

The SPPM VA exercise is based on the list of the most relevant **JAF indicators** as determined by the ISG[54] and making use of the most recently available values (mainly **EU-SILC data 2025**), as published by EUROSTAT on 30 April this year. To determine KSCs and GSOs, comparison is made between the current levels across Member States and the changes between 2022 and 2025 figures. This exercise leads to the identification of key social challenges and good social outcomes **with different degrees of relevance**, which are classified in categories (1, 2, 4, 5, 6, 9 and 10 for KSC and 3,7 and 8 for GSOs see annex 2 (Technical Annex) for further details) that are always specified in each country-table.

The assessment is built on a qualitative and quantitative analysis of the levels for the selected indicators, together with the changes over a three-year reference period as specified above, according to the methodology of the Joint Assessment Framework ([55]). Further analysis is conducted to complement these results with other relevant findings, emerging from national sources, policy documents, reports or studies (referred to as "**non-JAF analysis**").

Regarding **breaks in series** in some indicators for certain Member States, it has been clarified with the relevant Member States for which indicators sensible time comparisons can be made in the context of this exercise in spite of the break, and those indicators for which it cannot take place. In the former case, appropriate caveats/footnotes were added. In the latter case, where time comparisons may not be appropriate, the exercise was focused on an assessment of levels only as specified in footnotes to the tables.

The analysis of Member States' KSCs and GSOs continues to point to a heterogeneous performance of social protection and social inclusion systems across the European Union, along with broad stability overall in the social situation that has been ensured during the recent shocks of the COVID pandemic, Russia's aggression towards Ukraine and the wave of high inflation. Differences in level and intensity of

([53]) For further details on the assessment methodology see section 2 of Annex 3 (technical annex) "SPPM methodology used for the identification of Member States' key social challenges and good social outcomes"

([54]) See the table "Social Policy areas covered by the assessment and subcategories" in the above section 2 of Annex 2.

([55]) https://ec.europa.eu/social/main.jsp?catId=1538&langId=en

the outcomes of the exercise should be noted: for example, there are KSCs based on persistent challenges, and emerging KSCs due to negative developments in the relevant indicators.

Poverty, social exclusion and inequality

All Member States except CY and PL have at least one KSC in the area of poverty and social exclusion, considering the total population, children and the working age population groups, while 16 Member States show GSOs (BE, CY, CZ, DK, HR, HU, IE, LU, LT, LV, MT, NL, PL, PT, SI, SK) in this area. This set of challenges encompasses various specific challenges, ranging from the risk-of-poverty or social exclusion, the at-risk-of-poverty rate, the share of people living in (quasi)-jobless households, the severe material and social deprivation rate, the persistent at-risk-of-poverty rate, and the relative median poverty risk gap. As regards income inequality, KSCs appears in 10 Member States (BG, CY, DE, HR, IT, LT, LU, LV, PT, SE), while 1 Member State (CZ) has a GSO in this area. Regarding the housing situation, notably issues related to housing cost overburden and housing deprivation, for various age groups, there are KSCs in 14 Member States (CY, CZ, DK, EE, EL, ES, FR, IE, LT, LV, MT, PT, SE, SI), with only 4 Member States (HR, LT, SE, SK) registering GSOs in this area. The analysis on energy poverty highlighted KSCs in 9 Member States (BG, CY, EL, ES, FR, LT, NL, PT, SK) and GSOs in 6 Member States (EE, FI, HR, IE, LV, MT). This year, the social situation of migrant people has been monitored for the first time in this exercise through JAF indicators related to non-EU born people, complemented by non-JAF analysis on in-work poverty and gaps with native born people; KSCs were identified in 12 countries (AT, BE, CY, DE, DK, EL, ES, FR, FI, IT, NL, SE) and GSO in 9 countries (BE, CY, EL, IE, LU, MT, PL, PT, SI), showing that in some countries there can be both challenges and good social outcomes in different aspects of this policy areas. Regarding non-JAF analyses, KSCs concerning the social situation of persons with disabilities were identified in 10 Member States (BE, CY, EE, EL, HR, IE, LT, LV, MT, RO), notably in relation to their risk of poverty or social exclusion and their poverty gap compared to people without disability. Roma inclusion features as a KSC in 6 Member States (BG, CZ, IE, HU, RO, SK). The territorial dimension of poverty and social exclusion, in relation to its regional dimension or the divide between urban and rural areas, is flagged as a KSC for 11 Member States (BE, BG, ES, FR, HR, HU, IT, LT, PL, RO, SK).

Effectiveness of social protection

Under this area, effectiveness of social protection has been analysed from the perspective of the capacity of social transfers to reduce the risk of poverty for the general population, people in working age and children, the depth of poverty for children and in the working age population, as well as the incidence of in-work poverty and the long-term unemployment rate. Overall, in these areas, a large majority of Member States (23, all but BE, DK, IE, NL) show some KSC) and 12 (BE, CZ, DK, FI, IE, LT, LU, MT, NL, PL, SI, SK) show GSOs. In addition, a non-JAF analysis on social inclusion of children, identified a KSC in 5 Member States (BG, EL, FR, RO and SK) on equal opportunities for children, especially for those from a disadvantaged socio-economic background, also in line with the monitoring framework of the Child Guarantee Recommendation. The adequacy or coverage of minimum income schemes, according to the SPC benchmarking exercise in this area, was found to remain limited in 8 Member States (BG, ES, HR, HU, IT, LV, PL, PT, RO, SK). From the perspective of gaps in access to social protection for some

categories of non-standard workers or self-employed, challenges were observed in 9 Member States (EL, IT, LT, MT, NL, PL, PT, RO and SK) regarding effective access or linked to adequacy.

Old age poverty and Pensions

In the area of pensions, the analysis encompassed issues related to old age poverty and pension adequacy, including gender gaps in pensions. Poverty or social exclusion in people aged 65 years old or more is a KSC in 11 Member States (BG, CY, EE, EL, HR, HU, LT, LV, MT, RO, SI), while 3 registered a GSO (BE, CZ, FI). In terms of income replacement, 16 Member States (AT, BE, BG, CY, DE, DK, EE, HR, HU, IE, LT, LV, MT, PT, RO, SI) registered KSCs in their aggregate replacement ratio and 3 showed GSOs (ES, IT, LU,). Key challenges were observed in 4 Member States (AT, LU, MT, NL) concerning gender pension gap issues.

Long-term care

Insufficient access to long-term care services, their lack of affordability, quality, or the sub-optimal design of long-term care systems, has been identified as a KSC in 14 Member States (BG, CY, CZ, EE, EL, ES, HR, HU, LT, LV, PL, PT, RO, SK), while GSOs have been flagged for 3 Member States (DE, DK, SE).

Healthcare

The health status analysed by life expectancy of the population either at birth or at 65 (or both in many instances) proves to be a KSC in 19 Member States (BG, CZ, DE, DK, EE, FI, HR, HU, IE, LT, LU, LV, NL, PL, PT, RO, SE, SK), while 6 Member States (BE, BG, CY, IT, MT, SI) display good social outcomes. Access to health care challenges have been identified in unmet needs for medical care in 14 Member States (DK, EE, EL, FR, FI, HR, IE, IT, LT, LV, NL, PL, RO, SI).

V. Monitoring social policy developments in the EU Member States

As part of its treaty-based mandate, the Social Protection Committee (SPC) systematically monitors Member States' reform activities. The activities of the Social Protection Committee focus on three main interlinked areas of policy work, which also support the implementation of the European Pillar of Social Rights and its Action Plan. The first area focuses on thematic work, the second is related to the European Semester, while the third is related to the Committee's monitoring and reporting activities. In delivering on these areas, the Committee applied the social open method of coordination, including thematic and peer reviews and other mutual learning activities (sections V.i and V.iii). The Committee also fulfilled its commitments under the European Semester by delivering on the respective activities within its field of competence and providing support through various opinions and reports to the Council (section V.ii).

In accordance with the Work Programmes for 2025 and 2026, the Committee has held 12 meetings since September 2025 ([56]), out of which 7 meetings were organised jointly with the Employment Committee. The meetings were held either physically (10) or virtually (2). Many of the joint meetings were dedicated to the deliverables related to the European Semester, including the implementation of the Social Convergence Framework reviews. The Committees provided the following deliverables to the Council:

- Employment and social aspects of the 2026 Council Recommendation on the economic policy of the euro area (9 March 2026);
- Council Conclusions on the 2026 Joint Employment Report approved by the Council (EPSCO) on 9 March 2026;
- 2026 Joint Employment Report;
- 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
    - SPC multilateral implementation reviews 2026 ;
    - EMCO-SPC Social Convergence reviews 2026

([56]) The closing date of the Annual Report 2025, the number of meetings covers the period of October 2025 to September 2026.

V.i Thematic work

Box 4: Thematic work on the European Anti-Poverty Strategy

On 6 May 2026, the European Commission presented the first-ever EU Anti-Poverty Strategy (APS), to accelerate progress towards the EU's 2030 poverty reduction target and help eradicate poverty by 2050. The EPSCO ministers had multiple discussions[57] on the potential elements and main directions of the Strategy, underlining the multidimensional aspect and an integrated and life cycle approach towards preventing and addressing poverty.

During the preparation of the Strategy, the SPC was also consulted[58], focusing more on the governmental aspect and in particular on its potential role in the implementation and monitoring of the APS. After its adoption, the package was presented jointly to SPC and EMCO[59], with a full overview of its elements. A more in-depth discussion on the follow-up activities and ways of monitoring took place in SPC[60]. Throughout all these discussions, there was broad agreement that the SPC should play a central role in the follow-up of the APS, building on existing tools and processes, and without creating additional administrative burden.

The APS is elaborated along three main fundamentals. First, it sets out a framework for anti-poverty policies to be multidimensional and to follow a life-cycle approach, covering children, people of working age and older people. Second, it is a call for action from all relevant actors to implement this framework in their policies. Third, it outlines how the Commission will contribute to the implementation of this framework by putting forward a number of EU-level initiatives.

According to these fundamentals, SPC monitoring actions will reflect the three-dimensional approach.

The SPC Annual Report (AR) is a key vehicle for monitoring in line with the overarching objectives of the OMC for social protection and social inclusion. Beyond following outcomes and monitoring the progress made to the EU and national targets, the forthcoming editions of the report will introduce elements illustrating ex ante and ex post analysis of poverty impact of investments and reforms– where relevant, to present examples of mainstreaming poverty into broad policy developments. The committee can convey dedicated thematic discussion on distributional impact assessments applied during national policy development based on the DIA mutual learning outcomes and pilot the introduction of a corresponding new descriptive section in the 2027 edition of the report to increase visibility of the issue.

To addressing poverty in a life cycle approach, more systematic reliance on existing thematic reporting or analysis exercises will ensure monitoring in all relevant areas: child poverty (linked to the European Child Guarantee), working age poverty (linked with minimum income report and access to social protection) and old age poverty (linked to the ADAGE working group report) without additional reporting obligations for MSs.

[57] EPSCO meetings in June 2025, February 2026, June and July 2026.
[58] In October 2025 and February 2026.
[59] On 20 May, 2026.
[60] On 30 June, 2026.

Mutual learning activities, exchanging national practices on national poverty frameworks will guarantee the involvement of relevant actors, also with the application of the 'Principles for effective anti-poverty policies', proposed by the Commission. Thematic SPC discussions will facilitate mutual understanding of anti-poverty frameworks and exchange of best practices informed by the principles.

The SPC and its indicator subgroup will be involved in the preparations and implementation of various initiatives of the social package adopted together with the APS to the extent possible and streamlined into existing workflows. Concerning further indicators development, the ISG will explore avenues for improving existing indicators and developing new ones to meet the additional monitoring needs[61] arising from the APS.

Overall, the activities foreseen for the monitoring of the APS will be further identified in the next years' SPC Work Programs.

a) Thematic discussion on social housing ([62])

Initiated by the Danish Presidency, the SPC - at its September 2025 meeting in Copenhagen - held a thematic discussion on social housing, as housing policy has become a significant challenge in the EU and it was selected as one of the presidency's priorities.

The discussion aimed at gathering reflections from the Member States on their challenges concerning adequate provision of affordable housing, which affects vulnerable groups, social cohesion, and labour mobility. While the definition and extent of social housing vary a lot throughout the Member States, it can be a key element in the provision of affordable housing for vulnerable groups and a driver of social cohesion. Even if wider housing policies might not be a 'core policy area' for the SPC's work; social housing is considered as a starting point for a wider focus on how housing and social policies strengthen and reinforce each other.

The discussion led to the following conclusions:

- different supports provided for affordable accommodation, for instance strong social housing models represent a vehicle for both affordable housing and social inclusion;
- while there are a wide variety of social housing models in the Member States, many face similar challenges such as insufficient supply, financing or quality of housing;
- the wide variety of models and solutions also constitutes a wealth of innovation and mutual inspiration, calling for mutual learning and exchange of good practices;

[61] According to the Anti-Poverty Strategy *"…The rapid pace of changes exacerbated by the cost of living, as well as significant shifts in the labour market and workforce, calls for better anticipation and stronger evidence that becomes available more rapidly. To this end, the Commission will improve monitoring of poverty and put forward new indicators to measure the impact of affordability components on poverty, with a view to having them agreed by 2028 and identify a strong monitoring basis for progress towards the 2050 ambition. The aim is to improve the timeliness and comprehensiveness of poverty-related data, including by enriching the measurement of material deprivation and standardising it at EU level, and to explore other approaches to measure both affordability and severe poverty, and to have more granular indicators of territorial disparities…"*

([62]) The review was held at the meeting on 22-23 September 2025.

- there is a strong correlation between housing and social policies, particularly on social inclusion and cohesion, homelessness as well as housing and long-term care for people with disabilities or senior citizens;
- the cooperation across institutions and relevant policy fields at all levels is key to address the challenges, while respecting national competences;
- housing affordability is to remain high on the political agenda both at EU and national level, especially for the social filiere in particular preventing affordability challenges for people at vulnerable situations and combatting homelessness,
- the SPC should continue monitoring issues concerning social housing and homelessness in line with its mandate (within the European Semester and in its political, knowledge-sharing and analytical work) and strengthen the analytical and political understanding of the fundamental overlap and mutual interdependence of social and housing policies.

b) Thematic discussion on access to social protection with a focus on transparency and simplification and the role of digitalisation [(63)]

Building on the thematic social reporting on access to social protection (in the 2025 SPC Annual Report) the SPC held an in-depth discussion examining both recent reforms and their impact and challenges in ensuring access to adequate, effective and transparent social protection, and possible ways forward at EU and national level. Specific emphasis was placed on transparency, simplification and the role of digitalisation.

The following conclusions were drawn, structured around two thematic areas:

(a) remaining and emerging challenges in ensuring access to adequate, effective and transparent social protection:

- Regular monitoring is essential. The 2025 thematic social reporting provided an opportunity to assess progress in implementing the Recommendation, following the renewed reform commitments made during the Belgian Presidency of the EU in 2024[64].
- Steps are taken to improve access to social protection across the dimensions of the Council Recommendation. This includes extending formal coverage and facilitating effective coverage for the self-employed, workers in non-standard employment, artists and domestic workers. Measures to improve adequacy and transferability of social security rights are common and remain important.
- Adapting social protection systems to remaining and emerging challenges related to ageing, the changing world of work, and other megatrends is key.

(63) The discussion was held at the meeting on 23 October 2025.
(64) See conclusions of the thematic discussion on the implementation of the 2019 Council Recommendation, under Belgian Presidency (February 2024).

- Achieving a balanced social protection system for the self-employed remains a concern. Measures have been taken to strengthen coverage, notably in pension systems, to prevent under-insurance.
- New forms of work and non-linear career paths put additional pressure for social protection systems. Close monitoring is warranted, and the EU can contribute by improving data availability and quality.
- Evidence-based policies are important. Extensive use of data and simulation tools is applied often to prepare legislative changes.
- While social security remains primarily a national competence the added value of common frameworks and minimum standards is underlined, citing the examples of the Council Recommendations in the social protection policy area (i.e. access to social protection, long-term care, and minimum income).
- Mutual learning and exchange of good practices have supported innovative policy solutions since the Recommendation's adoption in 2019. Continuing these activities is key, including through SPC peer reviews.
- Further development of the monitoring framework and EU support for statistical capacity building remains a priority.

(b) achievements in the area of transparency and simplification and the role (and possible limits) of digitalisation:

- Building transparent, simple and trustworthy systems is essential to ensure access to social protection for all in an ever-changing society and labour market. Access depends not only on entitlements but also on citizens being aware of their rights and able to claim them easily.
- In general, "transparency and simplification" continue to be challenging. Various strategies and measures are in place to deliver simpler, more user-centric services and personalised social security, strengthen trust, and reduce non-take-up.
- This includes clearer language, targeted communication, and pro-active information (e.g. on policy changes). Actions to raise awareness of rights and obligations, especially early in working life, and improve communication through user feedback, focus groups and co-design are key.
- Reduce fragmentation and complexity in social protection systems is still to be achieved in some cases.
- Developing EU level indicators on transparency and simplification remains important.
- Digitalisation of social protection, which has accelerated in recent years, is seen as a key driver of more transparent and accessible systems. It is a way to reduce complexity and fragmentation, improve efficiency under budget constraints, enhance user-friendliness, and provide more accurate information despite frequent legislative changes.

- Extensive use of digital tools, including e-portals with online simulators, information on benefits, eligibility and application procedures, and online benefit applications through integrated eID-based systems is common.
- Automation of benefit processing is expanding. Use of administrative data and implement the "once-only" principle is key to reduce administrative burden. Digitalisation also enables proactive outreach to potential beneficiaries to improve take-up, including through artificial intelligence.
- While digitalisation is seen as necessary, it is a means rather than an end and should remain human-centred, as it may not always ensure transparent access and can reinforce existing inequalities.
- The digital divide remains a barrier, particularly for vulnerable groups, due to limited internet access, low digital skills, and other obstacles to using digital services.
- To address these risks, including promoting digital uptake, improving digital literacy, maintaining offline alternatives and in-person support, as well as hotlines and permanent service points alongside digital services are fundamental.
- Other challenges include data protection, cybersecurity, interoperability and information exchange between institutions, and maintaining citizens' trust in digital systems, particularly as social security institutions increasingly explore algorithms to manage entitlements.

While digitalisation of social security has mainly been discussed at EU level in the context of social security coordination for intra-EU mobility[65], the EU has also supported digitalisation at national level, notably through the Recovery and Resilience Facility and Technical Support Instrument. As Member States face common challenges, there is scope for further exchange at EU level and within the SPC on how to maximise the benefits of digitalisation while addressing its risks.

c) Thematic discussion on the role of enabling services in reducing poverty and encouraging activation

A thematic discussion on the role of enabling services in reducing poverty and encouraging activation was organised, supported by a presentation of the Social Services Network in Europe (ESN) on their recent work European Framework for Quality in Social Services. The discussion concluded that the positive labour market dynamics of recent years in the European Union has not been accompanied by similar positive developments in poverty and social exclusion for a significant part of the population. This apparent paradox shows that job integration or income support alone is not sufficient, poverty is multidimensional and needs complementary and coherent policies with medium and long-term planning.

[65] Commission's Communication on Digitalisation in social security coordination (September 2023).

In particular, employment rates for persons with disabilities remain significantly lower and they continue to face higher risks of poverty and social exclusion. Experience shows that without coordinated access to health services, vocational rehabilitation, reasonable accommodation and personalized case management, their labour market participation cannot be sustainable. Fragmented governance and capacity constraints in specialized services often limit the effectiveness of activation measures.

Activation of people with a migrant background, the long-term unemployed and people facing complex and multiple difficulties is not a linear process. It requires trust building, stabilizing living conditions, linguistic and psychosocial support, as well as long-term support structure. The discussion explored how enabling services support people facing multiple and intersecting barriers and highlighted that activation for these groups often requires long-term engagement, outreach and coordinated service provision. The importance of integrated service models linking income support, social services and employment support, as well as personalized case management is key.

Common challenges have been identified:

- the fragmentation of responsibilities between employment services, social services and health systems;
- the shortages of human resources in the front line – especially in terms of social services,
- territorial disparities throughout the European Union,
- and the risks of digital exclusion.

To address challenges, investment in sustainable employment is key, accompanied by quality service provision to support individuals facing complex barriers. Concerning the quality of support services, the mere existence of services is not enough. It is necessary to ensure availability, accessibility, continuity, coordination and results-oriented approach.

Delivery of services requires solid legislative framework, simplified procedures and strong cooperation between various levels and players of governance and a cross-sectoral approach (involving non – governmental service providers). In practice both centralized and community-based models face similar challenges. Service providers should be licensed and registered to deliver quality services. The voluntary European Quality Framework for Social Services remains a useful reference point for translating principles into practice but perhaps it could be upgraded and evolved.

Concerning the monitoring and evaluation of service provision, the target-oriented models have proved useful, but to capture nuances of service provision, qualitative elements should be applied in the M&E systems. Piloting and social innovation is key to test new models, accompanied by continuous evaluation during implementation to feedback and improve policy developments. Across the workshops, it was broadly agreed that enabling services are a central pillar of effective active inclusion strategies. The discussions highlighted the importance of integrated approaches linking income support, activation and accessible services, while addressing governance fragmentation, workforce constraints and territorial inequalities in service provision.

d) Horizontal discussion on financing social protection in light of the demographic challenges and changes in the labour markets [66]

A thematic discussion, with a focus on financing social protection in the light of demographic challenges and changes in the labour markets was held. The discussion was supported by an OECD presentation on the joint EC-OECD project on 'Financing of National Social Protection Systems', with a focus on the part of the project related to social protection financing and non-standard forms of work and a presentation on the State of Health in the EU Synthesis Report 2025. Two country cases completed the series of presentations.

The discussion led to the following observations and conclusions:

- Views were shared on strategies, which can be put in place to ensure that social protection will effectively contribute to resilient societies, and its financing fit for evolving needs and resource constraints in the years to come and their priority areas of social protection reforms.
- Views on the potential interplay between social services and cash benefits were also presented, considering demographics and changing in the world of work, emphasizing the integrated focus on healthcare, long-term care and pensions.
- It was recalled that efforts to improve sustainability, fairness and equity of social protection systems are key, as notably reflected in recent pension, LTC and HC reforms, and focus on activation, with a broader approach seeking synergies between benefit and integrated service provision to address individual needs.
- Investing in prevention to promote good health and of lifelong approaches aimed at investing in people throughout the life course are important.
- The promotion of healthy and active ageing and of longer working lives, in combination with pension reforms aimed at increasing the incentives to postpone retirement, limiting early retirement, and developing supplementary pensions are key.
- Diversification of financing and incentivizing employment opportunities after retirement is needed, with a view to looking on social and economic benefits from "silver economy".
- In the area of healthcare and long-term care, the need for synergies and effective coordination between long-term care and health care provisions for addressing the issues in hospital care is elementary to enhance cost efficiency and comply with the increased demand due to the – fortunate - increase of healthy life's years.
- Reform efforts to adapt social protection systems to new labour market realities in line with the recommendation on access to social protection are important.
- Interlinkages across economic, fiscal, employment policies and social protection system remain valid in line with the key findings of the 2023 High Level Group report on the future of social protection, in relation to the ongoing challenges for sustainability and the strong case for

[66] The discussion was held at the meeting on 19 March 2026.

combining social protection and social investment. A stocktaking exercise of the follow up to the report might be beneficial.

- The role of digitalization for enhancing efficiency and the risks related to digital divide call for further efforts.

e) Horizontal discussion on 'Addressing Housing Exclusion: access to affordable, adequate and secure housing' ([67])

The discussion was framed by the The European Affordable Housing Plan, focusing on the aspect of 'Protecting the most affected' paying specific attention to groups in vulnerable situation, such as homeless people, low-income groups, elderly, persons with disabilities, tenants in vulnerable situations and young people, particularly with disadvantaged backgrounds. The exchange was supported by an overview of OECD work focusing on affordable housing and exploring homelessness. The main challenges, in terms of affordability and rising housing prices, while high level of vacant dwellings were highlighted. In addition, EUROFOUND study to explore the phenomena of housing struggles of young people contributed to identifying the issue.

The discussion led to the following observations and conclusions:

- Even in countries with well-established housing systems face challenges and the role of social housing for vulnerable groups can be important. The role of housing benefits was also highlighted, for instance to avoid segregation phenomena.
- Pairing short-term measures that mobilise existing housing stock with medium- to long-term strategies to expand affordable and social rental supply and help close the affordability gap is essential to make housing more affordable. Moving beyond a focus on home ownership towards a more diversified housing sector can help meet the needs of households priced out of the market.
- Measuring homelessness remains a key challenge. OECD toolkit to combat homelessness is at the disposal of the MSs, while a framework to support governments to monitor progress towards ending homelessness is expected by mid-2027.
- Young people bear a disproportionate share of the crisis — due to lower incomes, precarious work and movement to urban areas. Independent living often comes at the cost of housing insecurity, cost overburden and poor-quality housing. Consequences are far from a lifestyle inconvenience — housing mismatches have profound consequences for life choices, health and demographic outcomes, such as extend to careers, mental health, partnership and family formation — linking housing issues to Europe's fertility decline.
- Similarities across the MSs exist, in terms of vulnerable groups disproportionately affected by limited access to affordable housing or by housing exclusion, such as young people, people with mental health problems, substance abuse, persons with migrant background, but also particular

([67]) The discussion was held at the meeting on 21 April 2026.

groups such as individuals after divorce. Measures should adequately respond to the needs of population groups in vulnerable situations.

- In some MSs a territorial divide is a key challenge, highlighting the phenomena of short-term rentals in touristic areas, limiting the housing stock for citizens.
- National strategies combatting homelessness exist, many of them applying the Housing first approach, while for example applying a different logic, focusing on employment first, complemented with housing support seems also an efficient approach.
- The issue of supply shortages is considered as the main backlog to provide affordable housing, which calls for significant investment needs in the sector, for instance increasing social housing opportunities.

f) Thematic Social Report

European Child Guarantee: Implementation of the 2021 Council Recommendation (2024-2026) and perspectives for strengthening

It is crucial for our future prosperity to make full use of the potential of the next generations, in particular in a context of demographic ageing. This however is compromised by the intergenerational transmission of socio-economic disadvantages and the persistently high incidence of the risk of poverty or social exclusion among children. To address those issues and provide more equal opportunities to disadvantaged children, the Council adopted in 2021 a Recommendation establishing the European Child Guarantee (ECG). The Recommendation guides the Member States to provide vulnerable children with effective access to free early childhood education and care, free education (including school-based activities and at least one healthy meal each school day), free healthcare, healthy nutrition, and adequate housing.

The European Child Guarantee directly relates to the European Pillar of Social Rights Principle 11 ("*Children have the right to affordable early childhood education and care of good quality. Children have the right to protection from poverty. Children from disadvantaged backgrounds have the right to specific measures to enhance equal opportunities.")*. It links with the EU Strategy on the Rights of the Child and with Council Recommendation on early childhood education and care. The Barcelona targets for 2030 guide the Member States to have targeted measures in place to enable and increase participation in ECEC of children from disadvantaged backgrounds, leading to closing the participation gap in ECEC between children at risk of poverty or social exclusion, and the overall population of children ([68]). Most recently, on 9 March 2026, the *Council conclusions on Investing in children: Strengthening child well-being, social inclusion and combating child poverty in the European Union* called on the Member States to strengthen the implementation, depending on national challenges, of the Council Recommendation establishing a European Child Guarantee and, *inter alia*, to ensure an integrated approach to child well-being across all relevant policy areas and at all governance levels. The same conclusions called on the European Commission to continue supporting Member States to better identify inequalities and support

([68]) EUR-Lex - 32022H1220(01) - EN - EUR-Lex

evidence-based policymaking, monitor child well-being and the implementation of the European Child Guarantee including through the Social Protection Committee. The Commission was also invited to explore ways to enhance the evaluation of long-term effects of child-related reforms and investments, to ensure that every child has equal opportunities to thrive and reach their full potential.

The monitoring mechanisms for European Child Guarantee include a regularly updated EU-level monitoring framework, biennial progress reports by the Member States (the most recent was were due by 15 March 2026, also as the annual thematic social reporting, but submitted by slightly more than half of the Member States), and a report by the European Commission five years after adoption of the ECG recommendation ([69]). The findings of the latter document served also as evidence base for the Commission Communication Breaking the cycle of child poverty – Strengthening the European Child Guarantee, which was published on 6 May 2026. The Communication goes beyond provision of services to vulnerable children, pointing to the importance of measures which prevent and reduce poverty among families – such as activation of parents excluded from the labour market and child-related benefit systems.

In light of the above, this section refers to the main findings on the implementation of ECG across the EU (covering the period 2021-2026) to based on an overview of national progress reports submitted so far[70] under the second biennial round (in principle, those should cover years 2024-2026, but some of them discuss also pre-2024 developments). Along the ECG recommendation, it starts with the identification of the target group, discusses the degree of progress as regards specific services covered by the ECG, and ends with a glimpse of governance arrangements, including children's involvement in the design and implementation of ECG ([71]).

1. Identification of the target group

The ECG Recommendation states that the target group of the ECG are "children in need" and defines them as "all persons under the age of 18 years who are at risk of poverty or social exclusion", referencing to the EU agreed indicator of AROPE. While in theory the information on household's income, consumption pattern, and number of hours worked by adult members would allow to ascertain whether its members (including children) are at risk of poverty or social exclusion, in practice the number of persons AROPE in a specific Member State is estimated on the basis of the results of the EU Survey of Income and Living Conditions (EU-SILC). This implies that the Member States know the approximate size of the ECG target group, but not who exactly is a "child in need". Consequently, Member States need to operationalize the criteria of eligibility, in such a way that the size of the target group resulting from application of eligibility criteria corresponds to the estimated number of children AROPE ("in need") in their territory. As discussed in the Staff Working Document on implementation and strengthening of the

([69]) COMMISSION STAFF WORKING DOCUMENT reviewing progress made in the implementation of the Council Recommendation (EU)

([70]) 21 MSs submitted their reports until synthetizing the thematic social reporting (AT, BE, BG, CZ, CY, DK, EE, FI, FR, EL, IE, IT, LV, LU, NL, PL, PT, RO, SK, SI, SE)

([71]) Corresponding to Thematic area 1 of the EU Strategy on the Rights of the Child, Child participation in political and democratic life

ECG ([72]), only Luxembourg and Hungary have been explicit in their action plans that they use actionable eligibility criteria – which in both cases result with the size of ECG target group being smaller than the estimated numbers of children AROPE. In the remaining Member States, while each national administration uses some criteria to target cash and in-kind benefits to support vulnerable families (such criteria can be primary, e.g. unemployment, or secondary, e.g. being entitled to receive minimum income), the ECG action plans reports remain vague on definition of the target group. The lack of a simple and coherent indication of who exactly qualifies as a "child in need" results with ECG interventions being either of universal character (e.g. free meals for all primary school pupils) or addressed to specific groups of children, whose eligibility is defined and assessed separately for each service.

In this context, some (re)definitions of the target group are reported in the 2026 round of the biennial progress reports. Notably in Slovenia, a new and broader definition of single-parent families is expected to improve the material situation of children who did not previously qualify for higher benefits.

Some Member States are very open about the difficulties they encounter as regards accurate identification of children in need. For example, the Bulgarian 2026 implementation report stresses the urgency to improve "*the mechanisms for identifying children at risk of poverty and social exclusion (…) and a subsequent mapping of children living in extreme poverty at territorial level. Among the weaknesses identified is the lack of an integrated mechanism for the exchange of information between the respective systems, which leads to gaps in the identification of children in need and in the coordination of support to them. The functioning of a single information platform is essential to provide quality support to children with complex needs through coordinated planning of services from different systems. In this regard, the targeted training of specialists from the education, health and social system to work with common indicators and develop coordinated support plans is essential.*"

Closely linked to identification of children in need are outreach measures to disadvantaged families. According to the ECG Recommendation, such measures should be organised "*at regional and local level and through educational establishments, trained social workers, family-support services, civil society and social economy organisations*". The review of progress showed that only Denmark can be considered as fully compliant with guidance on outreach, and this thanks to child protection measures, which predate the European Child Guarantee ([73]). Other Member States where relatively much attention is paid to outreach, communication and awareness-raising actions include Finland (where performing related activities is a part of statutory obligation of social workers), Germany (where particular attention is paid to refugee and homeless children), Malta (where information on all government services have been consolidated on a single website, a dedicated freephone and a network of one-stop-shops), and Luxembourg (which aims to reach the most disadvantaged with information on preventive and curative healthcare). In addition, Greece and Italy organise outreach to children in remote areas through mobile

([72]) Commission Staff Working Document reviewing progress made in the implementation of the Council Recommendation (EU) 2021/1004 of 14 June 2021 establishing a European Child Guarantee Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Breaking the cycle of child poverty - strengthening the European Child Guarantee {COM(2026) 539 final}

[73] SWD(2026)772, p. 79

health units, while Slovenia and Slovakia focus their outreach activities on Roma population. However, in some progress reports there is no evidence of outreach activities.

2. Early childhood education and care

In line with § 4 (a) of the ECG Recommendation, children in need should be guaranteed effective and free access to high-quality early childhood education and care (ECEC). In parallel, the 2022 *Council Recommendation on early childhood education and care: the Barcelona targets for 2030* calls upon the Member States to enable and increase ECEC participation of children AROPE, with disabilities, and from disadvantaged backgrounds (e.g. with insufficient knowledge of the language of schooling), and to close the participation gap in ECEC between children at risk of poverty or social exclusion, and the overall population of children. Meeting those recommendations remains a challenge: according to Eurostat estimates for 2025, children under 3 years of age who are AROPE are significantly less likely to attend formal childcare for at least one hour per week than children of the same age group who are not AROPE ([74]). As shown in the Staff Working Document reviewing progress made in the implementation of ECG, the most significant gaps in ECEC participation for this age group – above 30 pp. – were recorded in France, Netherlands, and Malta in 2022-24 ([75]).

At the same time, the 2026 implementation reports by Member States show considerable progress as regards the provision of free and effective access to ECEC. Cyprus expanded its Childcare Fees Subsidy Schemes for children aged 0 to 4.5 years, co-financed by ESF+ and the RRF, supporting more than 12,000 children with an average monthly benefit of over €162 per child, alongside the abolition of tuition fees in public childcare facilities for children aged 3 to 4.5 years, enacted as of September 2025. A tariff reform to take better account of parents' incomes was implemented also in Belgium, and in Finland free pre-primary education for five-year-olds was tested, increasing participation rate by 3.5 pp.

In Greece, expansion of childcare takes place through the Neighbourhood Nannies programme, which covers the care of children aged from 2 months to 2.5 years. The pilot implementation of the program was carried out in 62 municipalities between March 2022 and July 2025. Beginning in 2026, the program is implemented nationwide, with a total budget of approximately EUR 57 million. It may provide services either at their own place or at the child's residence. It is not clear from the progress report to what extent this measure directly benefits children in need and socio-economically disadvantaged families, and to what extent the support is only indirect, i.e. through creation of additional childcare places for the overall population.

In France, the "service public de la petite enfance" was established in 2025 and is based on a revamped governance structure designed to strengthen coordination between the various stakeholders and ensure that childcare provision better meets the needs of families and children. The local authority is now

[74] [ilc_caindform25] Children in formal childcare or education by age group, duration and risk of poverty or social exclusion

[75] Commission Staff Working Document reviewing progress made in the implementation of the Council Recommendation (EU) 2021/1004 of 14 June 2021 establishing a European Child Guarantee Accompanying the document Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Breaking the cycle of child poverty - strengthening the European Child Guarantee {COM(2026) 539 final}, p. 35

recognised as the organising authority for early years childcare. As such, it identifies families' needs, informs parents and prospective parents about the options available, plans the development of childcare provision and ensures its quality. Key reforms also include the reform of the childcare choice allowance (CMG) the creation of 200,000 additional crèche places by 2030 (100,000 by 2027) with EUR 5 billion in funding, alongside 1,200 "AVIP" (À Vocations d'Insertion Professionnelle) crèches by 2027 to support parents in precarious employment. These measures aim at tackling access gaps in ECEC between children AROPE and their more advantaged peers, due to financial barriers (e.g. free access is not guaranteed to all children AROPE) and non-financial ones (e.g. staff shortages reported in the 2026 progress report).

Poland intends to establish 102,000 subsidised care places by 2029 programme, with a specific focus on areas with less childcare facilities, addressing geographic challenges. According to the 2026 implementation report, the number of available childcare places increased by 42,336 compared to 2023. In addition, the 'Support Academy' project aims to address training needs of around 20,000 ECEC staff. A set of quality standards entered into force in 2026.

In Portugal, the number of ECEC places available under the Creche Feliz programme increased from 79,468 in 2023 to 112,655 places. A quality framework for early childhood education was also set up.

Plans to increase provision of ECEC have been reported also by Slovakia, where the participation rates are the lowest in the EU. However, the plans cover only 1,000 new childcare places, and an update to the Social Services Act to include professional parental support for healthy child development and preparing an easy-to-read brochure to guide families on available services.

3. Education and school-based activities

Compared to ECEC, primary and secondary education and the extracurricular activities targeted at the respective age group have received relatively little attention throughout the implementation process of the ECG. Meanwhile, the challenges are growing. The results of the Programme for International Student Assessment (PISA) run by OECD in 2022 show an increase by 5.3 pp (from 23.5% to 28.8%) in the share of low achievers among children with low socioeconomic status, in comparison to the previous wave in 2018. The incidence of low achievement increased also among children with high socioeconomic status, albeit by much less and to an incomparably lower level (4.2% in 2018 to 4.7% in 2022). Consequently, the gap widened by 4.8 pp., reaching sixfold disparity.

In 2022, the share of underachieving children with low socioeconomic status remained higher than that of their better-off peers in all Member States. Estonia reported the lowest incidence of underachievement among children with low socioeconomic status (8.6%), while Bulgaria had the highest share at 62.6%. Estonia was the best performer also with regards to the size of the gap between children with low and high SES, recording only a 6.7 pp. difference, while Romania exhibited the widest gap, at 48.8 pp. The largest increases since 2018 in underachievement among children with low socioeconomic status were observed in Cyprus (16.3 pp.) and the Netherlands (13.6 pp).

The other metric used to measure progress – the incidence of early leaving from education and training ([76]) – is slowly improving. Since 2019, a decrease was observed in 16 Member States, with Malta, Bulgaria and Italy improving by over 5.0 pp. Over the same period, the drop-out rate in Germany increased by 2.8 pp., reaching 13.1%. Overall, by 2025, most Member States reached the EU target set in the context of the European Education Area to reduce the incidence of early leaving from education and training to less than 9.0%, with the EU average standing at just 9.1% in 2024. Croatia is the best performer, with only 2.1%. Romania remains at the other end of the spectrum with 15.5%. Particular attention should be paid to children with disabilities: in 2024 across the EU, 44.2% of people aged 18 to 24 with a severe disability were early leavers from education and training. The share of early leavers among young people with some disability was 17.1%, while it was only 8.0% for those without a disability.

Thanks to universal education systems, the general recommendation concerning provision of free and effective access to education for children in need was formally followed by all Member States already before establishment of the European Child Guarantee. However, implementation of recommendations regarding the specific aspects – such as sufficient measures to prevent and reduce early school leaving and to support inclusive education and avoid segregated classes, as well as provision of free school materials and transport to schools – remains highly uneven between the Member States ([77]).

As regards recent developments reported in 2026 implementation reports, the provision of free school supplies is being gradually extended to all basic education in Belgium. Estonia expanded support for young people who are NEET or at risk of becoming NEET, which ca. 90 youth well-being specialists are working to identify, reach and support vulnerable young people aged 16–29.

Sweden is expanding social support teams in schools, fostering collaboration between educators and social services to enhance pupil attendance and safety. Funding for these teams was increased to SEK 400 million annually for 2026–2027 to ensure early intervention for students with learning needs. In parallel, since September 2025, Sweden offers "leisure activity card" to all children aged 6-16, aiming to improve access to meaningful leisure activities. For children in economically vulnerable households the annual amount topped up on the leisure card is SEK 2500 (ca. EUR 230), while it is SEK 550 (ca. EUR 50) for other children. In 2025 – in just two and a half months – more than 341 600 children had downloaded their card, which corresponds to about 30% of the target group. Of these children, more than 40,460 have received the special leisure card (top-up for disadvantaged children), which represents about 33% of the target group. The Latvian School Bag Programme provides every school-age child with a "regular experience of high-quality Latvian culture and arts events as a part of the formal learning process." It's expansion in May 2025 provided state funding for arts and culture events, for at least 5,000 students, including socially disadvantaged children and young people. Even more recently – starting in January 2026 – Croatia introduced a culture card that will provide all eighteen-year-olds with EUR 100 to

([76]) The share of early school leavers is an indicator part of the EU level monitoring framework for the Child Guarantee agreed by the SPC-ISG. For more information, please see Circabc / Monitoring and benchmarking frameworks - Employment, Social Affairs and Inclusion

[77] See table 3 in SWD(2026)772 for details

spend on cultural activities like theatre, cinema, concerts, or books. The card aims to encourage young people's participation in culture and support cultural institutions, publishers, and theatres by attracting new audiences.

Other implementation reports point to persisting challenges. For example, Latvia reports teacher shortages, especially affecting inclusive education and non-Latvian-speaking families. In consequence, children with learning or behavioural difficulties, children with special needs, low-income households, and single-parent families continue to experience unmet needs across multiple sectors.

4. Free school meals

In line with § 4 (a) and § 7 (f) of the ECG Recommendation, Member States should provide children in need with at least one healthy meal each school day. The Member States implemented this recommendation mostly in primary schools, in most cases on a universal basis (i.e. meals are provided free of charge to all primary school pupils regardless of their families' incomes). Such schemes have operated for many decades in Finland and Sweden. The Estonian school meals scheme requires financial contributions by parents, which can however be easily waved for the low-income pupils. In Lithuania, free lunches are offered to all children in grades 1 and 2 only. Most recently – as part of implementation of ECG – free school meals were introduced in primary schools in Croatia, Ireland and Slovenia. In Luxembourg, free school meals are available for free to all primary school pupils but require enrolment in an education and care centre. Not all children in primary school and in need have a place in such a centre.

In June 2026, Cyprus rolled out a major pilot expansion, offering free breakfasts to over 3,600 children enrolled in kindergartens in Larnaca and Famagusta districts. The Greek Hot School Meals programme provides a hot lunch meal (often based on local food production) to pupils of selected 1918 public primary schools. During the current school year 2025-2026, the scheme has provided 231,062 hot meals daily to Primary School students.

A decline in the number of school meals provided in Poland is reported: in 2024, 209,022 pupils (less than half of the number of children AROPE) were provided with school lunches, compared to 234,174 a year prior and 255,770 pupils in 2021. The whole number of children provided with meals, including not only school pupils but also children in kindergartens and nurseries also decreased from 384 130 children in 2021 to 301 182 children in 2025.

Box 5: Testing school meals in Denmark

In 2025, Denmark launched a major school meals trial scheme that will last until 2028. Different ways of organising the meals (cooked in schools vs delivered by caterers) and two levels of parental co-payments will be tested in schools located in various regions and types of municipalities. The ambition is to gain insights into different ways of organising school meals and to better understand their impact on students' health, learning, and well-being. An agreement between various political parties established the framework for the trial and earmarked ca. EUR 115 million for its implementation.

5. Healthcare

Children from disadvantaged backgrounds are likely to encounter barriers in access to healthcare services, including because of low health awareness among their parents. This limits children's participation in disease prevention and health promotion programmes, exacerbating health disparities. Poorer health and longer school absences due to sickness negatively impact educational outcomes. Early interventions, like vaccination, health check-ups and parenting support, are crucial for mitigating these risks and promoting overall development.

Since 2021, the share of children reporting 'very good' health decreased both among those in need and those who were not at risk of poverty or social exclusion. A decrease in the health outcomes of children AROPE was recorded in 18 out of the 27 EU Member States, with 12 Member States showing also an increased gap. Already before the Covid-19 pandemic, mental healthcare was among health services in shortest supply, resulting in long waiting lists. Those barriers were aggravated during lockdowns, which was reflected in a sharp increase in incidence of feeling low more than once a week among 13-year-old children. Moreover, in most Member States, mental health outcomes are significantly worse for children of low socioeconomic status than for the overall population.

Box 6: Supporting children and youth in Austria

In 2022, Austria responded to young people's increased demand for psychosocial support by launching the "Gesund aus der Krise" ("Healthy out of the crisis") programme. The programme provides low-threshold psychological, psychotherapeutic and, since 2024, music therapy services to children and young people up to the age of 21. Participation is free of charge. The programme is coordinated by the Professional Association of Austrian Psychologists (BÖP), in close cooperation with the Austrian Federal Association for Psychotherapy (ÖBVP). An evaluation of the first three project phases of "Gesund aus der Krise", conducted by the University of Innsbruck, found that the objectives had been achieved and that the programme provided effective support to children and young people in the target group. Since 2023, more than 45,000 children and young people have received support through the programme. The fourth project phase, running until mid-2027, is funded by the Austrian federal government with € 35.15 million.

Positive developments as regards free and effective access to healthcare are described in several implementation reports. Bulgaria has improved healthcare access for uninsured pregnant women, expanded screening programmes for newborns, and created additional centres for children with disabilities and chronic diseases. Since July 2025, prescription medicines for acute infectious diseases for children under 7 are free of charge. In December 2025, Cyprus formally adopted a new legal framework for prenatal and neonatal screening programmes, with the aim of broadening the scope of testing and including in the programme eight additional hereditary metabolic diseases, in addition to the already established ones. Furthermore, a project on supporting mental health resilience among youth, funded by the EU through the Technical Support Instrument and implemented by UNICEF, is ongoing in 2024-2026. In Latvia, health policy reforms have included expansion of vaccination programmes, stronger obesity prevention measures, and better continuity of care for children with chronic illnesses. In

Portugal, the National Vaccination Programme was expanded in 2024–2025 to include among others free RSV immunisation for newborns and extended flu vaccines for children aged between 6 months and 2 years, aligning with WHO recommendations. However, prescription medicines are not always fully reimbursed for low-income children.

Despite this progress, in many Member States the satisfaction with the availability of state-funded services is low, and shortages of specialists lead to long waiting times. Additional challenges are mentioned in the Latvian implementation report: dental health indicators remain poor, and while new psychosocial rehabilitation services have been introduced, further support is needed for children with behavioural disorders, socialisation difficulties and addictions.

6. Healthy nutrition

Besides calling for providing children in need with free and effective access to school meals, the ECG Recommendation looks also at their access to healthy nutrition outside of the school context. Scientific evidence highlights the crucial role of food support programmes, improving food security both short and long-term, leading to enduring health benefits (e.g. lower incidence of obesity, high blood pressure, heart disease and diabetes) and thus reducing the future healthcare costs. Meanwhile, children with low family affluence remain more likely to be obese (29.1% in 2022) than their high-family-affluence peers (18.3%). Those EU-27 averages conceal significant differences between Member States: in Netherlands only 19.5% of children from low-affluence families are overweight or obese, compared to an alarming 41% in Bulgaria.

Compared to other services covered by the ECG, Member States seem to dedicate less attention to healthy nutrition in their action plans and progress reports. Still, the 2026 implementation reports present some recent progress in the respective domain. In Estonia, a regulation on meals and outdoor time in schools, and updated nutrition requirements were adopted in September 2025.

7. Adequate housing and alternative care

The ECG Recommendation calls upon the Member States to secure effective access to adequate housing for all children in need, which entails among others prompt transfer from temporary accommodation to permanent housing and provision of relevant social and advisory services for families in homelessness crisis with children, as well as securing priority and timely access to social housing or housing assistance for children in need and their families. The Member States' implementation of those recommendations shows a mixed picture. In France, according to the 2026 progress report, around 70,000 homeless children got access to a more stable accommodation between 2024 and 2026. However, an estimated 2,000 children still sleep rough based on a study conducted by UNICEF. The Greek report points to the efforts made, such as the heating allowance, but acknowledges that they are not sufficient: the country still records one of the highest shares of children AROPE who live in households facing housing cost overburden, in overcrowded households and who suffer energy poverty. Sweden points to a growing number of evictions affecting children, from 572 in 2021 to 824 in 2025. The Latvian 2026 implementation report states that housing remains a significant source of vulnerability, as many households struggle with housing costs, almost a quarter report unsatisfactory living conditions, and the declining number of newly commissioned apartments continues to constrain housing accessibility. Finally,

although Latvia has continued to prioritise family-based care and reduce institutionalisation, 586 children were still living in long-term social care and social rehabilitation institutions in 2024, indicating that further efforts are needed to ensure all children can grow up in a family environment.

Box 7: Shielding households with children from eviction in Austria

Austria's "Wohnschirm" ("Housing Shield") is a nationwide programme for preventing and ending homelessness. With a total budget of € 200 million until the end of 2026 and a network of 80 advice centres across Austria, "Wohnschirm" helps people to stabilise their lives and avoid new emergency situations. Interventions are focused on three areas: providing support with rent arrears to prevent eviction, helping homeless people to find affordable housing, and support for households whose energy supply has been or cut off or is due to be disconnected. Until the last reporting (December 2025), "Wohnschirm" had protected more than 15,000 households, 44% of which with children. The evaluation of the programme has shown that a combination of social worker advice and financial assistance helps maintain a high level of housing stability: The vast majority of people (95 %), who were able to keep their homes because their rent arrears were paid were still living there at the time of the evaluation.

Recommendations on provision of alternative care for children and efforts towards deinstitutionalisation are a key aspect of the ECG recommendations dealing with adequate housing. In the 2026 implementation reports, several Member States referred to this policy domain. Poland reiterated its commitment to prioritisation of family-based care and the principles of its Act on Family Support and the Foster Care System (e.g. keeping siblings together, provided this serves their best interests, and an option to remain in care until the age of 25 if in education). The share of children in institutional residential care in Poland is among the lowest in the EU and has remained broadly stable. However, the report does not discuss whether there are enough foster carers.

The Slovak 2026 implementation report discusses the ongoing efforts to reduce institutional care by expanding foster networks and community-based alternatives, while promoting participatory social work through family conferences. Smaller, community-integrated facilities are replacing large institutions, and updated legislation continues to prioritise foster care for children with disabilities. To address low uptake for children with severe disabilities, new measures—such as financial support for accessible housing and respite breaks for foster carers—have been introduced. The share of children in residential care in Slovakia is slightly lower than the EU average.

In Estonia, a youth representative body for young people in alternative care and aftercare was established in 2026. As a general trend one can see increase in foster families alongside the reduction in residential placements.

8. Governance

Given the multidisciplinary nature of the policy interventions recommended under ECG, efficient coordination between various governance areas and levels is key for successful implementation. The ECG Recommendation stresses that in implementing it, the Member States should *ensure the participation of regional, local and other relevant authorities, children and relevant stakeholders representing civil society, non-governmental organisations, educational establishments and bodies responsible for promoting social*

inclusion and integration, children's rights, inclusive education and non-discrimination, including national equality bodies. The child participation aspect is particularly important in the light of the link between ECG and the EU Strategy on the Rights of the Child.

Several implementation reports from the 2026 round include information on actions taken to improve national governance structures. For example, in Belgium, a working group on child poverty was established as part of the inter-ministerial conference, and in Bulgaria procedure was launched in June 2025 to create a regional and local interaction mechanism for implementation of the European Child Guarantee. The Cypriot report highlights that implementation of ECG played an important role in strengthening coordination between different actors, enhancing monitoring and data collection, and improving information and communication. In November 2024 and 2025, annual consultations were held between the President of the Republic of Cyprus, the Deputy Ministry of Social Welfare and the Cyprus Children's Parliament, highlighting the importance of children's active participation in all actions that concern them. During the discussions the children had an opinion, requests, criticism and asked for further details on the funds used for the successful implementation of the action plan. Estonia is preparing to establish in 2026 a cross-ministerial youth council that would cover various age groups and topical issues. In Slovenia, an Interdepartmental Working Group for programming guidance and monitoring of the Child Guarantee Action Plan was established in 2025, contributing to finalisation of national indicators for measuring the impact of ECG measures and improved reporting. In vein of transparency and civil society's involvement, the Slovenian report includes critical comments by the Network on the Rights of the Child in various sections (e.g. in the section on integrated services, the Network states that integrated approaches to policy coordination are lacking, leading to children's rights being dealt with separately by policy area (family, education, health, law) and insufficient action.)

Securing adequate funding and good tracking of expenditure is a key element of successful implementation. In this vein, Estonia's 2026 report contains a dedicated funding table with State and EU expenditure for 2024–2026 linked to major ECG intervention areas (however, since expenditure is integrated into mainstream sectoral policies, it cannot always be attributed exclusively to ECG). Also, the Slovenian implementation report contains a dedicated funding chapter and provides aggregate spending figures for 2024 and 2025.

Some implementation reports are quite open as regards challenges to efficient coordination, governance, and monitoring. Belgium mentions in this context the lack of a structural mechanism for consulting civil society and the need to set quantified targets or monitoring indicators (what is made difficult by paucity of disaggregated data on certain vulnerable groups of children). Also, according to the Bulgarian report, improvement of the data collection and integration system is needed, including better coordination between institutions and a more detailed territorial distribution of information.

The European Child Guarantee is being rolled out in the candidate countries and potential candidates, all of which have nominated national contact points and are preparing their national action plans. The Commission supports these efforts through funding provided to UNICEF to assist in the development and implementation of these plans. The EU budget also supports specific projects, such as the rollout of the 'Better care' reform in Ukraine, aimed at improving the standards of child protection and alternative care systems. Beyond funding, the Commission will intensify cooperation with national Child Guarantee coordinators to further strengthen mutual learning and foster closer collaboration, also extending this engagement to candidate countries and potential candidates. The Guarantee has also been showcased

globally as a promising tool to break the cycle of disadvantage and promote equal opportunities for disadvantaged children.

9. Summary

The findings of national reporting served also as evidence base for the Commission Communication Breaking the cycle of child poverty – Strengthening the European Child Guarantee, which was published on 6 May 2026. The Communication goes beyond provision of services to vulnerable children, pointing to the importance of measures which support households' incomes – such as activation of parents excluded from the labour market and child-related benefit systems.

Since the adoption of the Guarantee important gains have been registered. Early childhood education and care (ECEC) participation among children at risk of poverty or social exclusion (AROPE) has risen (by 2 p.p. for those below 3). School meal programmes have been expanded in at least 7 Member States. And more children, particularly those AROPE, have gained access to school-based activities. However, gaps in implementation persist in those areas and beyond.

Concerning education, thanks to universal education systems, the provision of free and effective access to education for children in need was formally followed by all Member States. However, the implementation of specific aspects of the recommendation, such as sufficient measures to prevent and reduce early school leaving and to support inclusive education, as well as the coverage of hidden costs through e.g. free school materials and transport to schools, remains highly uneven between the Member States. Tackling these challenges will be crucial to prevent the gap between the share of low achievers among children with low socioeconomic status (from 23.5% in 2018 to 28.8% in 2022) and their more advantaged peers (4.2% to 4.7%) from further widening.

Despite progress made in accessing healthcare, in many Member States, satisfaction with the availability of state-funded services is low, and shortages of specialists lead to long waiting times, especially in mental health care. Compared to other services covered by the Guarantee, Member States seem to dedicate less attention to access to healthy nutrition.

Concerning the efforts made to ensure adequate housing and quality alternative care, implementation shows a mixed picture. It leaves room for additional measures to reach permanent housing solutions and provision of relevant social and advisory services for homelessness, as well as securing priority and timely access to social housing or housing assistance for families in need.

Efficient coordination between various governance areas and levels remains crucial for successful implementation, while insufficient funding available for and invested in the Guarantee limits the positive impact of these efforts. The integration of (individual) services into broader coherent and consistent support systems, which address the root causes of child poverty and can bring children out of their vulnerable situation is key.

V.ii Multilateral reviews of the implementation of Country Specific Recommendations (CSRs) under the European Semester

One of the key instruments used in SPC's task for systematic monitoring Member States' reforms are the Multilateral Implementation Reviews (MIR), which entail reviewing implementation efforts in the context of the European Semester. Such reviews provide a shared understanding of interrelated challenges and support Member States' reform efforts through exchanges of policy knowledge and best practices. The exercise contributes to the monitoring of employment, skills and social policy developments in the European Semester in line with Article 148 TFEU, supporting efforts to foster upward social convergence across the EU and progress towards the 2030 EU and national targets related to the European Pillar of Social Rights.

During the 2026 Semester cycle, the Committee conducted 11 reviews of country-specific recommendations (CSRs) in policy areas under its competence, issued by the Council in 2025. The CSRs addressed specific challenges in the fields of pensions, healthcare, long-term care and social protection and social inclusion, including housing affordability and energy poverty. Additionally, based on the Social Convergence Framework (SCF) as laid out in the Joint Employment Report (JER) 2026, the 9 countries falling into the second stage analysis were reviewed in joint SCF reviews of the Employment Committee (EMCO) and the SPC, also covering for the 2025 CSRs. All country-specific reviews were based on Member States' reporting on the most recent measures taken, followed by assessments of those measures by other Member States and the Commission.

The country specific reviews were complemented by various horizontal elements of the multilateral surveillance exercise, benefitting from the corresponding thematic discussions organized in the SPC meetings. In this context the SPC held an in-depth thematic discussion at its March meeting on "Adapting social protection to demographic shifts and labour market changes", in relation with pension, health and long-term care policies. At its April meeting of the committee, a horizontal discussion was organized for "Addressing Housing Exclusion: access to affordable, adequate and secure housing" (see details above). The conclusions of the reviews and thematic discussions fed into the joint 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, endorsed by the Council.

Horizontal findings from SPC MIR

In the area of social protection, fiscal sustainability concerns have been high on the agenda for many years, coupled with adequacy issues in many EU countries. Rapid demographic ageing and a changing world of work put further at strain the adequacy of social protection and its financing. The thematic discussion explored what strategies can be put in place to ensure that social protection will effectively contribute to resilient societies, and its financing fit for evolving needs and resource constraints in the years to come.

The interplay between social services and cash benefits remains an important aspect. Effective coordination and integration among healthcare, long-term care and pension systems are key to improve sustainability, fairness and equity of social protection in an ageing society. Such integrated approach is notably reflected in recent reforms, seeking synergies between benefit and integrated service provision to address individual needs and focus on activation.

Investing in prevention to promote good health and lifelong approaches aimed at investing in people throughout the life course is another important aspect of social protection reforms. Addressing the challenges of ageing, measures for promoting healthy and active ageing and longer working lives, in combination with pension reforms aiming at increasing the incentives to postpone retirement, limiting incentives for early retirement, and developing supplementary pensions are elementary. Diversification of pension and long term-care financing and incentivising employment opportunities until and after retirement are crucial. Synergies between healthcare and long-term care systems are essential to enhance cost efficiency and comply with the increased demand due to the – fortunate - increase of life expectancy.

In addition, to tackle the challenges concerning access to benefits and services, social protection systems should adapt to new labour market realities in line with the recommendation on access to social protection. Interlinkages across economic, fiscal, employment policies and social protection system must be considered in reform preparation, as well as the role of digitalisation for enhancing efficiency, while risks related to digital divide should be adequately tackled.

Member States addressed their challenges through responding to their country specific recommendations with relevant measures and succeeded with some progress. Important steps have been done, with emphasis on robust policy context and multilevel responsibilities.

The reviews underlined that healthcare measures to improve primary health care and prevention, as well as to ensure a sustainable health workforce are relevant to achieving better health outcomes and improving access and resilience. Prevention and the broader use of e-health solutions seem to be key factors in ensuring financial sustainability. Reforms aim at paradigm shift from reactive to proactive healthcare, while attempts to tighten sickness benefit rules are also considered. Various investments in health infrastructure via RRF and other EU funding have been planned, while further efforts to strengthen health system resilience, in particular on health workforce could still be considered.

Improving availability and affordability of long-term care services is being pursued through reforms towards more person-centred and community-based approaches, including homecare and day-care, expanding the financing via compulsory insurance, as well as measures to improve attractiveness of care jobs and retainment in the sector. Member States are introducing scholarship programmes, exploring more efficient organisation of work with multi-disciplinary teams and better planning mechanisms for workforce distribution, improving recognition of professional qualifications, including to support faster integration of third-country nationals and mobile workforce, as well as measures in the field of quality jobs, including work-life balance. Measures to support informal carers, such as care leaves, awareness raising of rights, and carers support grants have been introduced. However, challenges such as the need

to address the growing needs and tackle regional disparities remain. Good coordination between healthcare and long-term care, preventative approaches, improving effectiveness of the healthcare and LTC systems and ensuring their sustainable financing are among the key policy levers needed to strengthen resilience and respond effectively to growing demographic and care challenges.

With a view to tackling the fiscal sustainability of pensions systems while safeguarding adequacy in the context of the demographic shift, a variety of options have been explored, such as raising the effective retirement age, prolonging working lives with labour market measures and incentives in the pension system, and diversification of financing. Diversification can be achieved -among others- by reforms expected to increase the contributions to funded pensions to maintaining an adequate level of benefits, through strengthening occupational pensions and providing private sector pension providers with broader investment options. Social sustainability and thus adequacy remain important and MSs intend to maintain this approach to avoid old age poverty and ensure adequate old-age incomes.

Concerning social inclusion, increasing challenges elevate around housing, thus information was gathered on recent national measures or reforms to address housing exclusion challenges. It was explored to what extent do income support policies and the provision of social, employment and health services help prevent housing exclusion and support people experiencing homelessness. MSs reflected on population groups disproportionately affected by limited access to affordable housing or by housing exclusion and specific actions have been taken, or are envisaged, to respond to the needs of population groups in vulnerable situations.

The review found similarities across MSs, in terms of vulnerable groups: many MSs mentioned young people, people with mental health problems or substance abuse, persons with migrant background, but also particular groups such as individuals after divorce. Some reported issues concerning territorial divide, highlighting the phenomena of short-term rentals in touristic areas, limiting the housing stock for citizens. Several countries reported about national strategies combatting homelessness, many of them applying the Housing first approach, while interesting examples of a different logic were also mentioned, focusing on employment first, complemented with housing support. The issue of supply shortages is considered as the main backlog to provide affordable housing, which calls for significant investment needs in the sector, in particular increasing social housing or housing assistance opportunities. To complement the construction of affordable social housing or housing assistance in regions with high property prices, housing benefits and temporary rent subsidy for most vulnerable households have been applied or considered. Others reported about activating available supply and supporting people to find homes through Stronger Tenancy Protections, offering tenants with greater stability.

Energy poverty continues to be a structural challenge in many EU countries, both in winter and summer. The reported measures range from a combination of policy frameworks and targeted grants. Renovation for better energy efficiency is key for addressing structural root causes of energy poverty by permanently reducing energy demand and, consequently, energy expenditure. However, corresponding private investments might be particularly challenging for those living in poverty. Solutions to be found beyond general mainstream schemes, better targeting vulnerable households with supporting measures,

including good coordination with the social sector, providing counselling to improve energy literacy and improve financial support.

Challenges under social inclusion remain considering child poverty. As highlighted by the European Child Guarantee, a broad and holistic approach is needed when aiming at preventing and reducing child poverty and also removing barriers to employment of the parents. Provision of high-quality early childhood education and care with special support for children from a disadvantaged socioeconomic background is a key element. Ongoing measures aimed at addressing the low and worsening educational outcomes, especially for disadvantaged groups, as well as promoting equal opportunities for all children and mitigate disadvantages due to socioeconomic background, including language challenges. The reforms require more investment in quality as well as the overall number of ECEC places, complemented with legal entitlement to all-day care and education for children in primary school. Overall, it is essential that implementation is carefully monitored to support further policy developments, including finding solutions for sustainable financing.

Many of the reviews assessed implementation of CSRs, carried over in past cycles of the European Semester, which indicates the long-term and structural nature of the observed challenges. The discussions have demonstrated that the reviewed Member States acknowledge the identified challenges and are taking specific actions to explore the issues and to prepare appropriate policy responses. The reported measures and views illustrated the efforts made but the discussions have shown that further actions will be needed to fully address the requirements of the country specific recommendations, as in many instances the reported measures are still to be implemented, while in others the legislative process is at an early stage.

Horizontal findings from EMCO and SPC on upward social convergence

The 2026 second-stage analysis of the Social Convergence Framework highlighted a set of largely shared risks to upward social convergence across the Member States reviewed. These risks were also broadly recognised in the peer discussions, even where the magnitude and direction of trends differed across countries. The reviews confirmed that Member States are undertaking a wide range of reforms and investments, including in some cases large-scale structural changes. However, many of the identified structural challenges continue to hamper progress towards upward social convergence and require further sustained policy efforts to translate ongoing reforms into measurable outcomes. Continued efforts will therefore be required to ensure that ongoing reforms translate into sustained upward social convergence.

- [...] The reviews further highlighted persistent social challenges, in particular related to the areas of poverty and social exclusion. Risks remain elevated for specific population groups, including households with children, persons with disabilities and other groups in vulnerable situations, often compounded by regional disparities in service provision. These challenges continue to affect social cohesion and upward social convergence and are linked, inter alia, to issues of benefit adequacy, accessibility, take-up and the effectiveness of social protection systems in addressing poverty risks. Child poverty in particular continues to require heightened attention,

given its long-term implications for equal opportunities and intergenerational upward social convergence. At the same time, population ageing is increasing pressures on long-term care systems and workforce availability in the health, care and social sector, while also raising broader sustainability challenges for social protection systems. While reforms of social assistance and social protection systems are underway in many Member States, these remain at different stages of implementation and will require continued monitoring and adjustment over time.

To address the above-mentioned challenges, Member States are implementing a broad range of reforms. However, their effectiveness depends to a large extent on timely implementation, adequate administrative capacity, effective coordination across governance levels and continuous investment in institutional capabilities. In particular:

- In several cases, activation measures and subsidised employment schemes continue to require assessment regarding their effectiveness in supporting sustainable labour market integration, particularly for vulnerable groups. In this context, a more strategic involvement of employers, including SMEs, remains essential, as they often face barriers in accessing and using employment and training support measures.

- The reviews highlighted the importance of integrated approaches combining activation policies, skills development, adequate income support and access to services in order to foster inclusive labour market participation and strengthen upward social convergence.
- The reviews also again underlined the importance of robust monitoring frameworks, evidence-based policy design and systematic impact evaluation before, during and after implementation. Such tools are essential to assess the effectiveness of reforms, support policy learning across Member States and improve the efficiency of social investment, while also contributing to the effective use of EU funding instruments, in particular the European Social Fund+ (ESF+), in support of structural reforms.

The Social Convergence Framework supports integrated monitoring of employment, skills and social developments by contributing to identifying risks to upward social convergence across the EU. At the same time, further work could be done to strengthen the articulation of causal linkages between policy areas. It was also noted that the compressed timeline of the second-stage analysis, combined with its wide thematic scope and the need for coordination across multiple national administrations, continues to present operational challenges, suggesting scope for further refinement in the timeline for future Semester cycles.

V.iii Thematic Mutual learning activities

Mutual learning and exchange of best practices in the policy areas covered by the Social Protection Committee (SPC) are key instruments under the social open method of coordination[78]. This supports the implementation of the European Pillar of Social Rights at national level and contributes to the process of upward social convergence in the EU.

Mutual learning provides a common space to reflect, share, consolidate and transfer information, experiences and lessons learnt on implementing policy reforms, programmes or measures relevant to various policy areas. This offers the opportunity to officials, experts and stakeholders to discuss various thematic challenges and exchange best practices based on robust evidence.

The related mutual learning events are attended by participants from some or all countries (as appropriate, from national, regional and/or local administration level), by representatives of relevant stakeholders and/or international organisations. They may be supported by independent national experts and thematic experts to provide their insights and knowledge on the issue discussed from national and EU-wide perspectives. Where appropriate, the event may also include a study visit to organisations involved in the development and delivery of policies, whereby participants can see the direct application and impact of policy on the ground. The workshops can be organised in on-line or on-site format.

Thematic mutual learning events have been organised in the following thematic areas.

Thematic mutual learning in SPC working groups

Minimum income - MINET

Since 2019, regular thematic meetings have been organised in the field of minimum income to support mutual learning by involving experts from all Member States. The network has been formalised as a working group of the SPC in 2021, contributing to the preparation of the joint SPC-COM report on minimum income in 2022 and its second edition, published in 2025, by providing inputs and support to this process with relevant exchange of practices and information. The initial mandate of the working group concluded at the end of 2025, and after a positive assessment by the SPC the mandate was renewed for another four years, until 2029. Under the new mandate, the group continues to hold two in-person meetings per year, as well as regular online meetings. In line with its ToR and 2026-27 work program, the group is focusing on mutual learning around key thematic priorities, such as pathways to employment and social integration, adequacy and coverage of minimum income schemes, individualised approach and access to services, design and responsiveness, and implementation and administrative capacity. In addition, the group continue updating the country profiles and implementation table to track national policy developments. Also,

([78]) The SPC uses the social open method of coordination (social OMC) as its main policy framework. The social OMC is the voluntary process for political cooperation based on agreeing common objectives and measuring progress towards these goals using common indicators. The process also involves close co-operation with stakeholders, including social partners and civil society.

MINET will support the ESSPROS (European System of Integrated Social Protection Statistics) Working Group in defining a list of benefits to be classified as minimum income benefits for the purposes of the ESSPROS data collection.

The following meetings were held in the second half of 2025 and so far in 2026:

- October 2025, in-person meeting in Bruges, which centred around the role that quality social services play in supporting and empowering minimum income recipients and included an on-site visit at the social welfare centre (OCMW), where delegates witnessed first-hand how services are delivered at the community level. Additionally, the Commission presented the process of preparation of the 2025 Minimum Income Report and a discussion on priority topics for the group was held.
- December 2025, online meeting, during which delegates were consulted on the forthcoming EU Anti-Poverty Strategy and engaged in a discussion around three main issues: policy priorities, EU support, and good national practices for the prevention and reduction of poverty. The new MINET mandate and work programme (2026-2027) were also presented, as well as the interim results from the DG EMPL study on the non-take-up of social benefits.
- February 2026, online meeting, which included a presentation from Luxembourg on their new National Action Plan for preventing and combating poverty, a post-publication discussion on the 2025 Minimum Income Report, its dissemination and added value, an overview of the results from the prioritisation survey and of the concept note for a MINET shared online space.
- April 2026, in-person meeting in Rome, which was focused on the individualised approach to the provision of income and social support, and how it is operationalised at the level of service-delivery. During the different sessions, participants zoomed into the Italian experience on the implementation of multidisciplinary teams and engaged in comparative reflection on similarities and difference with other approaches.

The Social Protection Committee and the European Commission continued working together to assess the implementation of the Council Recommendation on adequate minimum income, ensuring active inclusion. The 2025 joint report of the SPC and Commission was finalised and published, and its key messages were endorsed by the EPSCO ministers at their December meeting. MINET delegates played a central role in providing information on the development and reform of national minimum income schemes and related social and employment support.

The report highlights that while important efforts to improve minimum income schemes have been made across Member States since the adoption of the Recommendation, no national scheme is fully in line with the provisions of the Recommendation. Low adequacy, gaps in coverage, persistent non-take-up remain key challenges across the EU. Additionally, over the last few years, Member States have continued their efforts to foster inclusive labour markets and reinforced the linkage between minimum income schemes and employment support. Activation requirements have been strengthened, but more

caution is needed when it comes to the introduction of stricter criteria, as, together with disproportionate sanction regimes, they risk undermining active inclusion and leading to increased poverty and social exclusion.

Working Group on Adequate Social Protection in Old Age (WG ADAGE)

The SPC has established a new Working Group on Adequate Social Protection in Old Age (WG ADAGE), which formally commenced its activities in November 2025. The group's core mandate is to provide the SPC with in-depth analysis of social protection policies that ensure adequate living standards for older persons. This work is set against the critical backdrop of Europe's ongoing demographic transformations and evolving labour markets. The group's focus is concentrated on the two key pillars of old-age social protection: adequate pensions and affordable, high-quality long-term care (LTC).

The primary and most significant deliverable for this group is the preparation of the 2027 Report on Adequate Social Protection in Old Age, prepared jointly with the Commission. Beyond this report (which aims to be periodical), the WG ADAGE will serve as an ongoing resource for the SPC, providing ad-hoc policy analysis as requested. A key function will be to facilitate mutual learning and the exchange of best practices on national reforms. The group will also cooperate with other relevant bodies, most notably the EPC's Ageing Working Group (AWG) to ensure synergies with the Ageing Report, as well as the OECD. During 2025, based on proposals from the ADAGE Working group, the SPC approved the outline of the ADAGE report and the ISG agreed on the list of indicators underpinning the report.

In the pursuit of its mandate, the group will actively strive to develop an integrated view of pension and LTC policies, treating them as interconnected components of old-age social protection rather than separate silos. Furthermore, gender equality will be systematically mainstreamed throughout all analysis. Finally, a particular emphasis will be placed on analysing the policy impact on vulnerable groups and, where relevant, exploring connections to active ageing and longer working lives.

Thematic mutual learning related to Council Recommendations

Access to social protection for non-standard workers and self-employed

In order to further support the implementation of the 2019 Council recommendation on access to social protection for workers and self-employed, the Commission facilitates regular mutual learning events.

Two recent mutual learning events took place in the reporting period:

- Mutual Learning Workshop on "Pension awareness and the role of digitalisation" in Brussels on 11-12 February 2026. Building on the mutual learning event on transparency organised in end 2023, this one focused more specifically on pensions, with three main topics: pension information and awareness-raising campaigns; innovative approaches to digitalisation of

pension information; and establishing and interconnecting national Pension Tracking Systems. The objective of the workshop was to facilitate the exchange of experiences, explore the pros and cons of digital services and identify best practices for individuals and national pension authorities that can enhance transparency, increase pension awareness, and support informed financial planning for old age.

- Mutual Learning Workshop on access to social protection for workers and the self-employed, focusing on "coverage and contributions for the self-employed", in Brussels on 28–29 April 2026. It brought together representatives from Member States, international organisations, social partners, stakeholders and thematic experts. The aim of this workshop was to take stock of recent reforms and policy approaches aimed at extending social protection coverage for the self-employed, improving effective access, and designing fair and sustainable contribution systems. Discussions focused on how to balance adequacy, affordability, labour status neutrality, solidarity, equivalence and financial sustainability. The workshop follows on from the adoption of the Council conclusions on social protection for the self-employed in October 2023 under the Spanish Presidency. Participants discussed the specific challenges faced by self-employed people, including income volatility, contribution thresholds, the use of tax data for income assessment, exemptions and reductions, and the role of voluntary or mandatory schemes. The workshop also explored how to simplify administrative requirements, increase transparency and awareness and create incentives that encourage participation while ensuring adequate protection.

European Child Guarantee

The Council Recommendation of 14 June 2021 establishing a European Child Guarantee (ECG) requests Member States *inter alia* to nominate national Child Guarantee Coordinators (CGCs). On top of their main mandate, which is to ensure effective coordination and monitoring of the implementation of the Recommendation in their country, the CGCs contribute to facilitate mutual learning, share experiences, exchange good practices and follow up on the actions taken in response to the Recommendation as set out in the relevant national action plans.

Since October 2021, the Commission has regularly organised meetings of Child Guarantee Coordinators aimed at exchange of information, mutual learning, topical discussions and interaction with researchers and civil society. Those included regular online and annual meetings in Brussels, taking stock of the overall progress with implementation of ECG and related policy initiatives, as well as discussing good practices in the different areas covered by the ECG (including early childhood education and care, free healthy school meals, inclusive education, adequate housing, healthcare including mental health).

- 10 Feb 2026 (online): Meeting of Child Guarantee Coordinators on strengthening the European Child Guarantee - Employment, Social Affairs and Inclusion

- 10-11 December 2024 - European Child Guarantee Coordinators meet to discuss provision of school meals to children in need - Employment, Social Affairs and Inclusion
- 3 October 2024 - European Child Guarantee Coordinators meeting - Employment, Social Affairs and Inclusion
- 14 June 2024 European Child Guarantee: giving equal opportunities to children in need - Employment, Social Affairs and Inclusion
- 20 June 2023 2nd Anniversary meeting of national Child Guaantee Coordinators in Brussels - Employment, Social Affairs and Inclusion
- 23 May 2023, Dublin European Child Guarantee Meeting in Dublin - Employment, Social Affairs and Inclusion
- 14 June 2022 1st Anniversary meeting of national Child Guarantee Coordinators in Brussels - Employment, Social Affairs and Inclusion

Meetings have also taken place in cooperation with the EU Presidencies respectively in Spain, Belgium, Poland, Denmark, Cyprus and the next one planned under the Irish Presidency in September 2026.

Access to affordable high-quality long-term care

As set out in the European Care Strategy, the Commission facilitates mutual learning concerning the implementation of the Council Recommendation on access to affordable high-quality long-term care. The objective is to support Member States in designing reforms and investments in the areas of social protection for long-term care (LTC), availability and accessibility, quality, LTC workforce [79] and support for informal carers. The mutual learning activities build also on the measures reported by the Member States related to the implementation of the Council Recommendation and results will also inform the Commission report on the implementation to be delivered to the Council by 2027.

Mutual learning events are attended by the LTC coordinators / contact points who also meet in relation to the reporting arrangements on the implementation at national level.

The following mutual learning events and meetings were organised since mid-2025:

- 17-18 March 2026, a Mutual Learning Event on Enhancing the Monitoring and Evaluation of Evidence-Based Practices in Long-Term Care.
- Meetings with national LTC coordinators / contact points on 20 October 2025 and 10 June 2026.

[79] For more information on addressing knowledge gaps in relation to the LTC workforce, see Policy Brief published at the end of 2024.

Thematic mutual learning activities steered by the Commission

Addressing economic inequalities - Distributional Impact Assessment (DIA)

The European Pillar of Social Rights Action Plan puts emphasis on the importance of reducing inequalities. A mutual learning conference on addressing economic inequalities was organised in October 2021, which paved the way for mutual learning events on various aspects relevant to addressing inequality. In September 2022, the European Commission published a Communication on Better assessing the distributional impact of Member States' policies and a related Staff Working Document that stress the importance of Distributional Impact Assessment (DIA) analyses to assess and maximise the impact of reforms and investment on income poverty and inequality reduction across the EU.

To support Member States and promote the exchange of good practices on DIA, the Commission has initiated a series of Mutual Learning Events (MLE), involving mainly representatives from Member States' Ministries of economy and finance and of employment and social affairs, as well as national budgetary institutions, independent fiscal institutions, and related national bodies.

The following additional mutual learning events were organised since mid-2025:

- 17 October 2025, with a thematic presentation on DIA and climate change. Slovakia and Belgium presented their experiences in using DIA.
- 5 December 2025, with a thematic presentation on taxation (TAXUD Annual Report on Taxation) and national practices by Greece and Slovenia.
- 27 March 2026, with the thematic presentation on simulations of poverty (JRC). Czechia, Croatia and the Netherlands presented their experience using DIA.
- 26 June 2026, with a thematic presentation on flash estimates on income dynamics and poverty, and national practices by Czechia and Germany.

The latest summary report provides further insights into the latest developments in this field.

Effective policies to prevent and address homelessness and housing exclusion

The work at the EU level to tackle and reduce homelessness takes place under the umbrella of the European Platform on Combatting Homelessness. The Platform was launched by the Lisbon Declaration in June 2021, and brings together Member States, the European Parliament, the Committee of the Regions, the Economic and Social Committee, the OECD, the Council of Europe Development Bank, social partners and relevant civil society stakeholders, in a joint commitment to fight homelessness. Since its launch, the Platform has become a focal point in the fight against homelessness, through four work strands: (1) promoting mutual learning, (2) supporting the development of better statistical evidence and

knowledge on homelessness (3) promoting the use of EU funds (4) mainstreaming homelessness and housing exclusion across EU policies.

The two-year project EPOCH Practice, coordinated by FEANTSA and financed by an EU action grant, concluded in March 2026 supporting the Platform through knowledge and capacity building, including through mutual learning activities. Furthermore, four transnational social innovation projects on homelessness under the ESF+ aim to pilot evidence-based innovation practices to further enhance mutual learning.

Key actions related to the analytical strand of the Platform include: 1/ the recently concluded pilot project coordinated by KU Leuven on a European Homelessness Count (two city counts in the Autumn of 2024 and of 2025 in 15 and 35 cities respectively); 2/ the OECD Policy toolkit, monitoring framework and data mapping launched in December 2024); 3/ a new, on-going project with the OECD on a blueprint for integrated action plans and on homelessness policy evaluation.

The technical working group of the Platform on access to finance, set up and jointly chaired by the European Commission and the Council of Europe Development Bank, is the main forum to implement the third work strand of the Platform. The aim of the working group is to map available funding options, build capacity and expertise of project promoters and support the development of projects to combat homelessness.

The following events were organised and took place since mid-2025:

- 17-18 November 2025, Meeting of the European Platform on Combatting Homelessness and Thematic Seminar on Housing First (Copenhagen, Denmark), co-organised with the Danish Presidency of the Council of the EU, where participants discussed the on-going work of the Platform on combatting homelessness and shared how good practices, such as Housing First, can be tools to fulfil that ambition.

- 23-24 March 2026, Mutual Learning Event on project development and finance to fight homelessness (Barcelona, Spain), co-organised with the Council of Europe Development Bank (CEB) and hosted the Institut Català de Finances (ICF). The objective was to strengthen the capacity of policy makers and local project promoters to develop sustainable housing projects which adress homelessness by sharing practical experience on project design, financing models and implementation. The event included a site visit to a social housing project developed by Habitat 3, an organisation of the third sector.

- 29-30 April 2026, Mutual Learning Event on social work and housing pathways for migrants in Europe (Brussels, Belgium), co-organised with the Red Cross. The event focused on integrated service delivery for migrants facing or at risk of homelessness, including adequate and supportive reception systems. Participants exchanged good practices, implemented at local level, and visited

frontline Red Cross services and discussed with practitioners on approaches to outreach, emergency accommodation and long-term housing solutions.

- 11-12 June 2026, Meeting of the European Platform on Combatting Homelessness (Brussels, Belgium). The meeting provided an opportunity to discuss recent EU policy developments and initiatives, focusing on the proposal for a Council Recommendation to fight housing exclusion, exchange experiences on national homelessness strategies, such as the recently launched Ireland's National housing plan, review progress under the Platform's work strands, and showcase innovative projects supporting the fight against homelessness and housing exclusion.

V.iv Peer reviews

While thematic mutual learning activities aim at discussing policy developments focusing on specific thematic areas, peer reviews represent an **in-depth exploration, assessment and discussion of a given national policy of a given country (the host country) by other countries** (the reviewing and other guest countries), based on the initiative of the host country.

The peer review focuses on specific areas of the policy assessed to support the authorities in the design, implementation and the evaluation of the programmes, policies or reforms.

Each peer review is attended by national or regional officials from peer countries, and, where appropriate, by relevant stakeholders. National experts from each host and guest countries and a thematic expert support the participants by providing their insights and knowledge on the issue discussed based on the host/guest countries experiences, and from national and EU-wide perspectives.

Where appropriate, the peer review may also include, or be implemented in the form of, a study visit to organisations involved in the development and delivery of policies, allowing participants to see the direct application and impact of policy on the ground.

During the last year, 6 peer reviews were organised and an additional 2 are planned at the time of the Annual Report's preparation.

Four peer reviews were organised within the 2025 PR programme:

- Elaborating, coordinating and monitoring a national strategy against poverty, proposed by Belgium, organised on 14-15 October 2025 in Brussels.
- Social inclusion for families and children, proposed by Lithuania, organised on 16-17 October 2025 in Vilnius.
- Equal access to goods and services for persons with disabilities through reasonable accommodation and accessibility measures – proposed by Germany, organised on 19-29 January 2026 in Berlin.

- Improving coverage of long-term care focusing on regional disparities in access – proposed by Greece, organised on 27-28 January 2026 in Athens.

Two peer reviews were organised within the 2026 PR program:

- Designing social protection systems for persons with disabilities to facilitate transitions to and from the labour market – proposed by Belgium, organised on 12-13 May in Brussels.

- Redefining home-based care and support services for the silver generation – proposed by France, organised on 23-24 June in Paris.

Two additional ones are planned for Autumn 2026:

- Measures to prevent and reduce long-term dependency on social security benefits – proposed by Finland, planned on 29-30 September in Helsinki.

- Improving the take-up of fundamental social rights by integrating target groups into national strategies for poverty reduction and social inclusion – proposed by Belgium, planned on 21-22 October in Brussels.

Acknowledgments

The present report has been prepared as part of the mandate given to the Social Protection Committee (SPC) by the Treaty on the Functioning of the European Union (TFEU) to monitor the social situation in the European Union and the development of social protection policies (art. 160 of the TFEU).

The report is prepared by the Secretariats of the Committee and its Indicators Sub-Group. The Directorate-General for Employment, Social Affairs and Inclusion provided the SPPM dashboard calculations used in the report with the extensive assistance and data provision of Eurostat. The principal authors are Paul Minty and Katalin Szatmari, with specific support from Maria Baroni. The members of the SPC and its Indicators Sub-Group contributed extensively to the drafting of the report and its key messages. The report was approved by the SPC on 22 September 2026.