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From:	The Social Protection Committee
To:	Delegations
Subject:	Review of the Social Protection Performance Monitor (SPPM) and developments in social protection policies - Annual Report 2024

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 18 September 2024.

The key messages which are drawn from this report are contained in doc. 14329/24.

An executive summary and the SPPM Country Profiles annexed to this report are contained in doc. 14329/24 ADD 2-4.

Social Protection Committee

Annual Report 2024

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

- Key social challenges and key messages-

LOGO

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Social Protection Committee

Annual Report 2024

*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

Annex 2: Technical Annex

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 October 2024)

TO BE ADDED

Executive Summary

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I. Introduction

The SPC is an advisory policy committee to the EPSCO Council that provides a representative forum for multilateral social policy coordination, dialogue and cooperation at EU level. It brings together policy makers from all EU Member States and the Commission in an effort to identify, discuss and implement the policy mix that is most fitted to respond to 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 Indicators Sub-Group.

The yearly activities of the SPC are defined in the SPC work programme⁽¹⁾, which is set at the start of each year and is presented at the spring meeting of the Employment and Social Ministers. The programme is prepared taking into consideration the most current EU policy priorities and topics of the incoming Presidencies of the EU and the Commission (more details on the deliverables are presented in chapter V). In 2024, 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 Spanish and Belgian EU Presidencies, notably delivering opinions on the future policy priorities for the Union under the European Pillar of Social Rights endorsed by the Council in March and on social convergence in the Union presented at the EPSCO meeting of 20 June. In parallel to the 2024 Semester cycle, EMCO and SPC reflected extensively on the economic effects of labour market, skills and social policies in order to foster a shared understanding of how these could be considered at Union level and support Member States in evaluating how related reforms and investments can contribute also to economic growth, on top of pursuing social objectives⁽²⁾.

The main objective of the present report is to deliver on the mandate of the Committee to monitor the social situation in the European Union and the development of social protection policies (Article 160 of Treaty on the Functioning of the European Union (TFEU)), and, through its analysis, to provide input to the Council on the main social policy priorities to recommend to the Commission in the context of the preparation of the 2025 Annual Sustainable Growth Survey. On the basis of the Social Protection Performance Monitor (SPPM) and Member States' social reporting, the report aims at i) **monitoring the social situation** ⁽³⁾, 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**. An overview is also provided, making use of the available information and some more timely, non-standard data sources ⁽⁴⁾, on the very latest evolution in developments in the social situation in the EU and its Member States. A separate annex to the report provides the SPPM country profiles for each Member State.

⁽¹⁾ [Work programme of the SPC for 2024](#)

⁽²⁾ Such reflections led to the [Opinion on the value added of social investment and the role of the EPSCO Council filière in the governance of the European Semester](#) (endorsed by the Council on 28 November 2023), the [policy debate held by the EPSCO and ECOFIN Ministers](#) (on 12 March 2024), the [Council Conclusions on the role of labour market, skills and social policies for resilient economies](#) (approved by the Council on 20 June 2024), and the [Voluntary guiding principles for EU Member States for evaluating economic effects of reforms and investments in the labour market, skills and social policy domains](#) (endorsed by the Council on 20 June 2024).

⁽³⁾ Figures quoted in this report are generally based on data available around 27 June 2024, unless otherwise stated.

⁽⁴⁾ These include Eurostat flash estimates of expected developments in income and poverty for the year 2023, the European Commission's Spring 2024 Economic Forecast, a "financial 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 2023, 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 June 2024 update of the 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 2023 EU-SILC data (which refers to 2023 for deprivation indicators and 2022 for income and work intensity indicators), and the 2023 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 outlook for 2024 as a whole.

(a) Development in the economic, labour market and social situation up to 2023

The effects of Russia's war of aggression against Ukraine that started in February 2022 continue to be felt in the economic and social situation in Europe. It came at a time when Europe was showing strong signs of recovering from the unprecedented economic shock due to the COVID-19 pandemic, and led to a subsequent sharp downturn in economic growth and aggregate household income, although employment has continued to expand at a healthy rate (Figure 1).

Economic growth in the EU started to slow down in the second quarter of 2022, with year-on-year GDP growth falling to 4.2% compared to 5.8% in the first quarter. It continued to decline over the rest of 2022 and then into 2023, with very low growth from the second quarter on and turning marginally negative in the third quarter of 2023, before ending the year at 0.1% in the fourth quarter. Total employment continued to expand in 2022 and 2023, but with year-on-year growth easing off over time and falling to 1% by the last quarter of 2023. The unemployment rate in the EU remained remarkably stable at very close to 6% from spring 2022 through to the spring 2024, despite consumers' heightened expectations for unemployment to rise (Figure 2). The unemployment rate remained at 6.0% in May 2024 and is still below the previous low of 6.5% in March 2020, just before the COVID crisis began.

Year-on-year growth in real aggregate household income in the EU27 (as measured through real GDHI, gross disposable household income) declined over 2022, turning slightly negative in the second to fourth quarters, but was positive again in the first quarter of 2023 and remained so over the following quarters. The declines in 2022 mainly reflected the impact of rising inflation and a strong slowdown and then falls in real compensation of employees and of the self-employed, as well as a negative year-on-year contribution from (net) social benefits. In 2023, year-on-year growth in GDHI reflected a slight recovery in compensation of employees and of the self-employed, also supported by the contribution from net property income and changes in taxes, while the contribution of social benefits was essentially zero (Figure 3).

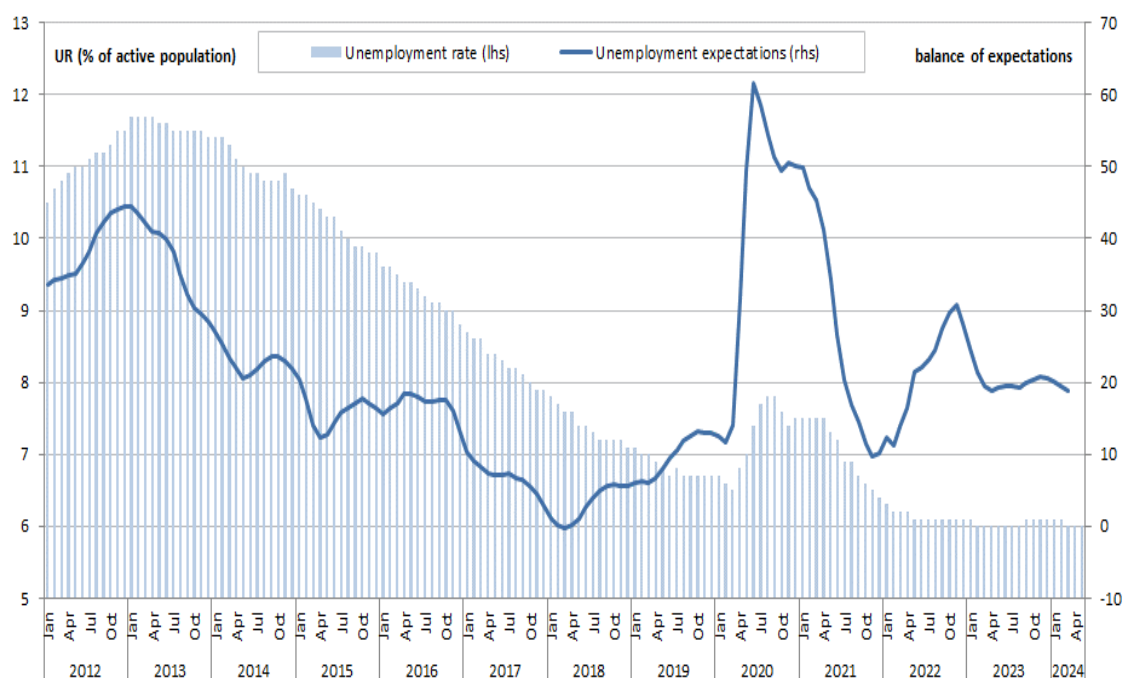
Figure 1: Real GDP, GDHI and employment growth in the EU, quarterly 2012-2023
(% change on same quarter of previous year)



Source: Eurostat, National Accounts (DG EMPL calculations for GDHI), 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.

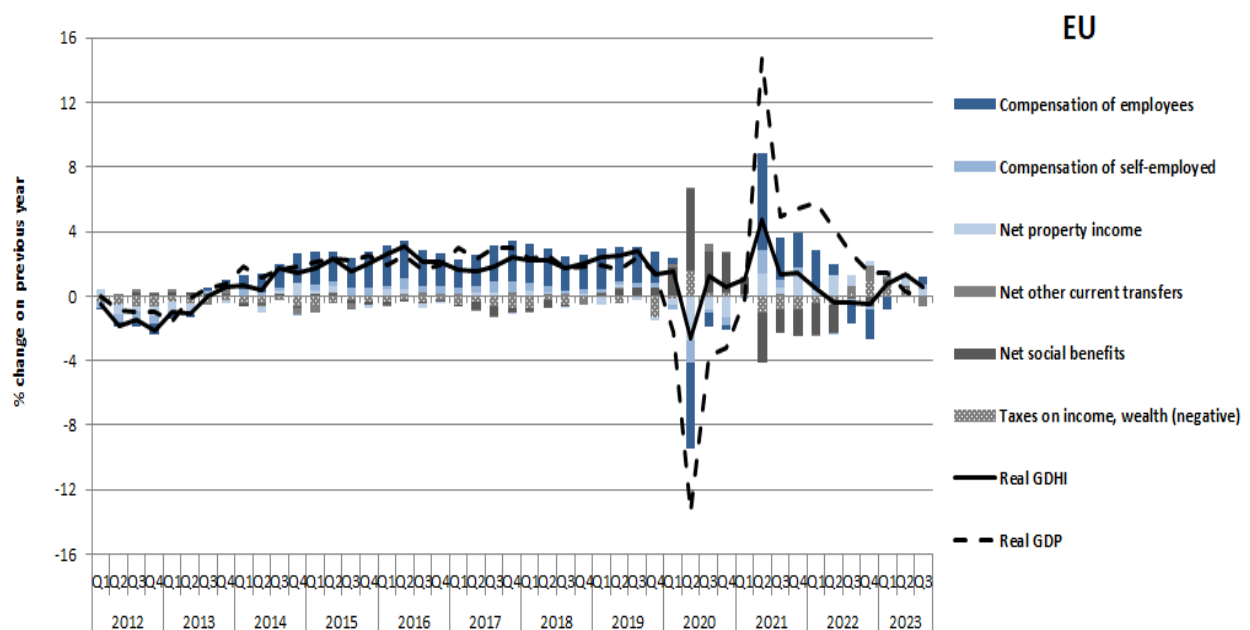
Figure 2: Unemployment rate versus unemployment expectations in the EU



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: Directorate-General for Employment, Social Affairs and Inclusion (DG EMPL) calculations based on Eurostat data, 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.

The continuing cost of living crisis

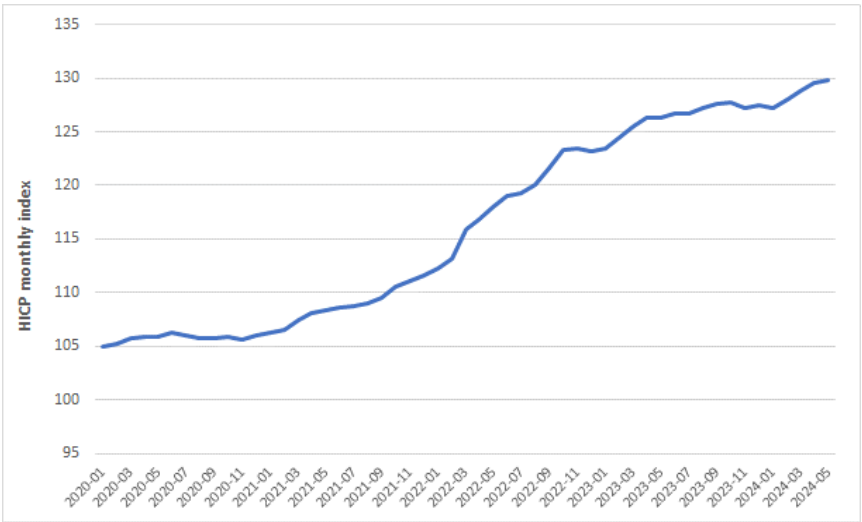
Inflation rose sharply in the EU over 2022, following the launching by Russia of its war of aggression against Ukraine, but then softened from spring 2023 to early 2024, when it picked up again (Figure 4). Whereas price increases were initially driven by energy price rises, pressures broadened as higher energy costs passed through to food and other goods, as well as services. This impacted on measures of inflation such as the harmonised index of consumer prices (HICP⁵) and consequently households' purchasing power, especially for lower income families who spend a higher fraction of their income on energy and food. To counter this, measures were taken at national and EU levels to mitigate the impact of rising energy and commodity prices on inflation, household incomes and rising energy poverty, including via recent EU initiatives such as the Social Climate Fund ⁽⁶⁾.

Inflation jumped markedly across Member States since February 2022, with particularly strong rises in the Baltic States and some Central and Eastern European Member States, especially in Czechia, Poland, Romania and above all in Hungary (Figure 5). However, in almost all Member States the rises were much more subdued over the latest year compared to the year following the launching by Russia of its war of aggression against Ukraine. Nevertheless, Belgium, Croatia, Hungary and Romania still recorded important rises of over 5 points in the HICP in the 12-month period to May 2024.

⁽⁵⁾ Index, 2015=100

⁽⁶⁾ See the 2023 SPC Annual Report for more details on the actions taken.

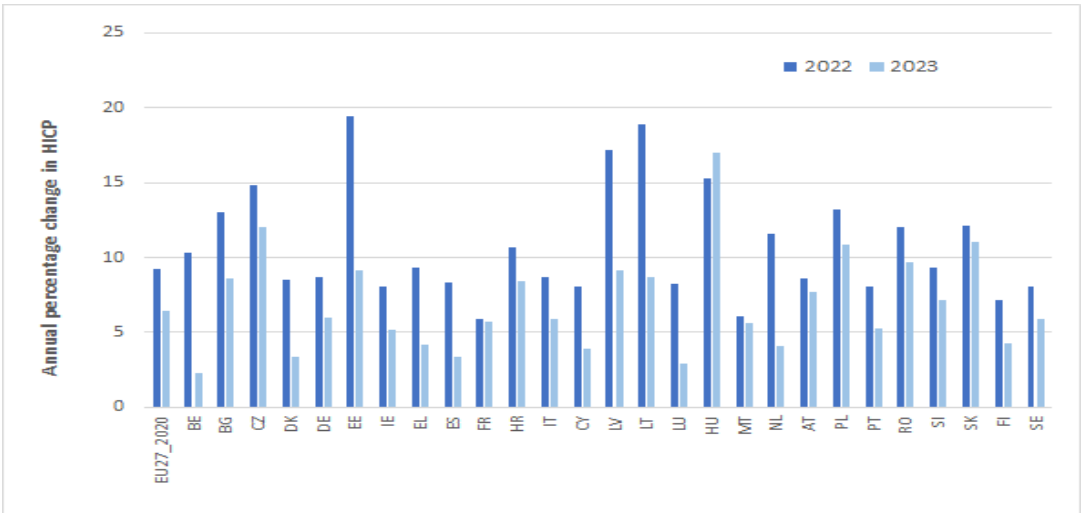
Figure 4. EU27 Harmonised Index of Consumer Prices, January 2020 to May 2024



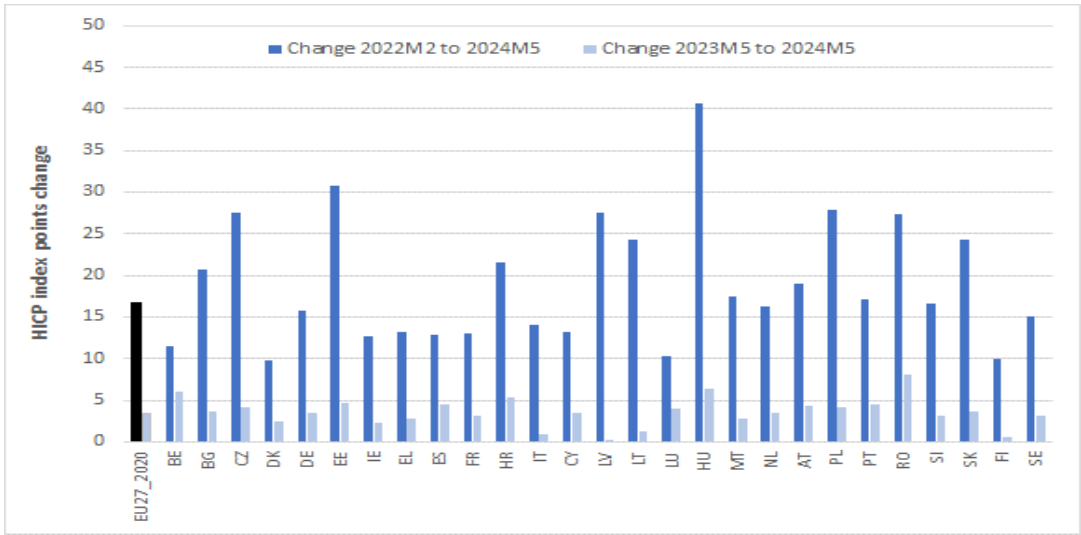
Source: Eurostat, HICP - monthly data (index) [prc_hicp_midx], 2015=100

Figure 5. Changes in Harmonised Index of Consumer Prices across Member States

(a) Annual percentage change 2022 and 2023 (Source: Eurostat, HICP - annual data)

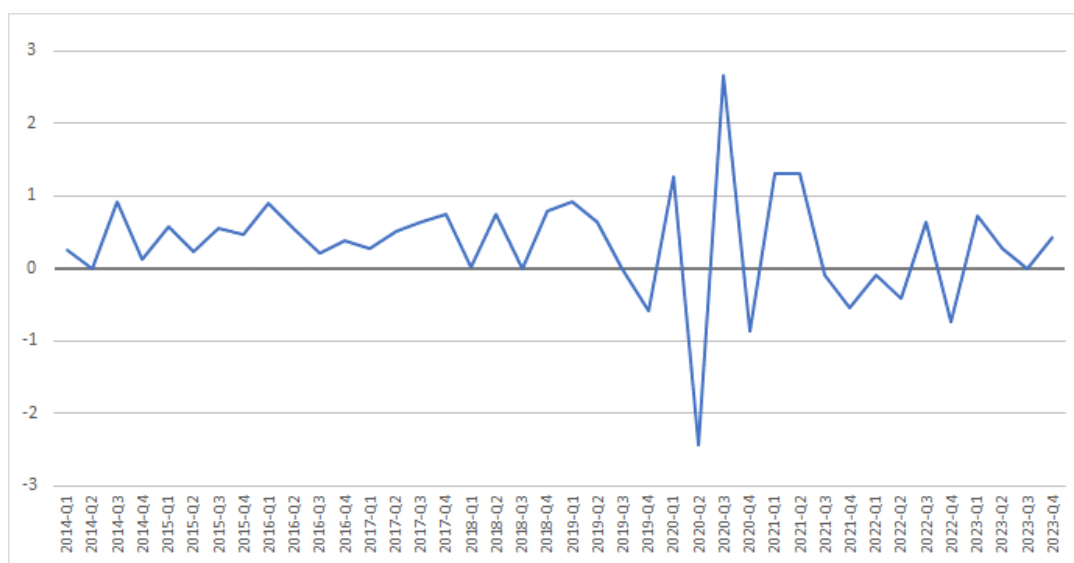


(b) Index point changes 2022M2 to 2024M5 and 2023M5 to 2024M5 (Source: Eurostat, HICP - monthly data)



The purchasing power of households has been strongly impacted by rising prices. An indicator based on quarterly national accounts data - the “quarterly growth rate (in %, versus the previous quarter) of the Gross (i.e. non-adjusted for social transfers in kind⁽⁷⁾) disposable income (seasonal and calendar adjusted) of households and NPISH ⁽⁸⁾ per capita in real terms” allows to monitor the evolution of purchasing power on a quarterly basis, although it is only available for around half of the Member States. This indicator shows that for the EU the GDHI in real terms per capita dropped in several quarters in 2022, but with signs of a slight recovery in 2023 as the indicator remained generally positive, albeit at low levels, over that year (Figure 6).

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



Source: Eurostat, national accounts [nasq_10_ki]

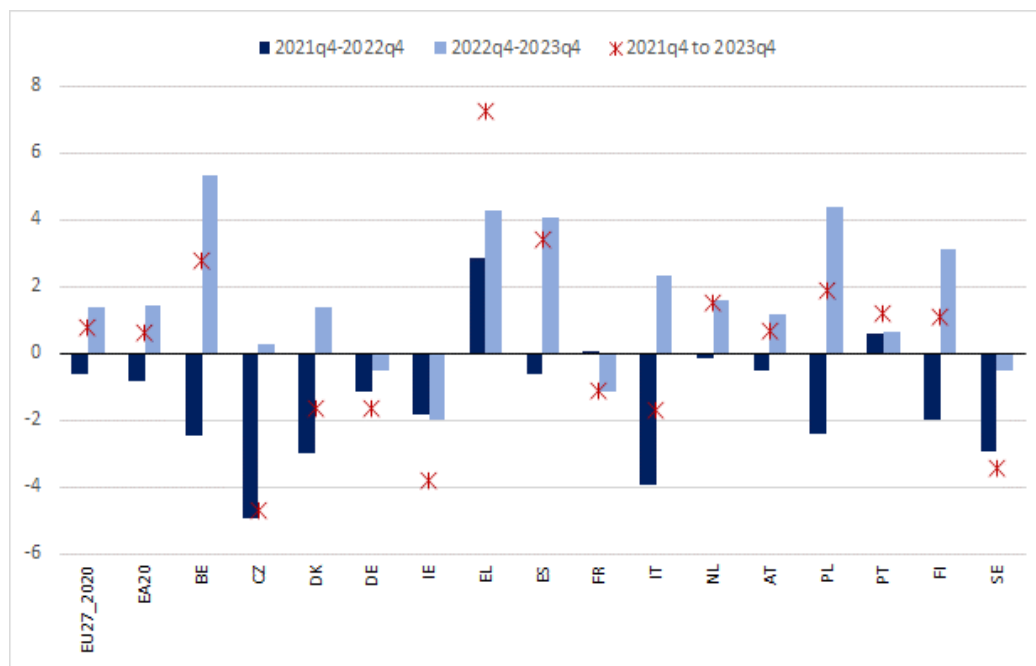
Note: Estimates obtained by dividing “(non-adjusted for social transfers in kind) GDHI for households and NPISH” (in current prices in national currency, source: ESTAT) by the price deflator index of the “final consumption expenditure for households and NPISH” (in national currency, source: ESTAT) and 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 seasonally and calendar adjusted.

Developments in household purchasing power over the last two years for selected Member States among those for which quarterly GDHI data is available, indicate that GDHI in real terms per capita fell in most of these countries over 2022 but then increased noticeably over 2023 (Figure 7). This was most notably the case in Belgium, Denmark, Finland, Italy, Poland and Spain. In contrast, developments in purchasing power were negative in both years in Germany, Ireland and Sweden, and negative in the second year in France, while in Greece and Portugal household purchasing power actually improved in both years. With regard to the overall change in purchasing power between the last quarter of 2021 and that of 2023, Czechia, Ireland and Sweden have seen the sharpest falls (between 3% and 5% declines), while negative overall developments were also seen in Denmark, France, Germany and Italy (up to 2% declines).

⁽⁷⁾ Non-adjusted means that social transfers in-kind are not taken into account.

⁽⁸⁾ Non-profit institutions serving households.

Figure 7 - Growth rate in gross disposable income of households in real terms per capita, 2021Q4 to 2023Q4



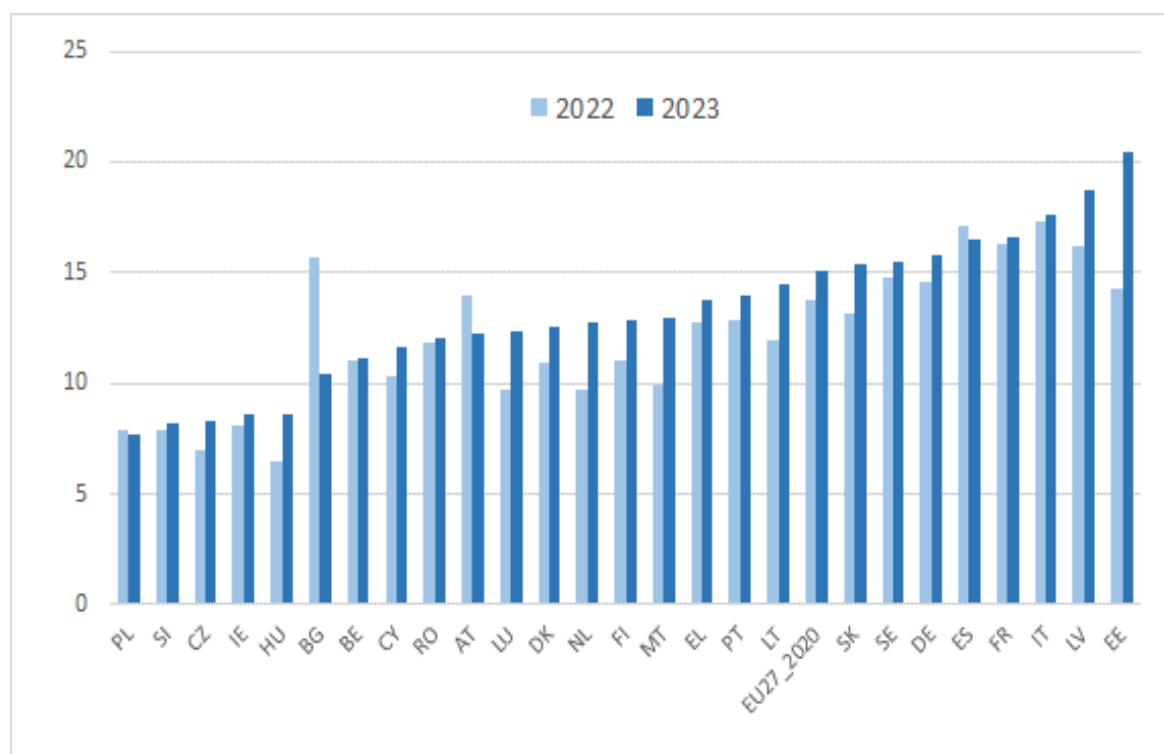
Source: Eurostat, national accounts [nasq_10_ki]

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 impact of the rising cost of living combined with developments in the redistribution of income across households can clearly be seen in the evolution of the at-risk-of-poverty rate anchored at a fixed moment in time (2019). The at-risk-of-poverty anchored in time is a useful complement to the standard poverty rate as the effects of a moving poverty threshold are controlled for in this indicator. It involves keeping the poverty threshold fixed in real terms over a longer 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⁽⁹⁾. The rate showed strong rises between 2022 and 2023 in around two-thirds of Member States (Figure 8), and particularly marked rises of over 2 percentage points in Hungary, Latvia, Lithuania, Luxembourg, Malta, the Netherlands, Slovakia, with an especially large rise in Estonia (up 6.2 percentage points). This illustrates that, while all households are impacted by inflation, for households at the bottom of the income distribution it can impact on their basic needs if not adequately compensated. The evolution of the (severe) material and social deprivation rates sheds more light on this matter (see below).

⁽⁹⁾ 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 operation results in the 'real' value of the threshold base year, i.e. adjusted for price increases in subsequent years.

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



Source: Eurostat, EU-SILC

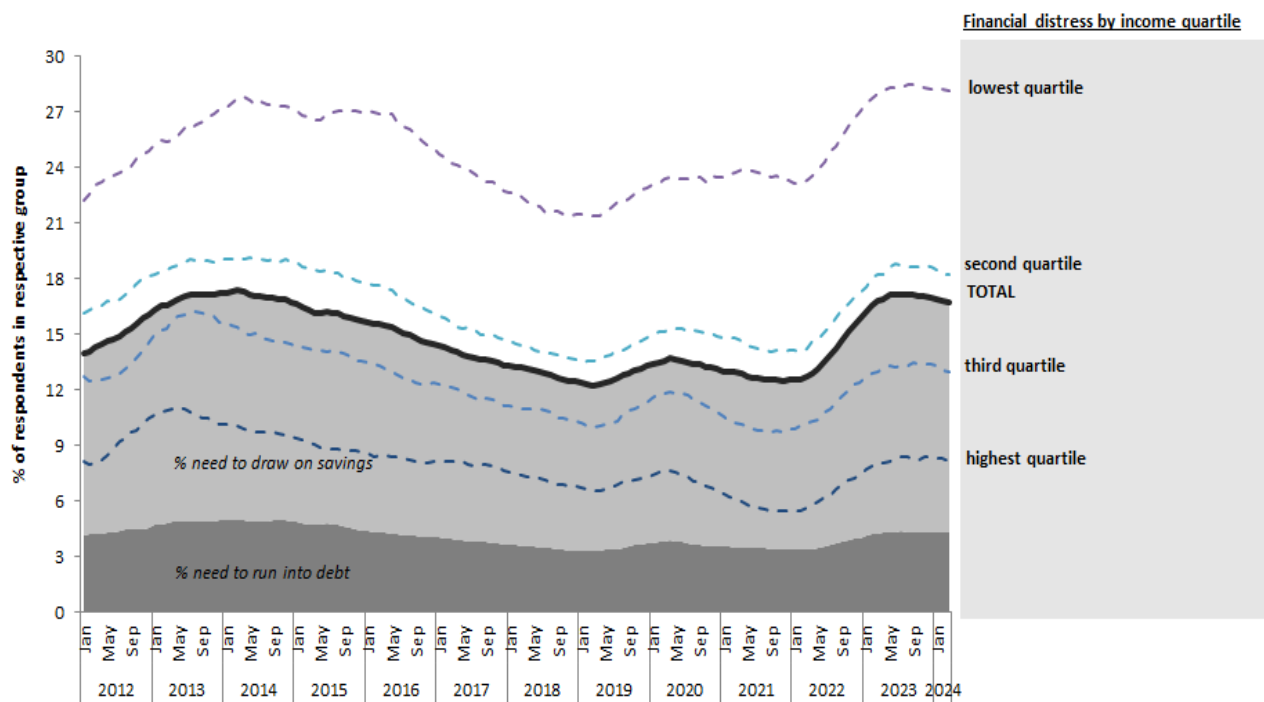
Financial distress among consumers

Reflecting the sharp rise in inflation, the overall share of people in the EU reporting financial distress rose sharply from March 2022 onwards, before peaking at 17.2% in summer 2023 and then falling slightly from then onwards (Figure 9). (The “financial distress” indicator ⁽¹⁰⁾ is derived from harmonised EU 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).

By March 2024 the share of the overall population in financial distress was at around 16.7%, well above the previous peak during the COVID pandemic and returning to the sort of levels last seen in 2013/2014. Underlying the March 2024 figure, 12.4% of respondents reported a need to draw on savings and 4.3% the need to run into debt, indicating that so far the impact of the cost of living crisis has been addressed mainly through people drawing on their savings and to a lesser extent on running into debt.

⁽¹⁰⁾ European Commission joint harmonised EU business and consumer surveys include a question on household financial situations, which has been used to derive a “financial distress” indicator. 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. Still, both its subjective nature and the limited information on sampling and data-collection issues require some caution in the interpretation of the results.

Figure 9: Reported financial distress in the EU by income quartile – 2012 to spring 2024



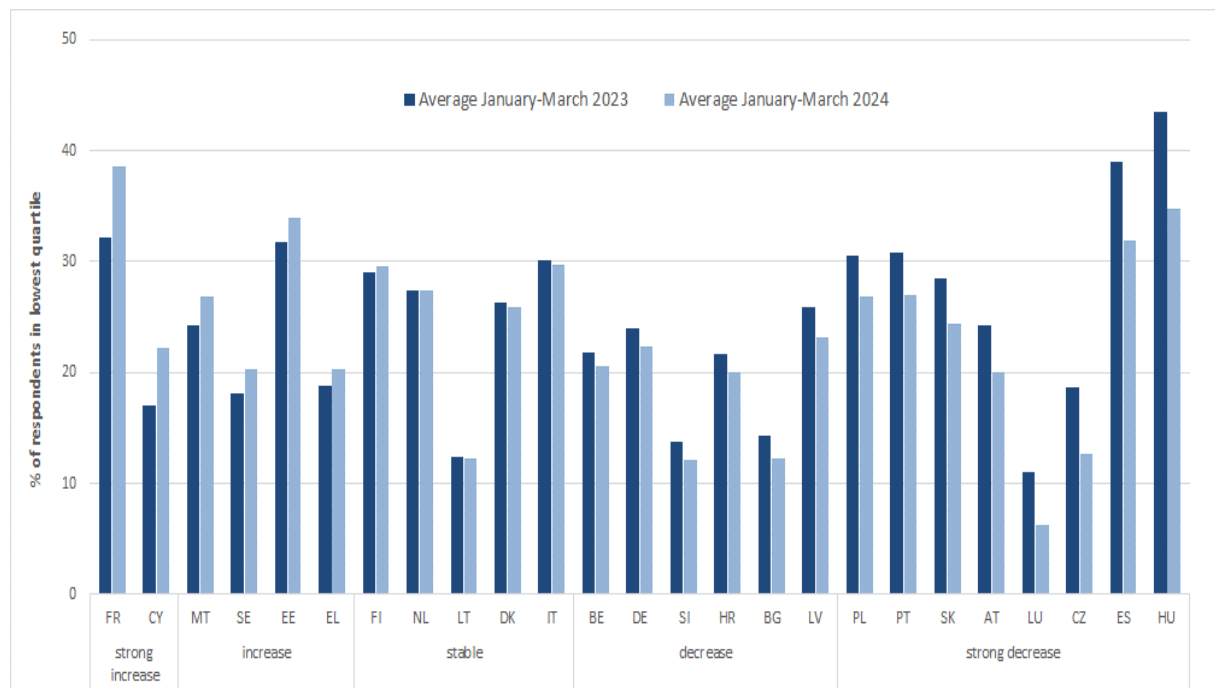
Source: European Commission, Business and Consumer Surveys. 12-month moving average (DG EMPL calculations)

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.

Despite falling recently, financial distress remains particularly high for those on low incomes. It affects more than one in four of those in the lowest income quartile, and with the rise in the financial distress indicator since spring 2022 being the strongest for this income group. In March 2024, 28.1% of those in the lowest income quartile reported being in financial distress, compared to 8.1% for those in the highest income quartile. The gap between them increased almost continuously from March 2022 to autumn 2023, reaching 20 percentage points, before stabilising from then onwards. Shares of those in financial distress in the second and third quartiles were 18.2% and 13.0% respectively. The impact of the sharp rise in the cost of living has been felt by all income groups, but has been clearly felt much more strongly by those in the lower part of the income distribution.

Nevertheless, financial distress among people in the lowest income quartile has decreased in around half of Member States between the first quarter of 2023 and that of 2024. For around a third of Member States, reported financial distress decreased strongly, most notably in Czechia, Hungary, Luxembourg and Spain (Figure 10). In contrast, there were increases over the last year in six Member States, with particularly notable rise in Cyprus and France, while in five the shares of those reporting financial distress remained stable at generally high levels. In the first quarter of 2024, the share of people in the lowest income quartile reporting financial distress was especially high (at or above 30%) in Estonia, Finland, Hungary, Italy and Spain, and above all in France (at 38.6%).

Figure 10: Reported financial distress in the lowest income quartile across Member States, 2023 Q1 and 2024 Q1



Source: European Commission, Business and Consumer Surveys. 3-month moving average (DG EMPL calculations)

Notes: No data for IE in 2023, no data for RO in 2022 and 2023.

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

Social protection systems can contribute to the smooth functioning of the labour market and to inclusive growth. Moreover, to support the needs of people at risk of poverty, governments provide social security in the form of social transfers. The principles enshrined in the European Pillar of Social Rights provide support for national social protection systems that invest effectively and efficiently in people and support them through changes stemming from new and emerging challenges.

Expenditure on social protection benefits

A key element affecting the redistribution of income is transfers through social benefit payments, and these impact on the income-based variables in 2023 EU-SILC data (which relate to incomes in 2022, the year before the survey).

Early estimates ⁽¹¹⁾ on EU expenditure on social protection benefits in 2022⁽¹²⁾ show that EU countries spent on average 27.2 % of their gross domestic product (or €4,307 billion) on social protection benefits, a nominal increase of 2.7 % (or around €110 billion) compared to 2021, but down around 6% in real terms.

⁽¹¹⁾ Note that this section compares early estimates with indicators based on the ESSPROS Core System (which is more robust). In addition, the early estimates do not include 'administration costs'.

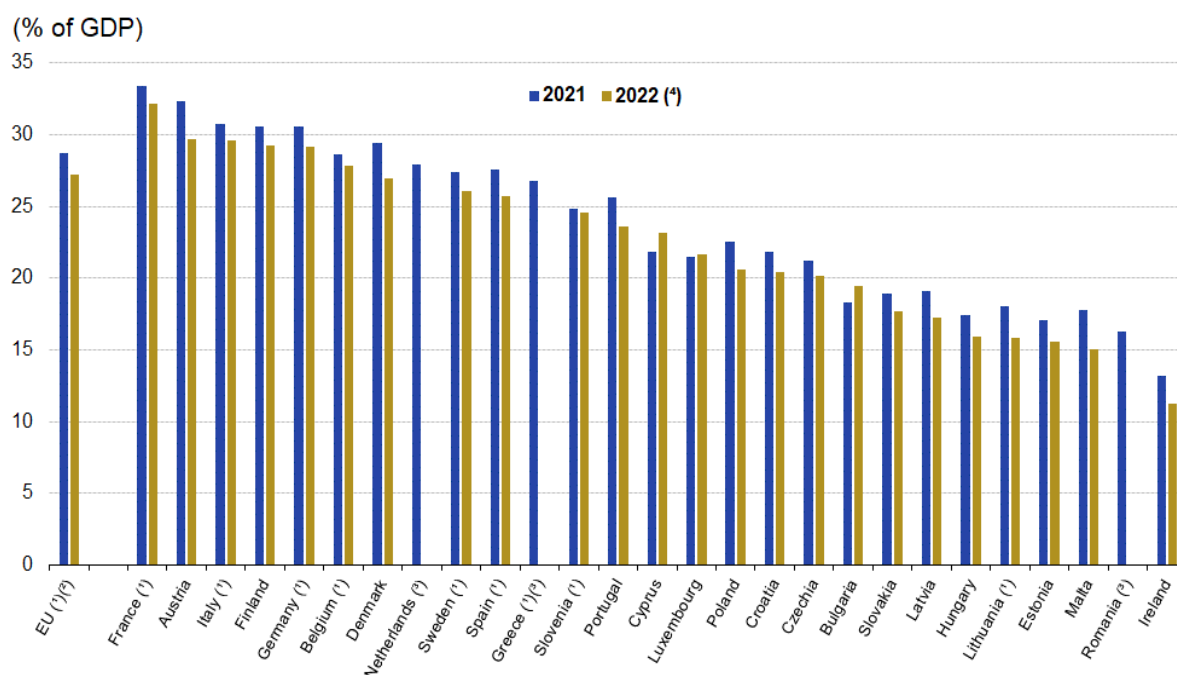
⁽¹²⁾ See the Eurostat Statistics Explained articles on the following link for further details:

https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Social_protection_statistics_-_early_estimates

There are considerable variations between EU countries when it comes to levels of expenditure on social protection benefits relative to GDP (Figure 11 ⁽¹³⁾). This share ranges from a high of 32.2% in France, followed by Austria, Italy, Finland and Germany (with shares in the range 29–30% of GDP) to relatively low levels in Hungary (16.0%), Lithuania (15.8%), Estonia (15.6%), Malta (15.0%), and above all in Ireland (11.3%). The highest expenditure on social protection benefits was recorded for the old age and survivors function (mostly pensions), which accounted for nearly half (46.3 %) of all expenditure on social protection benefits in 2022, and which ranged from 30.4% in Ireland to 56.4% in Italy. This was followed by the sickness/health care function, which accounted for 30.0 % of the EU's expenditure on social protection benefits (ranging from 21.4% in Bulgaria to 41.1% in Ireland), while each of the remaining four functions accounted for single-digit shares. Among these, the highest proportion was recorded for the family/children function (8.6 % of total expenditure on social protection benefits), followed by the disability function (7.0 %), the unemployment function (4.3 %) and the housing and social exclusion function (3.8 %).

The ratio of expenditure on social protection benefits relative to GDP is influenced not only by the level of expenditure but also by developments in GDP. Between 2021 and 2022, the ratio fell in the EU from 28.7 % in 2021 to 27.2 % in 2022, down 1.5 percentage points. This decline results from GDP rising at a faster pace (up 8.7 % in nominal terms) than expenditure on social protection benefits (up 2.7 %). Overall, the ratio of expenditure on social protection benefits relative to GDP fell in 21 Member States, the largest falls – of at least 2.0 percentage points – were recorded in Portugal, Lithuania, Denmark, Austria and Malta (which had the largest decrease of 2.8 pp).

Figure 11: Expenditure on social protection benefits, 2021 and 2022 as a percentage of GDP



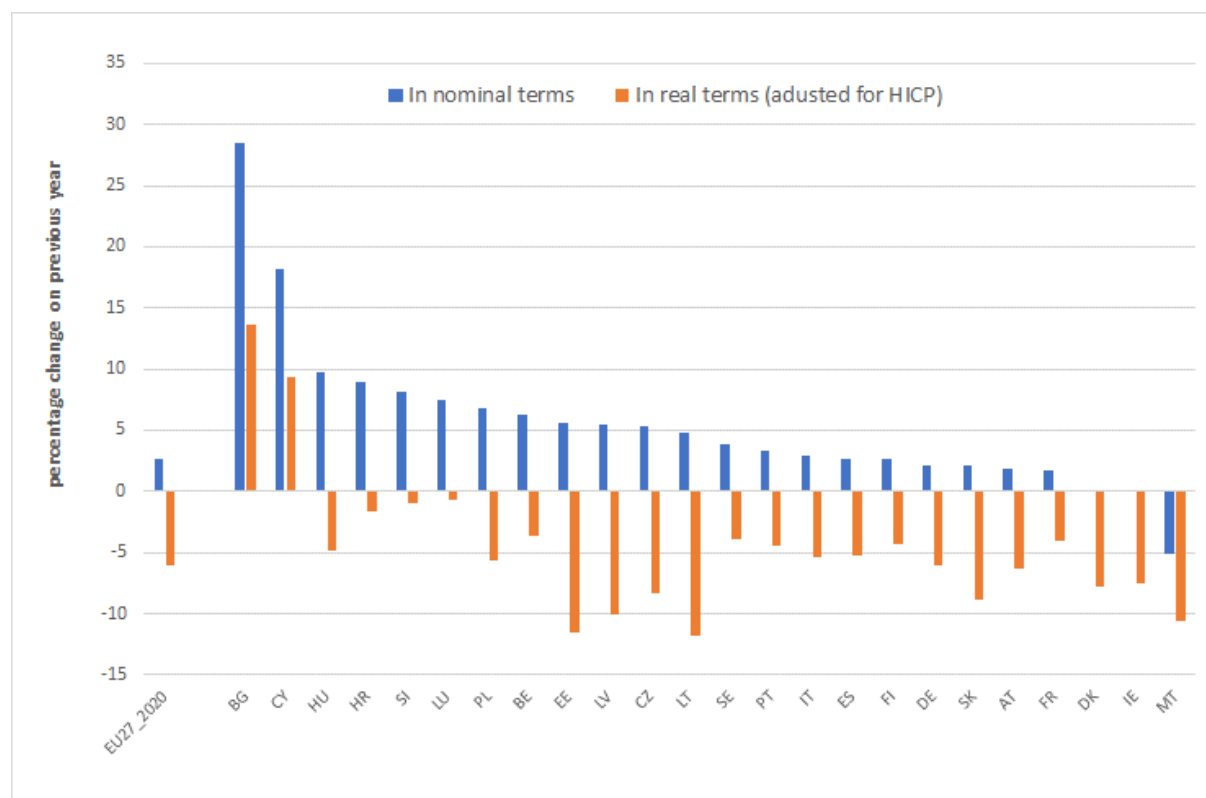
Source: Eurostat (online data code: spr_exp_sum) and Eurostat early estimates

Notes: (¹) 2021: provisional; (²) 2022: Eurostat estimate; (³) 2022: not available; (⁴) Preliminary.

(13) Note that for Figures 11 and 12, only social protection expenditure is used here and not total social expenditure (including administrative costs and other expenditure), as usually included in Eurostat ESSPROS figures. The data for 2022 are provisional estimates only.

In terms of absolute changes in expenditure between 2021 and 2022 (Figure 12), the largest nominal increases in expenditure for social protection benefits in 2022 were observed in Bulgaria (up 28.4 %), Cyprus (up 18.2 %) and Hungary (up 9.7 %). Expenditure on social protection benefits rose at a relatively moderate pace in 2022 in France (up 1.7 %) and Austria (up 1.8 %), while there was essentially no change in the level of expenditure in Denmark and Ireland, and Malta was the only country that recorded a decrease (down around 5%). However, when adjusted for inflation in 2022 (using the overall HICP), the change in expenditure in real terms was clearly negative in around two-thirds of Member States, especially in the Baltic States and Malta (all with declines in expenditure on social protection of around 10% or more in real terms). Hence the level of support provided though expenditure on social protection benefits effectively declined in many countries in 2022.

Figure 12: Annual percentage change in expenditure on social protection benefits, 2022, in nominal terms and real terms (adjusted for annual change in HICP)



Source: Eurostat (online data code: spr_exp_sum) and Eurostat early estimates, and DG EMPL calculation of real change
 Note: for the EU aggregate and 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. Greece, the Netherlands and Romania, not available. All data are preliminary. (*) Eurostat estimate.

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 ⁽¹⁴⁾ (generally unemployment, social assistance and disability

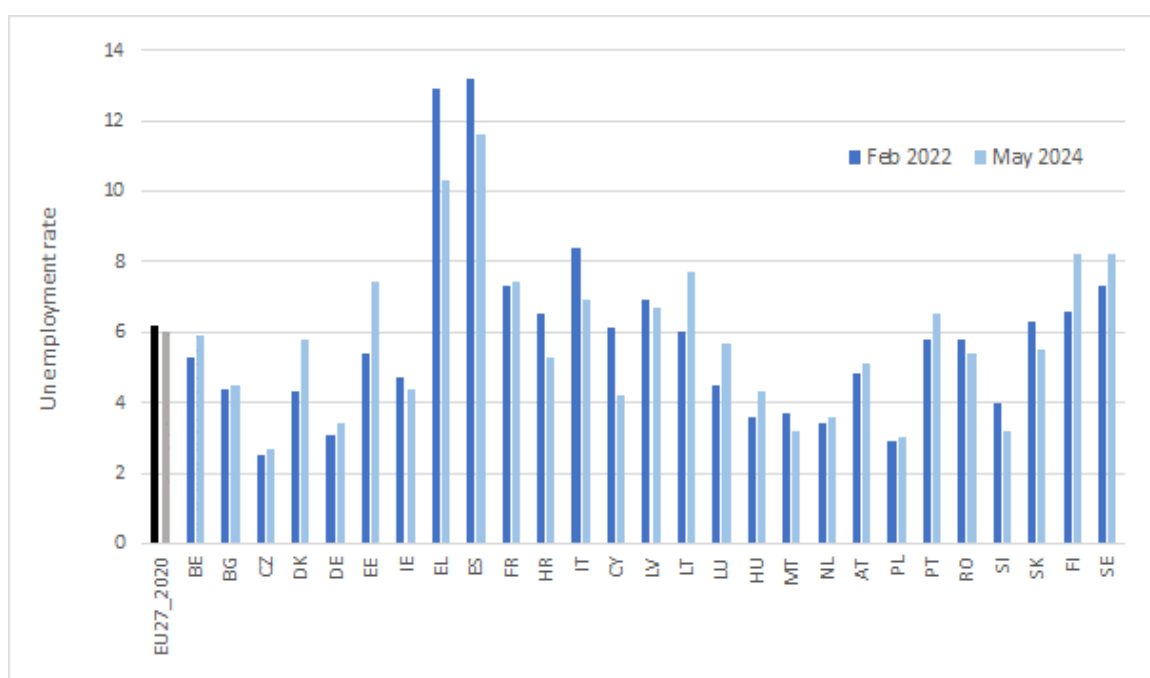
⁽¹⁴⁾ Although this information needs to be assessed with due caution (as it does not offer cross-country comparability due to the diversity of concepts and underlying definitions used) the numbers of beneficiaries are available every month in most Member States, and help to observe trends and the timing of the impact of crises.)

benefits). From this data, it is possible to get an idea of how recent crises have put pressure on social security systems across the EU, and whether this has reduced over time.

The latest figures available, generally covering up to spring or early summer 2024 for around three-quarters of Member States, suggest the following main developments compared to February 2022 as identified from the administrative data:

- The labour market has shown strong resilience following the start of the war of aggression launched by Russia against Ukraine in February 2022, with the unemployment rate in the EU remaining very stable at close to 6% from spring 2022 through to the spring of 2024. However, underlying the overall stability at EU level are strong variations in the changes in individual Member States. For close to half of Member States the unemployment rate declined over this period, most notably in Croatia, Cyprus, Greece, Italy and Spain. In contrast, rates rose markedly in several countries, and particularly strongly (more than a percentage point) in Denmark, Estonia, Finland, Luxembourg and Lithuania (Figure 13).

Figure 13: Unemployment rates in the EU and Member States in February 2022 and May 2024



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

- The number of unemployment benefit recipients in Member States has mainly declined, and particularly so (in relative terms) in Belgium, Croatia, Cyprus, Greece, Latvia and Slovenia, with only a few exceptions, most notably Estonia, Luxembourg and Lithuania where unemployment rates have risen strongly compared to early 2022 and with benefit recipient numbers post-February 2022 peaking in recent months (Table 1).

- For the number of recipients of social assistance benefits, there have been rises in recipient levels in several Member States, most notably in Bulgaria, Estonia, Romania and Spain, following the start of the Russian war of aggression (Table 2). In contrast, reductions in the number of social assistance benefit recipients were recorded in a similar number of countries, with the largest relative declines being in Greece, Hungary, Slovenia and Sweden.

Table 1: Change in unemployment benefit recipient numbers from February 2022 to latest month of data available

	Change in unemployment benefit recipient numbers from February 2022 to latest month of data available			Change in unemployment benefit recipient numbers from February 2022 to peak month of data available		
	Absolute change (1000s)	Relative change (%)	Latest month of data	Absolute change (1000s)	Relative change (%)	Month of post-February 2022 peak
BE	-36.1	-11.2	Apr 2024	<i>Figures lower than Feb 2022</i>		
BG	2.0	3.3	Mar 2024	5.0	8.3	Jan 2024
CZ	-6.1	-6.8	May 2024	10.8	12.2	Feb 2024
DK	na	na	-	na	na	-
DE	498.1	11.5	June 2024	543.3	12.6	Feb 2024
EE	4.2	33.4	May 2024	5.2	42.1	Feb 2024
IE	na	na	-	na	na	-
EL	-132.0	-62.0	May 2024	50	23.6	Dec 2023
ES	-108	-5.9	April 2024	78.8	4.3	Jan 2024
FR	81.9	3.1	Nov 2023	81.9	3.1	Nov 2023
HR	-10.8	-38.7	Apr 2024	1.2	4.5	Jan 2023
IT	na	na	-	na	na	-
CY	-4	-23.5	Mar 2024	<i>Figures lower than Feb 2022</i>		
LV	-4.0	-10.8	May 2024	<i>Figures lower than Feb 2022</i>		
LT	15.7	24.0	Apr 2024	17.6	27.0	Jan 2024
LU	2.9	35.3	May 2024	2.9	36.3	Apr 2024
HU	3.5	4.4	May 2024	7.5	9.6	Feb 2024
MT	na	na	-	na	na	-
NL	-12.0	-7.5	May 2024	<i>Figures lower than Feb 2022</i>		
AT	13	4.9	Feb 2024	36	13.4	Jan 2024
PL	-5.1	-4.0	Apr 2024	3.8	3.0	Feb 2024
PT	-19.2	-9.2	Apr 2024	<i>Figures lower than Feb 2022</i>		
RO	-2.0	-3.8	May 2024	6.0	11.5	Jan 2024
SI	-4.1	-23.6	May 2024	<i>Figures lower than Feb 2022</i>		
SK	-2.8	-7.4	May 2024	<i>Figures lower than Feb 2022</i>		
FI	na	na	-	na	na	-
SE	-17.6	-4.8	Apr 2024	<i>Figures lower than Feb 2022</i>		

Source: SPC data collection on social benefits recipients

Note: No recent data for DK, FI, IE and MT. Data for IT are annual figures.

Table 2: Change in social assistance benefit recipient numbers from February 2022 to latest month of data available

	Change in social assistance benefit recipient numbers from February 2022 to latest month of data available			Change in social assistance benefit recipient numbers from February 2022 to peak month of data available		
	Absolute change (1000s)	Relative change (%)	Latest month of data	Absolute change (1000s)	Relative change (%)	Month of post-February 2022 peak
BE	8.8	5.7	Jan 2024	8.8	5.7	Jan 2024
BG	7.0	35.0	Apr 2024	7.0	35.0	Apr 2024
CZ	4.0	6.7	Apr 2024	5.0	8.3	Apr 2023
DK	na	na	-	na	na	-
DE	na	na	-	na	na	-
EE	2.7	51.4	May 2024	5.8	109.4	Feb 2023
IE	na	na	-	na	na	-
EL	-84.7	-21.8	Apr 2024	17	3.9	July 2022
ES*	1033.8	140.2	Apr 2024	1033.8	140.2	Apr 2024
FR	-40.9	-2.2	Dec 2023	Figures lower than Feb 2022		
HR	-5.0	-9.8	May 2024	Figures lower than Feb 2022		
IT	na	na	-	na	na	-
CY	na	na	-	na	na	-
LV	-1.0	-7.7	May 2024	21.0	1.6	May 2022
LT	-2.7	-3.8	Mar 2024	1.4	2.0	June 2023
LU	0.3	3.0	May 2024	0.3	3.0	May 2024
HU	-29.0	-29.6	May 2024	Figures lower than Feb 2022		
MT	na	na	-	na	na	-
NL	-3.0	-0.7	May 2024	Figures lower than Feb 2022		
AT	na	na	-	na	na	-
PL	na	na	-	na	na	-
PT	-15.8	-8.0	Apr 2024	5.0	2.5	June 2022
RO	80.0	50.0	May 2024	84.0	52.5	Apr 2024
SI	-13.4	-15.4	May 2024	Figures lower than Feb 2022		
SK	4.6	8.0	June 2024	23.8	41.3	May 2022
FI	na	na	-	na	na	-
SE	-20.2	-15.1	Mar 2024	Figures lower than Feb 2022		

Source: SPC data collection on social benefits recipients

Note: * For ES the data refers only to the monthly data for the IMV (Minimum Vital Income) national scheme, but there exist also regional minimum income schemes (RMI) that are included in social assistance but for which the data is only available annually. No recent monthly data for DK, FI, IE, CY, MT and PL. Data for DE, IT are annual figures. No social assistance figures for AT.

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.

It should be noted that special measures were put in place in most EU countries to address increasing energy poverty following the start of the Russian war of aggression in Ukraine and to cushion the impact of rising prices in general, and these were discussed in detail a dedicated section of the 2023 annual report. These schemes have generally now been ended.

Effectiveness of income support systems

The effectiveness of social benefits in addressing poverty can be examined by comparing the at-risk-of-poverty rate before and after social transfers. The impact of social transfers (excluding pensions) on income poverty reduction varies greatly across Member States. In 2023, it ranged from under 20% in EL, PT and RO to around 50% or over in BE, DK, FI and IE (Figure 14). These large differences highlight the potential for improvement in some Member States in the size and effectiveness of social protection expenditure. Between 2022 and 2023, however, there were relatively few countries with significant improvements in the capacity of social transfers to reduce the risk of poverty, and in 11 Member States the impact was significantly reduced. In the longer term (between 2019 and 2023) only 5 countries (BE, BG, DK, DE and IT) have significantly strengthened the impact of social transfers in reducing the risk of poverty as opposed to 10 countries where the impact has significantly decreased, most notably in AT, NL and SI. For around a further third of MS, no significant changes were observed compared to the situation in 2019.

Figure 14: Impact of social transfers (excluding pensions) on at-risk-of-poverty reduction in 2023, and evolutions 2022-2023 and 2019-2023

	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2023	34.7	50.8	27.7	39.5	51.4	41.7	27.7	57.7	18.2	22.9	41.9	20.9	30.5	30.5
2022-2023 change in pp	~	2.0	3.3	~	~	~	~	~	-2.2	-4.5	~	n.a.	4.7	~
2019-2023 change in pp	~	9.1	4.1	~	4.2	7.1	~	~	-4.7	~	n.a.	n.a.	10.3	-4.7
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2023	23.5	29.9	27.4	34.5	25.6	31.5	39.2	36.1	19.8	15.6	35.5	36.4	48.7	36.9
2022-2023 change in pp	-1.5	~	-6.3	-2.1	~	-2.3	-2.8	-2.5	-3.9	~	-1.8	2.6	~	-3.0
2019-2023 change in pp	~	~	-6.5	-4.0	~	-6.8	-10.1	~	-4.4	~	-9.9	~	-5.2	-4.0

Source: Eurostat (EU-SILC)

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). "n.a." refers to data being subject to major a 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. For DE the longer-term comparison is for 2020 to 2023 due to the major break in EU-SILC data series in 2020.

One group particularly in need of support from social benefits are persons living in (quasi-)jobless households ⁽¹⁵⁾, but Member States differ substantially in terms of the adequacy of the income benefits they provide to such households. In 2023, the poverty risk for people living in (quasi-)jobless households ranged from as much as around 75% or over in BG, EE, HR and LV , and around or over 80% in LT, NL, RO, SI, SK and SE, to around 50% or under in BE, DK, DE and LU, and under 40% in IE.

⁽¹⁵⁾ Households where working-age adults (18-64) worked 20% or less of their total work potential during the past year.

Between 2022 and 2023, 12 Member States experienced a significant worsening of the poverty risk for people in (quasi-)jobless households, with particularly strong increases in AT, CY and PT (Figure 15), with the result that this has been identified again as a trend to watch. This suggests a reduction in the effectiveness of safety nets in terms of income support in many countries. Significant improvements were recorded only in a few Member States, most notably BE, DK, IE and HU. The longer-term trend since 2019, has also mainly been one of worsening income poverty among (quasi-)jobless households in around a third of Member States and little change in the situation in another third. Especially marked increases compared to 2019 in the risk of poverty for people living in (quasi-)jobless households have been recorded in AT, CY, NL and PT.

Figure 15: At-risk-of-poverty rate for the population living in (quasi-)jobless households (in %), and evolutions 2022-2023 and 2019-2023

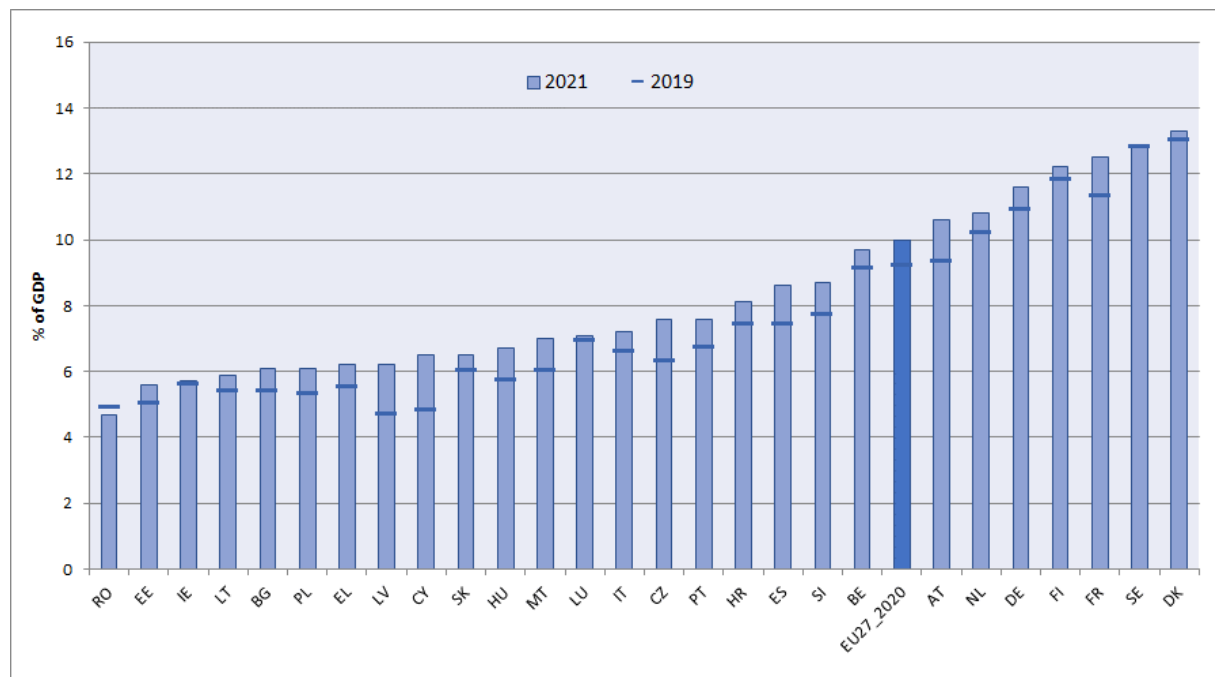
	EU27 2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2023	63.0	52.6	74.5	67.6	45.5	52.5	75.6	39.9	66.5	65.2	66.0	77.0	65.9	56.7
2022-2023 change in pp	~	-7.4	~	~	-8.6	~	~	-9.5	2.9	3.1	~	n.a.	5.2	12.4
2019-2023 change in pp	~	-11.3	~	6.6	-9.0	-4.4	6.7	-11.9	8.2	5.0	n.a.	n.a.	~	10.2
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2023	77.4	80.1	52.8	56.7	73.5	80.0	66.8	58.9	73.3	82.8	81.9	80.2	63.3	79.7
2022-2023 change in pp	~	2.5	6.4	-10.6	~	~	15.2	~	11.3	7.8	6.6	-2.4	3.8	6.4
2019-2023 change in pp	~	~	~	-4.7	~	16.7	9.0	-6.4	10.9	~	8.1	~	~	-4.9

Source: Eurostat (EU-SILC)

Note: i) Only significant changes have been highlighted in green/red (positive/negative changes). "~" refers to stable performance (i.e. insignificant change). "n.a." refers to data not (yet) being available. 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 2023 due to the major break in EU-SILC data series in 2020.

The above assessment of the effectiveness of social transfers in reducing poverty does not, however, consider non-cash benefits such as transfers in kind. As all Member States provide public services that contribute to the welfare of all individuals, purely income-based measures are not enough when analysing individual well-being and social protection. 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 welfare systems. Such support averaged around 10% of GDP in the EU in 2021, ranging from 4.7% of GDP in RO to 13.3% in DK (Figure 16). In most countries the spending on in-kind benefits as a share of GDP has increased since 2019 and declined only in RO. The most substantial rises were recorded in AT, CZ, ES, FR, and above all in CY and LV. Nevertheless, 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 16: Social benefits in-kind, as % of GDP, 2019 and 2021



Source: Eurostat (Esspros)

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

Main latest year trends

The latest EU-SILC data point to a slight reduction at EU level in the overall number of people at risk of poverty or social exclusion (down by around 0.7 million in 2023). However, the update of the Social Protection Performance Monitor (SPPM) dashboard ⁽¹⁶⁾, which is mainly based on the latest annual 2023 EU-SILC data (which refers to 2023 for deprivation indicators and 2022 for income and work intensity indicators) and 2023 LFS data ⁽¹⁷⁾, show signs of a worsening in the situation for many Member States in several areas, even if in some areas the developments are mixed or in a few there were notable improvements (Figure 17).

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:

- reductions in the share of the population living in **(quasi-)jobless households** in 10 Member States and continued rises in the **employment rate of older workers** in almost all Member States (in 22 MS), reflecting improvements in the labour market;

⁽¹⁶⁾ 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 appendix "SPPM dashboard methodology")

⁽¹⁷⁾ Generally 2022-2023, but for healthy life years at 65 and real change in gross household disposable income the year refers to 2022 and the changes to 2021-2022, as no 2023 figures available.

- the **situation for youth also improved**, with declines in the NEETs ⁽¹⁸⁾ rate in 12 MS;
- the risk of poverty or social exclusion declined for the **older population** aged over 65 in 11 MS, and for **persons with disabilities** in 10 MS, suggesting they were relatively better protected against the rising cost of living.

During the reference period there were rather mixed developments in poverty, with the **depth of poverty** ⁽¹⁹⁾ (i.e. the relative median poverty risk gap) for the general population showing significant improvement in 11 MS but deterioration in 10 MS, and for the child population with improvements in 9 MS but deterioration in 11 MS. Similarly, the persistence of poverty was reduced in 10 MS but worsened in 7.

There were also several areas to watch with signs of deterioration in the social situation, namely:

- Reductions in the **impact of social transfers** in reducing poverty in 11 MS and rises in the poverty risk for persons living in (quasi-)jobless households in 12 MS, pointing to a weakening in the effectiveness of social protection systems in many MS, in a context of a lowering of the **poverty threshold** in real terms in almost half of the MS. At the same time, in-work poverty rose in 9 MS, although it also decreased in 8 MS;
- Significant rises in the **housing cost overburden rate** in many countries (15 MS), as the cost of servicing mortgages and rents remained high, probably in combination with a decrease in purchasing power in most MS;
- A worsening in the situation of **children**, with their risk of poverty or exclusion rising in 11 MS, along with increases in their material and social deprivation rate in 10 MS and in the depth of child poverty in 11 MS;
- Increases in **severe material and social deprivation** and in **standard material and social deprivation** for the general population in around a third of MS, reflecting that financial conditions of households worsened in 2023 ⁽²⁰⁾ as the affordability of many items declined due to inflation, albeit at a lower rate compared to recent years;
- A worsening of **income inequality** in almost a third of MS;
- Increases in the self-reported **unmet need for medical care** in a third of MS.

Figure 18 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 ⁽²¹⁾. Around two thirds of Member States recorded a higher number of indicators showing a deterioration than showing an improvement. Developments were most tilted towards the negative in Denmark, Hungary, Luxembourg, Portugal and Slovakia. There were relatively few Member States with significantly more indicators showing an improvement than a deterioration, most notable being Belgium, Estonia and Italy, and above all Bulgaria.

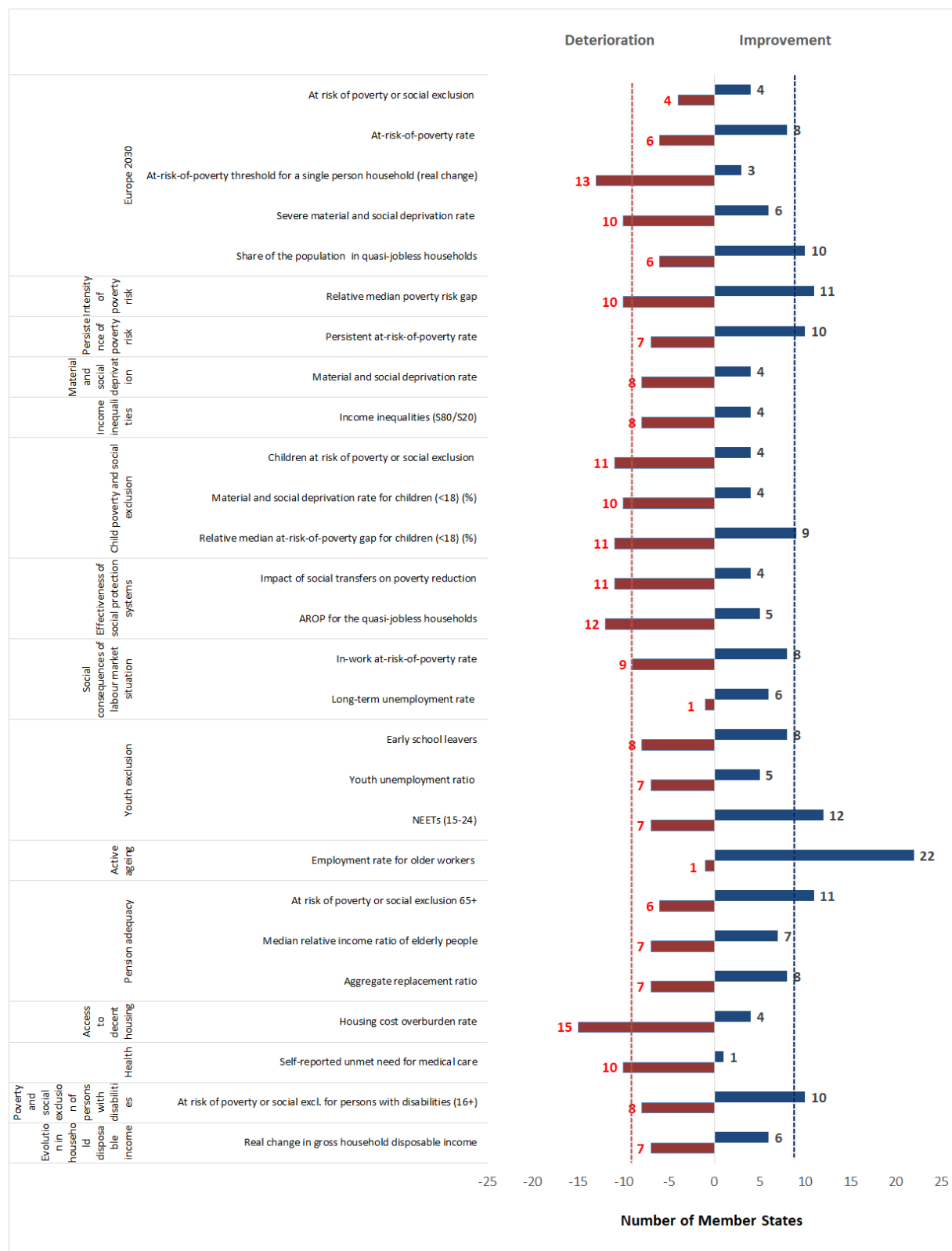
⁽¹⁸⁾ Those not in employment, education nor training.

⁽¹⁹⁾ EU-SILC 2023 survey figures actually refer to income in the previous year, i.e. 2022.

⁽²⁰⁾ Note that the available figures for the real change in gross household disposable income actually refer to 2021-2022 and not the latest year change 2022-2023.

⁽²¹⁾ Generally 2022-2023

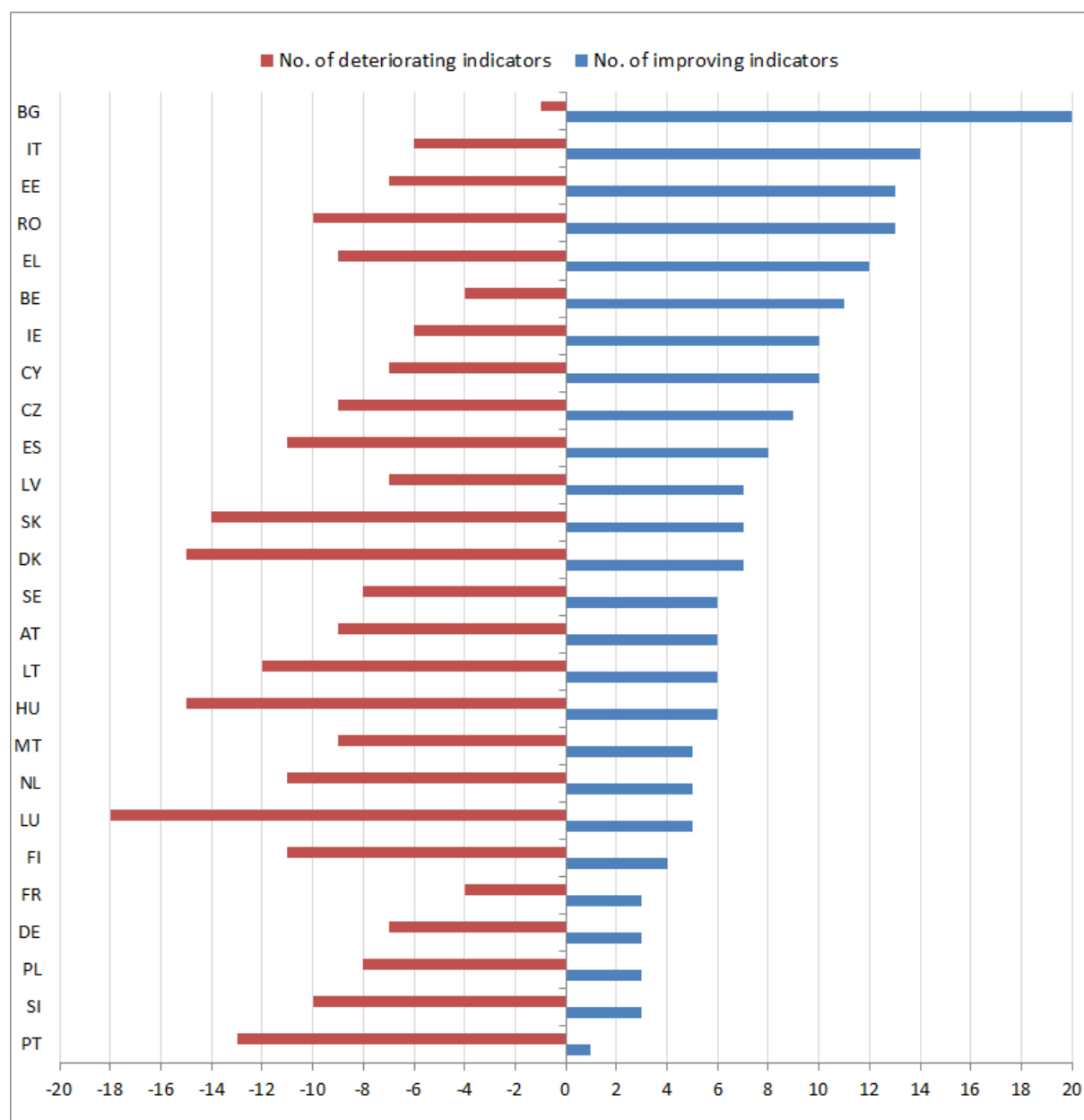
Figure 17: Areas of deterioration (social trends to watch) and improvement for the period 2022-2023 (or latest year available)⁺



Source: Social Protection Performance Monitor

Notes: ⁺Changes generally refer to the period 2022-2023 (although for income and household work intensity indicators the changes actually refer to 2021-2022). 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 healthy life years at 65 and real change in gross household disposable income refer to 2021-2022 as no 2023 figures available. For HR, large break in series in 2023 for income-related indicators (and also AROPE), so latest year changes for HR for these not reflected.

Figure 18. Number of SPPM key social indicators per Member State with a statistically significant improvement or deterioration from 2022 to 2023⁺



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 2022 and 2023 (or 2021-2022 where 2023 figures not available); (ii) For EU-SILC based indicators for income and household work intensity, changes actually refer to the year before the survey. (iii) Figures for healthy life years at 65 and real change in gross household disposable income refer to changes 2021-2022 as no 2023 figures available. (iv) For HR major break in series in EU-SILC data in 2023 for income-related indicators (and also AROPE), so HR not shown in the above comparison across Member States.

Main trends from the SPPM compared to 2019

Looking at developments compared to 2019, the reference year for the European Pillar of Social Rights Action Plan's poverty and social exclusion target for 2030, the overall picture in the latest SPPM update is one of generally little change for many Member States except in a few areas (Figure 19). The COVID pandemic, the impacts of the Russian war of aggression against Ukraine, and the substantial rise in inflation over recent years have all acted as brakes to a significant improvement in the social situation. As a result, there have not been many Member States recording substantial improvements in the risk of poverty or social exclusion or the related components compared to the situation in 2019, but on the other hand there have also not been many recording significant deteriorations in the situation, with the EU passing through the various crises in a relatively quite stable manner overall.

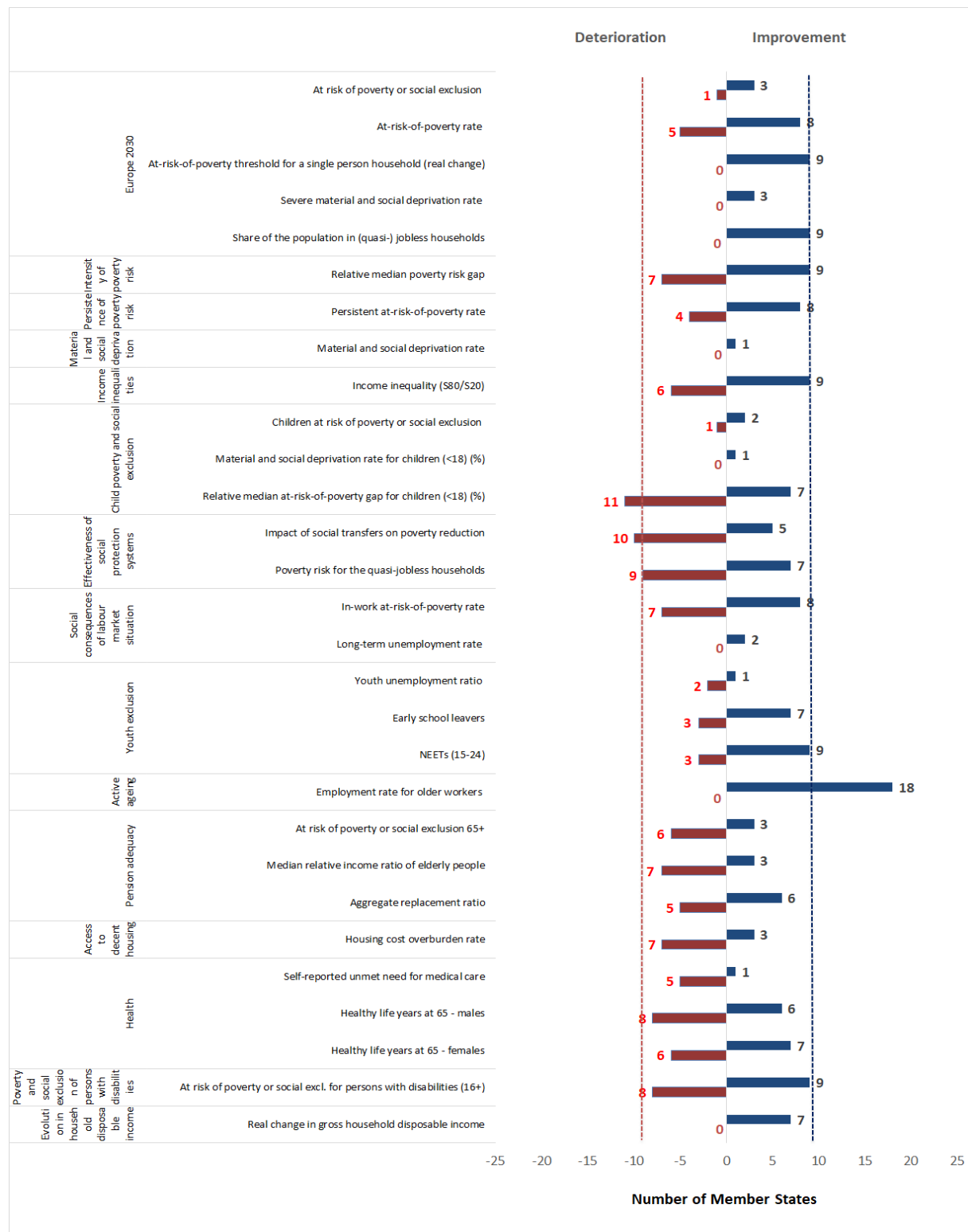
Nevertheless, the SPPM dashboard shows there has been widespread improvement in raising the employment rates for older workers across many Member States (18 MS) compared to 2019, and in reducing the share of the population living in (quasi-)jobless households in around a third of countries, reflecting the longer-term improvements in the labour market.

There have also been improvements in around a third of MS in reducing income inequality and the depth of poverty, and in reducing the share of young people not in employment, education or training.

In contrast, a significant number of countries have witnessed a worsening of the depth of poverty for children, and 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.

Figure 20 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 2023. For 10 Member States, there is a significantly higher number of indicators showing positive developments rather than negative ones, most notably in Belgium, Italy, Romania and above all Bulgaria. On the other hand, Member States such as Czechia, Finland, the Netherlands, Malta and Sweden have a significantly larger number of indicators showing a deterioration compared to 2019, and with few indicators showing an improvement.

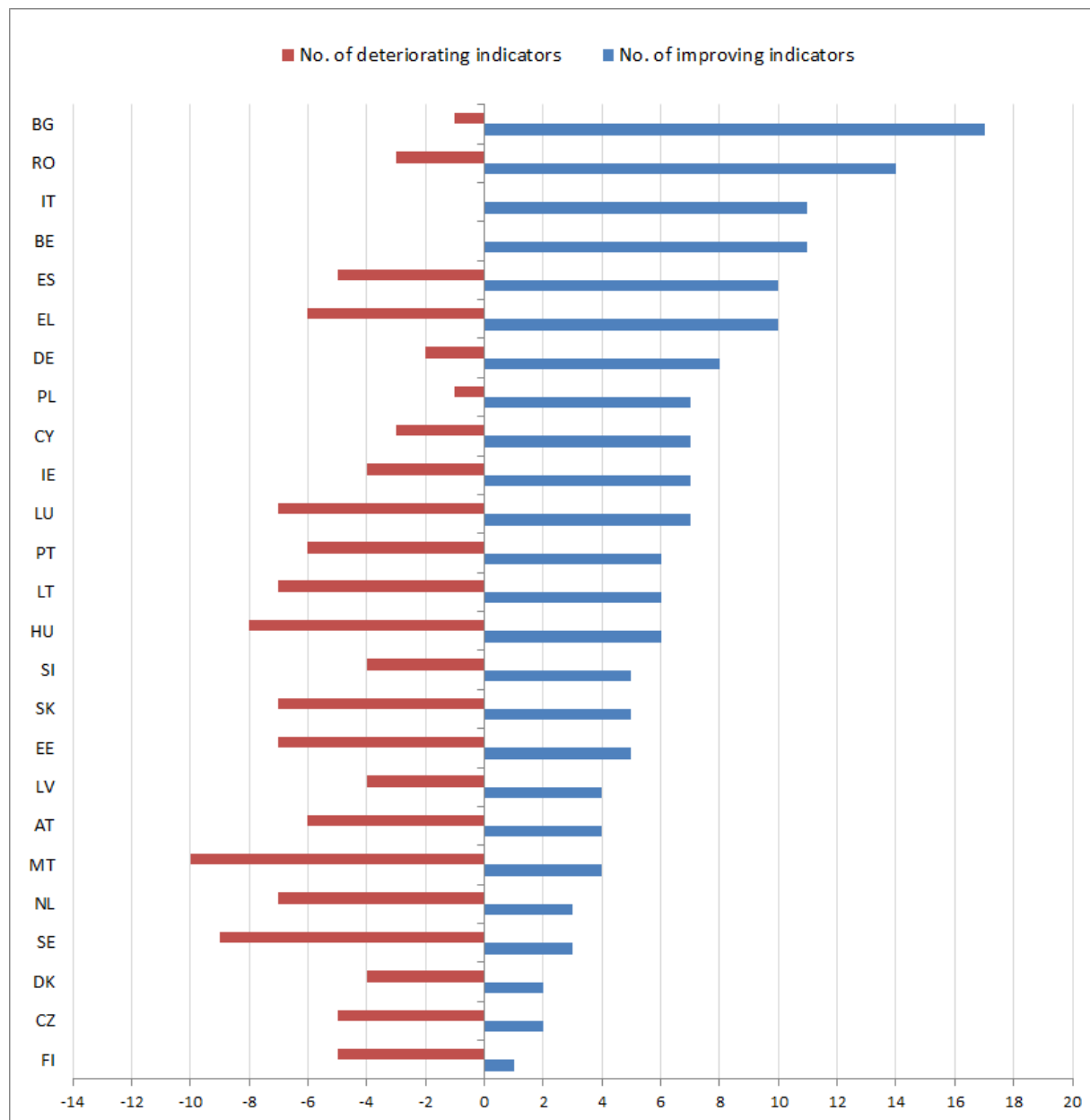
Figure 19. Areas of deterioration (social trends to watch) and improvement for the period 2019-2023+



Source: Social Protection Performance Monitor

Notes: + For EU-SILC based indicators the changes generally refer to 2019-2023 (although for income and household work intensity indicators the changes actually refer to 2018-2022). AROP, SMSD and (quasi-)jobless households indicators are components of the AROPE indicator. Figures for healthy life years at 65 and real change in gross household disposable income refer to changes 2019-2022. For DE, major break in the time series in 2020 for EU-SILC, so changes for 2020-2023 are used. 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. 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 and may mean some changes are not significant, so comparison to 2019 not reflected in the SILC-based indicators. For HR, major break in series in EU-SILC data in 2023 for income-related indicators (and also AROPE) so these are also not reflected.

Figure 20. Number of SPPM social indicators per Member State with a significant deterioration or improvement between 2019 and 2023



Source: Social Protection Performance Monitor

Notes: The bars refer to the number of SPPM indicators which have registered a statistically and substantively significant deterioration or improvement between 2019 and 2023. For DE, major break in the time series in 2020 for EU-SILC, so figures for changes in EU-SILC based indicators are for 2020-2022. Break also in time series for LFS-based indicators, but figures for changes versus 2019 can be shown. 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. 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 and may mean some changes are not significant, so not shown in the comparison across Member States. For HR, major break in series in EU-SILC data in 2023 for income-related indicators (and also AROPE), so also not shown in the comparison across MS. For LU, several minor breaks in EU-SILC data series (in 2020, 2021 and 2022) so there is a need to be cautious in the interpretation of evolutions.

- SPPM dashboard update (2023 EU-SILC and LFS data)

Dimensions		EU27_2023	EU27_2019	BE	BG	CZ	DK	DE	EE	ES	FR	GR	HR	IE	IT	CY	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2030 target	At risk of poverty or social exclusion (in %)																													
	2023	21.4	21.6	18.6	30.0	12.0	17.9	21.3	24.2	19.2	26.1	26.5	20.4	20.7	22.8	16.7	25.6	24.3	21.4	19.7	19.8	17.0	17.7	16.3	20.1	32.0	13.7	17.6	15.8	18.4
	2022-2023 change in pp	~	~	~	-2.2	~	0.8	~	-1.0	~	~	~	~	n.a.	-1.6	~	~	~	2.0	1.3	~	~	~	~	~	-2.4	~	1.1	~	~
	2019-2023 change in pp	~	~	~	-3.2	~	~	~	~	~	-2.9	~	n.a.	n.a.	~	~	~	~	~	~	~	~	~	~	~	-4.1	~	2.8	~	~
	At-risk-of-poverty rate (in %)																													
	2023	16.2	16.5	12.3	20.6	9.8	11.8	14.4	22.5	12.0	18.9	20.2	15.4	19.3	18.9	13.9	22.5	20.6	18.8	13.1	16.6	15.0	14.9	14.0	17.0	21.1	12.7	14.3	12.2	16.1
	2022-2023 change in pp	~	~	-0.9	-2.3	-0.4	-0.6	-0.4	~	-1.4	~	~	~	n.a.	-1.2	~	~	~	1.5	1.0	~	0.5	~	~	0.6	~	0.6	0.6	-0.5	~
	2019-2023 change in pp	~	~	-2.5	-2.0	~	~	-1.7	~	-1.4	1.0	~	n.a.	n.a.	-1.2	~	~	~	1.3	~	~	1.8	1.6	-1.4	~	-2.7	~	2.4	~	-1.0
	At-risk-of-poverty threshold for a single person household (levels in pps, changes as real change in national currency in %)																													
	2023	n.a.	n.a.	15081	6693	9725	13692	14452	9295	12941	6833	11413	13125	8063	11815	12907	7937	8587	20866	6576	12836	15881	17214	9990	8053	6651	12164	6402	13015	13374
	2022-2023 change in %	n.a.	n.a.	-3.8	7.3	-6.1	-6.0	-3.0	-14.6	-5.6	-3.4	~	~	n.a.	~	~	-6.4	-6.9	-2.8	~	~	-6.5	4.0	~	~	6.6	~	-6.8	-3.9	~
	2019-2023 change in %	n.a.	n.a.	~	28.1	~	~	~	~	~	12.4	~	n.a.	n.a.	~	~	~	15.8	15.2	20.0	12.8	~	~	23.0	~	45.7	13.4	~	~	~
	Severe material and social deprivation rate (in %)																													
	2023	6.8	6.4	6.1	18.0	2.7	4.9	6.9	2.5	6.0	13.5	9.0	6.6	2.8	4.7	2.4	6.2	6.1	2.5	10.4	4.1	2.6	3.7	3.0	4.9	19.8	2.0	7.0	2.8	2.5
	2022-2023 change in pp	~	~	~	-0.7	0.6	1.7	0.7	-0.8	0.7	~	1.3	~	-1.2	~	~	-1.6	~	~	1.3	-0.8	~	1.4	~	~	-4.5	0.6	0.7	0.9	~
	2019-2023 change in pp	~	~	~	-4.1	~	~	~	~	~	~	~	n.a.	~	~	~	~	-3.6	~	~	~	~	~	~	~	-4.7	~	~	~	~
	Population living in (quasi-) jobless households (in %)																													
	2023	8.0	8.8	10.5	7.0	5.1	9.8	9.9	5.9	9.1	8.3	8.4	9.2	5.5	8.9	4.4	7.0	8.0	3.9	4.9	3.6	8.0	5.7	3.9	6.3	5.2	3.8	4.6	8.7	8.0
	2022-2023 change in pp	~	~	-1.0	-1.6	0.6	1.0	~	~	-0.5	-1.2	~	-0.7	-0.8	-0.9	~	~	~	0.4	-1.3	~	-0.4	~	~	0.7	1.0	~	0.8	-1.4	~
	2019-2023 change in pp	~	~	-2.3	-2.2	~	~	~	~	-3.8	-4.4	-2.5	n.a.	-2.0	~	-2.2	~	~	-3.0	~	~	~	~	~	~	~	~	-1.7	~	~
Intensity of poverty risk	Relative median at-risk-of-poverty gap (in %)																													
	2023	23.1	22.3	14.0	22.4	18.7	21.4	21.5	22.3	15.7	22.5	26.2	19.5	27.6	23.8	14.9	26.9	24.4	17.2	29.5	23.9	18.0	20.5	20.5	25.6	37.4	18.1	29.9	15.3	24.0
	2022-2023 change in pp	~	~	-4.2	-3.6	~	2.0	1.2	-1.1	-1.0	-1.3	-1.6	~	n.a.	-2.3	-1.1	~	1.6	-1.0	10.1	7.4	-1.2	-3.4	~	3.9	5.4	1.0	11.5	~	2.3
Persistence of poverty risk	2019-2023 change in pp	~	n.a.	-2.3	-5.1	4.6	2.6	-3.0	~	~	-4.5	-2.9	n.a.	n.a.	-6.2	~	~	-1.6	-7.4	~	6.8	~	-3.4	~	3.2	4.4	~	4.7	~	2.3
	Persistent at-risk-of-poverty rate (in %)																													
	2023	10.5	10.7	8.5	15.0	4.9	5.8	5.3	14.5	7.9	12.0	11.3	7.1	19.5	14.5	9.0	10.4	11.2	7.7	4.0	14.5	9.7	10.2	9.9	8.5	14.4	6.8	6.1	8.1	8.9
	2022-2023 change in pp	n.a.	n.a.	~	-1.8	-1.8	-1.1	n.a.	-0.8	n.a.	n.a.	-1.3	-2.2	n.a.	1.5	0.9	-5.4	-4.0	n.a.	~	1.2	0.7	0.7	0.9	n.a.	-1.0	1.4	-2.1	~	~
Material and social deprivation	2019-2023 change in pp	~	n.a.	-1.9	~	~	~	-4.5	-2.2	~	~	-3.8	n.a.	n.a.	~	~	-5.1	-8.0	~	~	1.2	~	1.5	1.3	-4.0	-2.4	~	~	~	1.5
	Material and social deprivation rate (in %)																													
	2023	13.1	12.6	10.4	29.4	6.3	9.4	12.7	6.5	10.6	28.2	17.2	13.5	6.2	9.8	9.9	13.5	15.2	5.7	17.1	9.2	5.6	7.6	6.8	11.9	31.4	4.9	14.0	6.3	5.5
	2022-2023 change in pp	~	~	~	~	1.5	2.6	~	~	~	-1.5	1.8	~	-2.2	~	-1.1	~	2.5	2.0	~	~	~	2.4	~	~	-5.0	~	3.5	1.6	~
	2019-2023 change in pp	~	~	~	~	~	~	~	~	~	~	~	n.a.	~	~	~	~	~	2.3	~	~	~	~	~	~	-7.3	~	~	~	~

Dimensions		EU27_Avg	EAEB	BE	BL	CF	DK	DE	EE	ES	FR	GR	HR	IE	IT	CY	LV	LT	LU	HU	MT	NA	PT	PL	PT	RO	SI	SK	FI	SE
Income inequalities	Income quintile ratio (S80/S20)																													
	2023	4.7	4.8	3.4	6.6	3.4	4.2	4.4	5.4	3.9	5.3	5.5	4.6	4.9	5.3	4.3	6.2	6.3	4.8	4.5	5.3	3.9	4.3	4.1	5.6	5.8	3.3	3.6	3.8	4.7
	2022-2023 change in %	~	~	-5.1	-9.5	~	3.0	~	~	~	~	~	~	na	-6.2	~	~	~	5.5	12.0	11.6	~	~	3.8	9.2	-2.8	~	16.3	~	8.5
	2019-2023 change in %	~	~	-6.4	-18.4	~	~	~	-8.8	5.7	~	~	-7.4	na	na	-12.3	-6.8	~	~	-10.3	5.7	26.8	~	~	-7.1	8.5	-17.7	~	8.7	~
Child poverty and social exclusion	At-risk-of poverty or social exclusion rate of children (% of people aged 0-17)																													
	2023	24.8	25.3	19.0	33.9	15.0	15.3	23.9	18.3	24.3	28.1	34.5	26.6	17.3	27.1	16.7	20.3	21.7	26.1	24.4	25.2	14.3	22.7	16.9	22.6	39.0	10.7	25.3	13.8	21.6
	2022-2023 change in pp	~	~	~	~	1.6	1.5	~	1.7	2.0	~	2.3	~	na	-1.4	-1.4	~	~	2.1	6.3	2.1	~	1.1	~	1.9	-2.5	~	~	-1.1	1.7
	2019-2023 change in pp	~	~	-4.0	~	~	~	~	~	~	~	~	na	na	~	~	~	-4.1	~	~	~	~	~	~	~	~	~	4.3	~	~
	Material and social deprivation rate for children (<18) (%)																													
	2023	14.8	14.8	11.7	27.2	8.5	8.8	15.3	6.3	13.4	29.2	21.3	17.3	3.7	11.0	12.4	10.4	12.5	7.6	20.4	11.4	4.5	8.5	6.3	11.3	33.0	4.1	17.7	5.0	6.4
	2022-2023 change in pp	~	~	~	~	2.3	3.0	~	~	~	-2.3	2.6	~	-2.6	2.1	-2.0	~	2.4	3.2	~	2.2	~	2.2	1.4	~	-8.8	~	3.6	~	~
	2019-2023 change in pp	~	~	~	~	~	~	~	~	~	~	~	na	~	~	~	~	~	~	-6.4	~	~	~	~	~	~	~	~	~	~
	Relative median at-risk-of-poverty gap for children (<18) (%)																													
	2023	24.4	22.4	15.4	31.9	23.8	23.8	18.8	25.3	16.0	22.4	31.6	18.8	20.8	19.9	15.6	25.3	28.0	16.7	64.3	28.4	22.9	19.8	19.4	30.7	39.4	17.0	37.7	15.2	25.3
	2022-2023 change in pp	~	~	-5.8	-10.9	~	6.8	2.0	2.1	-4.8	-2.5	~	~	na	-8.0	-2.5	~	6.9	-1.7	49.8	7.4	-3.1	-6.1	~	4.6	6.3	~	12.7	2.9	3.9
	2019-2023 change in pp	~	na	~	-6.8	8.8	12.2	-4.8	4.7	~	-3.4	~	na	na	-13.6	~	~	2.7	-6.9	32.1	7.8	7.7	-5.4	~	5.9	-3.2	~	9.8	3.5	2.6
Effectiveness of social protection system	Impact of social transfers (excl. pensions) on poverty reduction (%)																													
	2023	34.7	35.0	50.8	27.7	39.5	51.4	41.7	27.7	57.7	18.2	22.9	41.9	20.9	30.5	30.5	23.5	29.9	27.4	34.5	25.6	31.5	39.2	36.1	19.8	15.6	35.5	36.4	48.7	36.9
	2022-2023 change in pp	~	~	2.0	3.3	~	~	~	~	~	-2.2	-4.5	~	na	4.7	~	-1.5	~	-6.3	-2.1	~	-2.3	-2.8	-2.5	-3.9	~	-1.8	2.6	~	-3.0
	2019-2023 change in pp	~	~	9.1	4.1	~	4.2	7.1	~	~	-4.7	~	na	na	10.3	-4.7	~	~	-6.5	-4.0	~	-6.8	-10.1	~	-4.4	~	-9.9	~	-5.2	-4.0
	At-risk-of-poverty rate for the population living in (quasi-) jobless households																													
	2023	63.0	62.3	52.6	74.5	67.6	45.5	52.5	75.6	39.9	66.5	65.2	66.0	77.0	65.9	56.7	77.4	80.1	52.8	56.7	73.5	80.0	66.8	58.9	73.3	82.8	81.9	80.2	63.3	79.7
2022-2023 change in pp	~	~	-7.4	~	~	-8.6	~	~	~	-9.5	2.9	3.1	~	na	5.2	12.4	~	2.5	6.4	-10.6	~	~	15.2	~	11.3	7.8	6.6	-2.4	3.8	6.4
2019-2023 change in pp	~	~	-11.3	~	6.6	-9.0	-4.4	6.7	-11.9	8.2	5.0	na	na	~	10.2	~	~	~	-4.7	~	16.7	9.0	-6.4	10.9	~	8.1	~	~	~	-4.9
Social consequences of labour market	In-work at-risk-of poverty rate (in %)																													
	2023	8.3	8.1	4.7	11.7	3.1	5.9	6.5	10.6	5.6	9.8	11.3	7.8	6.2	9.9	7.5	9.5	8.1	14.8	7.0	7.5	5.9	7.7	9.1	10.0	15.0	5.8	9.1	2.8	7.0
	2022-2023 change in pp	~	~	1.1	1.7	-0.4	0.5	-0.6	~	~	-0.8	-0.5	0.4	na	-1.6	-0.6	~	~	1.9	~	~	0.9	-0.5	~	~	0.7	1.0	1.9	~	-0.4
	2019-2023 change in pp	-0.7	-0.7	~	2.7	~	~	-2.0	~	-0.7	~	-1.5	na	na	-1.9	0.7	0.8	~	2.8	-1.5	1.0	~	~	-0.8	-0.7	~	1.3	4.7	~	-0.7
	Long-term unemployment rate (in %)																													
	2023	2.1	2.4	2.2	2.3	0.8	0.5	1.0	1.3	1.1	6.2	4.3	1.8	2.0	4.2	1.9	1.8	2.3	1.7	1.4	0.7	0.5	1.1	0.8	2.5	2.2	1.4	3.8	1.6	1.6
	2022-2023 change in pp	~	~	~	~	~	~	~	~	~	-1.5	-0.8	~	-0.4	-0.4	-0.4	~	~	0.4	~	-0.5	~	~	~	~	~	~	~	~	~
2019-2023 change in pp	~	~	~	~	~	~	~	~	~	-5.1	~	~	~	-1.7	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	

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
Youth exclusion	Early school leavers (in %)																													
	2023	9.5	9.8	6.2	9.3	6.4	10.4	12.8	9.7	4.0	3.7	13.7	7.6	2.0	10.5	10.5	7.7	6.4	6.8	11.6	10.0	6.2	8.6	3.7	8.0	16.6	5.4	6.4	9.6	7.4
	2022-2023 change in pp	~	~	~	-1.0	~	~	~	-1.1	~	~	~	~	~	-1.0	2.4	1.0	1.6	-1.4	-0.8	~	0.6	~	-1.0	1.5	1.0	1.4	-1.0	1.2	-1.4
	2019-2023 change in pp	~	~	-2.2	-4.6	~	~	2.5	~	~	~	-3.6	~	~	-2.8	~	~	2.4	~	~	-4.2	~	~	~	-2.6	~	~	-1.9	2.3	~
	Youth unemployment ratio (15-24)																													
	2023	6.0	6.2	5.1	2.6	2.3	7.4	3.2	7.5	5.7	6.7	9.5	7.3	5.9	6.0	7.4	4.3	4.9	6.7	4.0	5.0	6.9	6.2	3.7	7.2	5.2	3.6	5.3	8.8	12.7
	2022-2023 change in pp	~	~	~	~	~	0.8	~	-0.8	~	-0.6	~	~	~	~	-0.5	-1.2	0.6	0.8	0.7	~	0.7	~	~	1.2	-0.6	~	~	1.1	~
	2019-2023 change in pp	~	~	~	~	~	~	~	2.4	~	-2.2	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	~	2.1
	NEETs (15-24)																													
	2023	9.2	9.2	6.7	11.4	6.3	7.1	7.5	9.6	6.4	11.5	9.9	10.5	9.8	12.7	11.9	7.2	13.5	8.8	9.8	8.2	3.3	8.7	6.9	7.9	16.5	7.3	8.9	7.5	5.1
	2022-2023 change in pp	~	~	~	-0.9	-1.7	~	0.5	-1.1	~	0.9	-0.6	~	-2.1	-3.2	-1.0	-1.4	3.8	2.1	~	1.0	0.5	~	-1.2	1.2	-1.0	-0.9	-0.7	~	~
	2019-2023 change in pp	~	~	-1.9	-2.2	~	~	~	1.9	-3.7	~	-2.2	~	-2.0	-6.3	-1.8	~	4.9	3.2	~	~	-2.2	~	~	~	-1.9	~	~	~	~
Active ageing	Employment rate of older workers (55-64) in %																													
	2023	63.9	64.1	57.8	69.5	74.0	74.2	74.6	76.0	67.7	54.1	59.5	58.4	51.7	57.3	66.9	70.9	69.1	46.3	69.1	56.5	75.0	57.3	58.1	67.1	51.0	54.2	66.6	71.7	78.0
	2022-2023 change in pp	1.7	1.7	1.2	1.2	1.1	1.3	1.3	2.3	0.8	2.2	1.8	1.5	1.6	2.3	1.9	1.4	~	~	3.5	3.3	1.9	~	1.6	2.0	4.3	-1.0	2.5	~	1.0
	2019-2023 change in pp	5.3	4.4	5.7	6.0	7.3	~	~	4.1	6.0	11.2	5.7	~	7.8	~	5.8	~	~	~	12.4	6.4	5.5	~	9.9	8.6	10.6	6.0	7.8	5.8	~
Pension adequacy	At risk of poverty or social exclusion for the elderly (65+) in %																													
	2023	19.8	19.4	18.3	35.3	15.2	12.3	20.6	47.0	18.7	23.9	20.9	14.7	35.8	19.2	24.8	41.6	38.7	11.0	21.3	31.4	18.2	17.6	18.0	20.2	32.3	20.2	14.0	14.2	14.3
	2022-2023 change in pp	~	~	-1.7	-10.2	-1.4	-2.0	~	-6.1	-6.3	2.9	~	~	n.a.	~	3.5	~	-2.7	~	2.9	-1.9	~	2.2	1.2	~	-4.9	~	2.1	-1.3	-1.8
	2019-2023 change in pp	~	~	~	-11.7	~	~	~	~	6.9	3.4	2.8	n.a.	n.a.	~	~	-9.2	~	~	4.6	~	5.0	3.1	~	~	-12.2	~	~	~	~
	Median relative income of elderly people																													
	2023	0.89	0.91	0.75	0.75	0.76	0.78	0.84	0.56	0.92	0.94	1.02	0.94	0.70	0.98	0.77	0.63	0.63	1.12	0.79	0.67	0.74	0.90	0.87	0.94	0.93	0.80	1.01	0.80	0.82
	2022-2023 change in %	~	~	2.7	10.3	4.1	~	~	5.7	12.2	-3.1	~	~	n.a.	~	~	~	~	1.8	-17.7	-6.9	~	-5.3	-2.2	-2.1	-4.1	~	5.2	~	~
	2019-2023 change in %	~	~	~	11.9	~	~	~	~	~	-6.0	~	n.a.	n.a.	~	~	n.a.	-7.4	-10.4	-12.2	-5.6	-7.5	-8.2	~	~	12.0	~	18.8	~	~
	Aggregate replacement ratio																													
	2023	0.58	0.60	0.48	0.46	0.52	0.47	0.49	0.46	0.39	0.78	0.77	0.59	0.35	0.75	0.42	0.50	0.36	0.97	0.51	0.53	0.53	0.56	0.57	0.61	0.48	0.44	0.62	0.52	0.59
	2022-2023 change in %	~	~	~	21.1	6.1	~	~	-6.1	2.6	5.4	2.7	~	n.a.	~	-4.5	11.1	2.9	n.a.	-3.8	n.a.	-3.6	~	-6.6	-10.3	-7.7	~	~	~	3.5
	2019-2023 change in %	~	~	~	24.3	~	~	~	~	-15.2	~	13.2	n.a.	n.a.	~	~	22.0	-20.0	14.1	-10.5	-10.2	~	~	~	-11.6	17.1	~	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																														
	2023	2.4	2.2	1.1	1.1	0.4	2.7	0.2	12.9	2.7	11.6	1.8	3.7	1.0	1.8	0.1	7.8	3.8	0.8	1.0	0.1	0.3	0.6	3.6	2.8	5.2	3.8	3.2	7.9	2.1	
	2022-2023 change in pp	~	~	~	~	~	0.6	~	3.8	~	2.6	0.6	0.5	~	~	~	2.4	0.9	~	-0.4	~	~	~	1.3	~	~	~	0.4	1.4	~	
	2019-2023 change in pp	~	~	~	~	~	~	~	-2.6	~	3.5	1.6	n.a.	~	~	~	3.5	2.4	~	~	~	~	~	~	~	~	~	~	3.3	~	
	Healthy life years at 65 - males																														
	2022	8.9	n.a.	10.8	9.2	7.1	10.0	8.2	7.1	11.3	8.6	9.8	10.2	5.2	10.4	8.8	4.1	6.2	9.7	6.6	12.2	9.3	9.4	7.8	8.6	4.0	10.6	4.7	8.9	13.5	
	2021-2022 change in %	-6.3	n.a.	~	19.5	~	5.3	n.a.	14.5	-8.1	13.2	-8.4	-9.7	~	-3.7	~	-6.8	19.2	-9.3	-7.0	~	~	~	~	~	~	6.0	~	-13.6	-6.9	
	2019-2022 change in %	-12.7	n.a.	~	~	-11.3	~	n.a.	10.9	-13.7	~	-21.0	~	13.0	~	8.6	-8.9	~	~	~	-15.3	-8.8	22.1	~	8.9	-40.3	21.8	~	~	-15.1	
	Healthy life years at 65 - females																														
	2022	9.2	n.a.	10.8	10.9	7.7	10.4	8.6	8.1	11.9	9.0	9.5	11.7	5.6	9.9	8.6	4.4	7.7	9.8	7.5	12.0	8.9	9.5	8.6	7.3	3.8	12.2	4.9	9.1	14.3	
	2021-2022 change in %	-7.1	n.a.	-4.4	21.1	-6.1	~	n.a.	6.6	-8.5	16.9	-7.8	-7.1	7.7	-7.5	-7.5	-12.0	16.7	-12.5	~	~	-8.2	~	~	~	-5.0	7.0	~	-20.2	~	
	2019-2022 change in %	-11.5	n.a.	~	~	~	-11.9	n.a.	12.5	-15.6	16.9	-22.8	~	14.3	~	21.1	~	20.3	~	~	-20.5	~	23.4	~	~	-41.5	41.9	~	~	-13.9	
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)																														
	2023	28.8	28.5	32.1	42.4	19.4	26.3	29.8	41.0	32.7	30.6	31.0	27.0	37.5	26.7	29.7	38.5	42.7	27.2	32.4	33.3	25.5	22.1	25.5	26.7	39.4	24.3	18.6	22.2	29.0	
	2022-2023 change in pp	~	~	-1.7	-7.5	-1.7	1.6	1.5	-6.8	-4.5	1.5	1.0	~	n.a.	~	1.7	-3.3	-1.6	4.1	2.4	-2.7	~	~	~	~	-3.5	2.0	~	~	-1.6	
	2019-2023 change in pp	~	~	~	-8.5	-5.3	3.2	~	1.7	~	~	-3.9	n.a.	n.a.	-2.5	~	-3.8	2.2	2.4	3.2	-2.7	~	~	-2.1	-2.1	-6.0	1.8	~	2.4	2.8	
Access to decent Housing	Housing cost overburden rate																														
	2023	8.9	9.0	7.7	11.1	9.1	15.4	13.0	7.6	4.7	28.5	8.2	6.5	4.0	5.7	2.6	7.2	5.2	22.7	8.7	6.0	11.1	6.0	5.9	4.9	9.1	3.7	5.9	5.5	10.9	
	2022-2023 change in pp	~	~	~	-4.0	2.2	0.7	1.1	2.7	1.0	1.8	-1.0	~	n.a.	-0.9	~	1.8	1.7	7.5	0.6	3.1	1.1	-1.4	~	~	0.6	~	3.4	~	1.8	
	2019-2023 change in pp	~	~	~	-4.9	2.2	~	4.0	3.2	~	-7.7	~	n.a.	n.a.	-3.0	~	1.8	~	12.6	4.5	3.4	~	~	~	~	~	~	~	~	~	
Evolution in real household disposable income	Real change in gross household disposable income (in %)																														
	2021-2022 change in %	~	~	-1.9	n.a.	-3.7	2.5	~	-5.9	~	~	-2.3	~	4.0	-1.8	~	~	-4.6	2.2	4.2	n.a.	2.1	3.4	~	~	n.a.	~	~	-2.0	~	
	2019-2022 change in %	~	~	~	n.a.	~	~	~	~	7.7	~	~	~	9.3	~	9.1	~	~	8.7	10.5	n.a.	7.3	~	~	~	n.a.	8.7	~	~	~	

Note: i) Figures generally extracted from the relevant source on 27 June 2024 (except in August for FR); 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 at end of document 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 2022 and the latest changes to 2021-2022 and to 2019-2022; 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 FR, 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. 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. Break also in time series for LFS-based indicators, but figures for changes versus 2019 can be shown. There is also a significant break in time series for the housing cost overburden rate in Germany for 2023, so caution is needed in comparison with previous years. 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 very limited and changes are not shown; viii) For HR, major break in series in EU-SILC data in 2023 for income-related indicators (and also AROPE), so changes not shown for these indicators; .ix) 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. Results should therefore be interpreted with caution; x) For LU, several minor breaks in series (in 2020, 2021 and 2022) so there is a need to be cautious in the interpretation of evolutions; xi) For SI, the increase of "healthy life years at 65 – males" and "healthy life years at 65 - females" indicators (comparison 2019-2022) is partially attributed to methodological adjustments (i.e. change in the EU-SILC questionnaire). Therefore, comparability to previous years is limited. Xii) 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.

(d) Latest indications from Eurostat flash estimates of income developments in 2023

In June 2024, Eurostat published flash estimates ⁽²²⁾ of the expected developments in income and poverty for the income year 2023 ⁽²³⁾. These provide a general indication of the expected annual change in certain income-related indicators ⁽²⁴⁾ compared to 2022. 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 social protection schemes and special crisis support measures put in place by national governments.

The detailed findings from the flash estimates for 2023 incomes are as follows:

- The at-risk-of-poverty rate (AROP) is expected to have continued to slightly decrease (by 0.2 pp) to 16.0% at EU level based on 2023 incomes. According to the flash estimates (Table 3, with arrows indicating the estimated direction and magnitude of change), the at-risk-of-poverty rate is expected to remain stable in most countries (17), decrease in 6 (Germany, Estonia, Spain, the Netherlands, Portugal and Finland), and increase in 4 (Greece, France, Luxembourg, and Austria). It should be noted that these indicators are based on nominal values of disposable income (and therefore do not directly reflect changes in the cost of living and purchasing power).
- EU-SILC 2023 data shows that in 2022 nominal disposable income, at the EU level, increased by 6.7 %, but decreased in real terms by 1.9 %. Similarly, according to the flash estimates EU income in 2023 is expected to continue to increase by about 6.0 % in nominal terms, while real income is expected to remain stable (with a slight, non-statistically significant increase of 0.2 %), signalling an overall stabilisation of living standards and purchasing power. At EU level, 2023 still saw rising prices for food and non-alcoholic beverages, while prices for electricity, gas, and other fuels showed a moderate annual average rate of change after the significant increases in 2022.
- Flash estimates in nominal terms show positive changes in median equivalised disposable income for all countries. However, when analysing the results in real terms, the nowcasted median disposable income is estimated to increase in 15 countries, to remain stable in 7 countries (Denmark, Croatia, Cyprus, Latvia, Malta, Austria and Sweden), and with 5 countries (Czechia, Germany, France, Italy, and Hungary) expected to experience a negative evolution. This diversity reflects the heterogeneous impact of inflation across countries.

⁽²²⁾ For details on the methodology see here: [e669ae1e-f130-d876-5cab-371d57246abb \(europa.eu\)](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Latest_developments_in_income_dynamics_and_poverty)

⁽²³⁾ For further details see the main document here: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Latest_developments_in_income_dynamics_and_poverty

⁽²⁴⁾ 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.

- The estimates point to a rather stable trend in income inequalities, as measured by the income quintile share ratio (S80/S20) in all countries except Latvia, where a significant increase is estimated. The mainly stable situation can be explained by the joint movement in the deciles, i.e., by the not particularly unbalanced changes along the various parts of the income distribution.

Table 3: Estimated changes in the at-risk-of-poverty rate between 2022 and 2023 based on estimates of 2023 incomes, by country

At risk of poverty rate by country, 2022-2023 income
% of population

Country	EU-SILC 2023 (2022 income*)	Year-on-year change Flash Estimates (2023 income**)
EU	16.2	→
Belgium	12.3	→
Bulgaria	20.6	→
Czechia	9.8	→
Denmark	11.8	→
Germany	14.4	↘
Estonia	22.5	↘
Ireland	12.0	→
Greece	18.9	↗
Spain	20.2	↘
France	15.4	↗
Croatia	19.3	→
Italy	18.9	→
Cyprus	13.9	→
Latvia	22.5	→
Lithuania	20.6	→
Luxembourg	18.8	↗
Hungary	13.1	→
Malta	16.6	→
Netherlands	15.0	↘
Austria	14.9	↗
Poland	14.0	→
Portugal	17.0	↘
Romania	21.1	→
Slovenia	12.7	→
Slovakia	14.3	→
Finland	12.2	↘
Sweden	16.1	→

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 rather than point estimates, indicating the direction and magnitude of change.

↗ increase (statistically significant , <2)
→ stability (not statistically significant)
↘ decrease (statistically significant , >-2)

Source: ilc_li02, Eurostat flash estimates

(e) *Economic and labour market outlook setting the context for developments in the social situation over 2024*

According to the European Commission's Spring 2024 Economic Forecast ⁽²⁵⁾ the European economy staged a comeback at the start of the year, following a prolonged period of stagnation. Though the growth rate of 0.3% estimated for the first quarter of 2024 is still below estimated potential, it exceeded expectations. Meanwhile, inflation across the EU cooled further in the first quarter.

This Spring Forecast projects GDP growth for 2024 as a whole at 1.0% in the EU, a slight uptick from the Winter 2024 interim Forecast, and to improve to 1.6% in 2025. Importantly, almost all Member States are expected to return to growth in 2024. With economic expansion in the southern rim of the EU still outpacing growth in north and western Europe, economic convergence within the EU is set to progress further.

Meanwhile, HICP inflation has continued to decline. In the EU, it is now expected to decrease from 6.4% in 2023 to 2.7% in 2024 and 2.2% in 2025. The rapid fall in retail energy prices throughout 2023 was the main driver of the inflation decline, but underlying inflationary pressures started easing too in the second half of 2023, amidst the weak growth momentum.

However, expectations for interest rate cuts across the world have been pared back, as underlying inflationary pressures - especially in the US - have proved more persistent than previously expected. In the euro area, where the European Central Bank last hiked its policy interest rates in September 2023, markets now expect a more gradual pace of policy rate cuts than in winter.

Notwithstanding evidence of cooling demand, the labour market remains tight. In March the EU unemployment rate stood at its record low of 6.0%, and other measures of labour market slack remain near record lows. Furthermore, the unemployment rate continued falling in Member States recording the highest rates, resulting in continued decline of dispersion across countries. This strong labour market performance reflects favourable developments in both labour demand and labour supply, also due to migration. Going forward, the impulse of these positive drivers is set to abate, and employment growth is expected to be more subdued. Over the forecast horizon, however, the EU economy is still expected to generate another 2.5 million jobs, while the unemployment rate should hover around the current low rates.

Growth in real wages - which started towards the end of last year - is set to continue throughout the forecast horizon. By 2025, average real wages are set to fully recover their 2021 levels, though this is not the case for all Member States. Continued wage and employment growth is expected to sustain growth in disposable income in 2024, and in 2025, real disposable income is set to accelerate further.

⁽²⁵⁾ [Spring 2024 Economic Forecast: A gradual expansion amid high geopolitical risks - European Commission \(europa.eu\)](https://ec.europa.eu/economy_finance/spring-2024-economic-forecast)

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

On 4 March 2021, the European Commission published its Communication on the European Pillar of Social Rights Action Plan⁽²⁶⁾, outlining concrete actions to further implement the Pillar principles⁽²⁷⁾ as a joint effort by the Member States and the EU. As part of the Action Plan the Commission proposed three EU headline targets to be achieved by the end of the decade in the areas of employment, skills, and social protection⁽²⁸⁾:

- 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⁽²⁹⁾ should be reduced by at least 15 million by 2030 (compared to 2019).

The European Council welcomed these three targets at the Porto Summit in May 2021.

Member States have proposed national targets to support the achievement of the common EU headline targets for 2030 (Table 4). 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 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⁽³⁰⁾. 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 5).

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 will be 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.

⁽²⁶⁾ ST 6649/21 + ADD 1-2

⁽²⁷⁾ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32017C1213%2801%29>

⁽²⁸⁾ For reference, at the time starting values for the targets were 73.1% (2019), 37.4% (2016), and 92.2 million (2019) respectively.

⁽²⁹⁾ The definition of AROPE (and its components regarding material 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 \(europa.eu\)](#).

⁽³⁰⁾ 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 4: National minimum 2030 targets for the reduction of poverty and social exclusion

	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	95,431	-15.7	21.8
BE	Reduce the population in AROPE by 279,000	2,260	-12.3	20.0
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	14,121	n.a.	17.3
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	162	-6.2	18.6
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	1,923	-15.2	20.0
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 ⁽³¹⁾ 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).

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

⁽³¹⁾ 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.

Table 5: 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 population 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 children living in households with very low work intensity by 300 thousand persons. 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

Despite the lasting effects of the Russian war of aggression against Ukraine, and the substantial rise in inflation in recent years, EU-SILC figures for the EU27 aggregate suggest a slight reduction at EU level in the overall number of people at risk of poverty or social exclusion in 2023 compared to the previous year.

The overall EU population at risk of poverty or social exclusion declined by around 0.6 million in 2023. This reflects underlying decreases of around 0.9 million in the population at risk of poverty and of around 0.7 million in the number of people living in (quasi-)jobless households, but with a rise of 0.8 million in those experiencing severe material and social deprivation. This equates to a slight 0.2 percentage point decrease in the overall at-risk-of-poverty-or-social-exclusion rate in the EU, from 21.6% to 21.4%, and with the rate having remained broadly static over the last 4 years. At Member State level, only 4 Member States (BG, EE, IT and RO) recorded significant falls in their at-risk-of-poverty-or-social-exclusion rates in 2023, with the most notable declines being around 2 percentage points in BG and RO (Table 6). The majority of Member States recorded no significant change in their rates, while rates rose significantly in only 4 (DK, LU, HU and SK). In terms of absolute changes, there were substantial falls in Bulgaria (0.3 million), Romania (0.5 million) and above all Italy (0.9 million), while Germany and Spain both saw increases of around 0.3-0.4 million.

Table 6. At-risk-of-poverty-or-social-exclusion rate in 2023(%), and evolution (in pp) 2022-2023

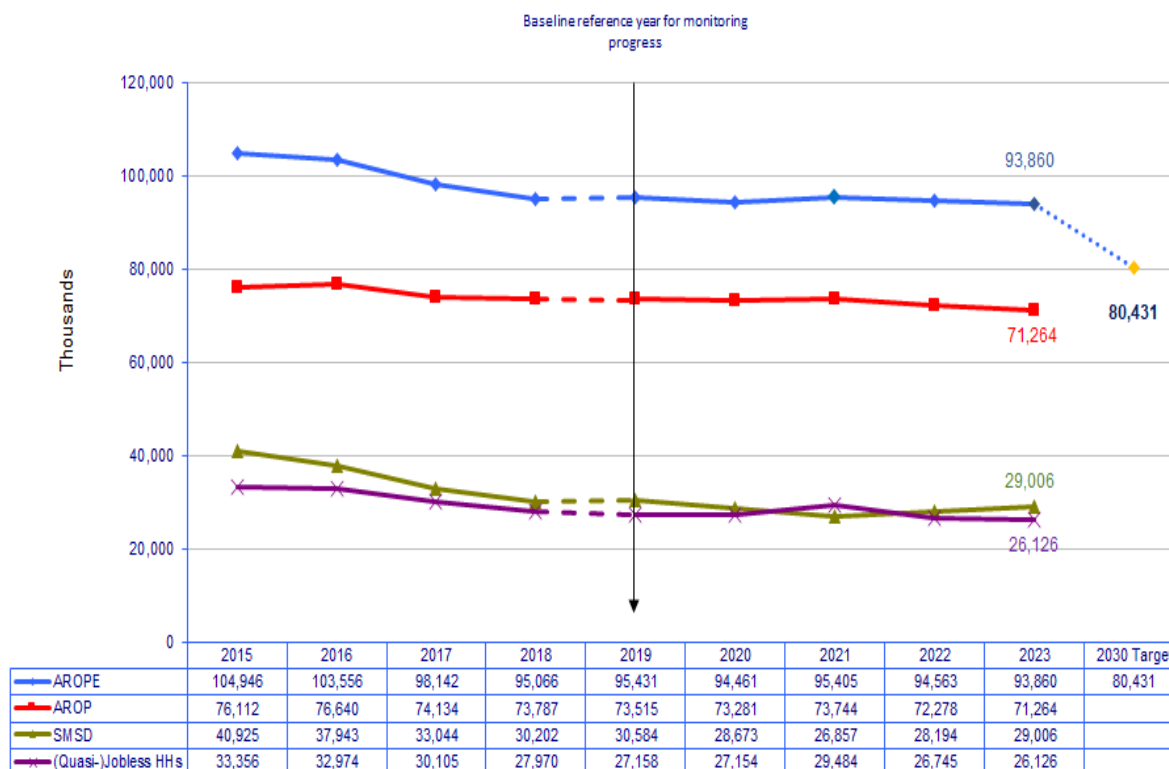
	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2023	21.4	18.6	30.0	12.0	17.9	21.3	24.2	19.2	26.1	26.5	20.4	20.7	22.8	16.7
2022-2023 change in pp	-0.2	-0.1	-2.2	0.2	0.8	0.2	-1.0	-0.4	-0.2	0.5	-0.3	n.a.	-1.6	0.0
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2023	25.6	24.3	21.4	19.7	19.8	17.0	17.7	16.3	20.1	32.0	13.7	17.6	15.8	18.4
2022-2023 change in pp	-0.4	-0.3	2.0	1.3	-0.3	0.5	0.2	0.4	0.0	-2.4	0.4	1.1	-0.5	-0.2

Source: Eurostat (EU-SILC)

Note: i) Only significant (for the definition of this see table in the section on SPPM methodology in Annex 2) changes have been highlighted in green/red (positive/negative changes). ii) For HR, major break in series in EU-SILC data in 2023 for income-related indicators and also AROPE, so changes not shown.

Compared to the reference year (2019) for monitoring progress towards the 2030 target, adjusted data series for AROPE correcting for breaks (see Box 1) suggest that the EU population at risk of poverty or social exclusion in 2023 was actually down by around 1.6 million compared to 2019 (Figure 21). Underlying this would be a fall of around 2.2 million in the population at risk of poverty, of 1.0 million in the number of people living in (quasi-)jobless households and of 1.6 million in the number of people experiencing severe material and social deprivation.

Figure 21. Evolution of the population at risk of poverty or social exclusion and its components in the EU27 (1000s), 2015-2023, adjusted for major breaks in DE (in 2020) and in FR (in 2022)



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 for France). 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 regarding the 2020, and probably to a lesser extent, the 2021 figures.

Box 1: 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.

Figures published by Eurostat that are not adjusted for breaks in series suggest the population at risk of poverty or social exclusion was higher by 2.4 million in 2023, reflecting a fall of 0.2 million in the population at risk of poverty, a rise of 0.2 million in the number of people living in (quasi-)jobless households and a substantial rise of 1.3 million in the number of people experiencing

severe material and social deprivation. 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 ⁽³²⁾, 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 ⁽³³⁾ to provide a more appropriate basis for assessing progress since 2019 (Figure 21). 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 95.43 million people (instead of the unadjusted total of 92.20 million), while the 2023 figure adjusted for the 2022 break in France amounted to 93.86 million (instead of the unadjusted total of 94.64 million).

EU-SILC figures for the EU27 aggregate suggest a broadly stable social situation for children in 2023, with only a marginal decrease (down 0.1 million) compared to 2022 in the child population at risk of poverty or social exclusion. Underlying this were essentially no change in the child population at risk of poverty and in those experiencing severe material and social deprivation and a marginal fall of 0.15 million in the number of children living in (quasi-)jobless households.

The very slight decrease of the EU-aggregate regarding the number of children at risk of poverty or social exclusion results from diverse trends in Member States’ performances (Table 7). In 11 Member States the share of children at risk of poverty or social exclusion rose significantly, most notably in Hungary. At the same time, 4 Member States recorded a significant decrease in the share, including the large Member States of Italy and Romania.

⁽³²⁾ 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.

⁽³³⁾ For DE, the 2019 figures as re-calculated and published in Eurostat table *ilc_pecs01*, and 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 and 2023, to be in line with the 2019 figure.

Table 7. At-risk-of-poverty-or-social-exclusion rate for children aged 0-17 (%) in 2023, and evolution (in pp) 2022-2023

	EU27_2020	BE	BG	CZ	DK	DE	EE	IE	EL	ES	FR	HR	IT	CY
2023	24.8	19.0	33.9	15.0	15.3	23.9	18.3	24.3	28.1	34.5	26.6	17.3	27.1	16.7
2022-2023 change in pp	0.1	-0.6	0.0	1.6	1.5	-0.5	1.7	2.0	0.0	2.3	-0.5	n.a.	-1.4	-1.4
	LV	LT	LU	HU	MT	NL	AT	PL	PT	RO	SI	SK	FI	SE
2023	20.3	21.7	26.1	24.4	25.2	14.3	22.7	16.9	22.6	39.0	10.7	25.3	13.8	21.6
2022-2023 change in pp	0.5	-0.7	2.1	6.3	2.1	0.4	1.1	0.2	1.9	-2.5	0.4	0.6	-1.1	1.7

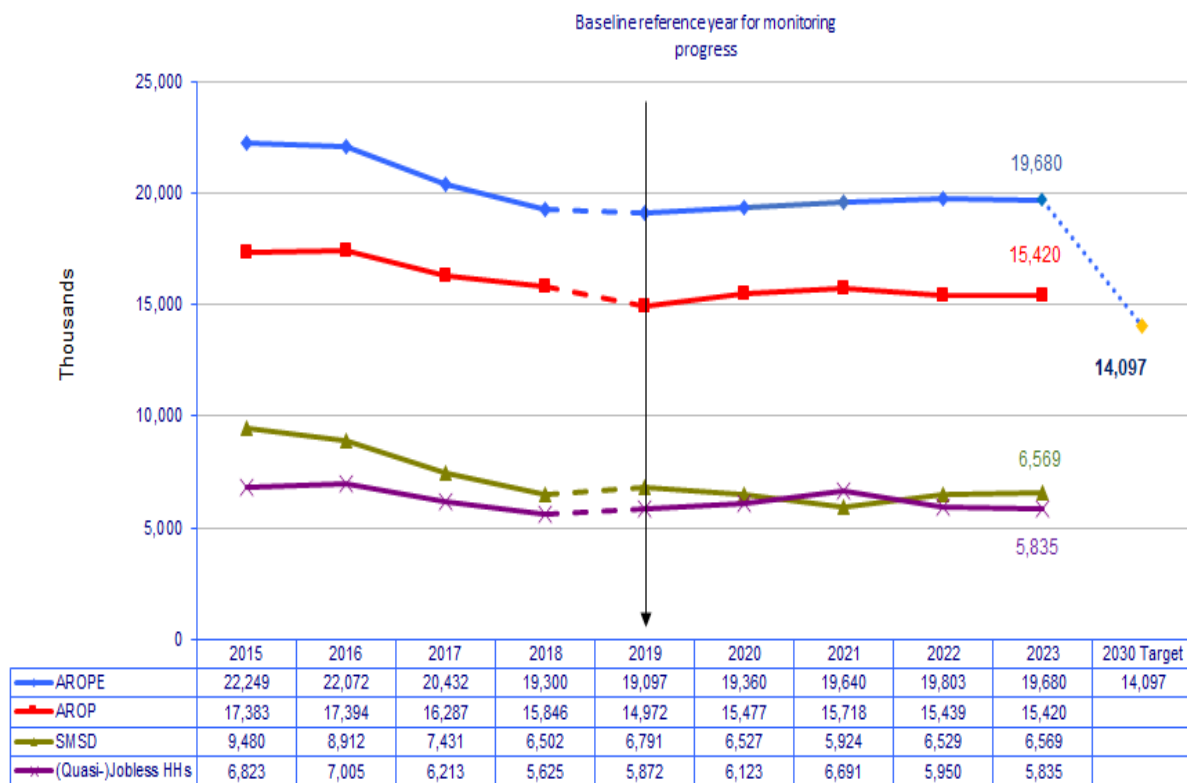
Source: Eurostat (EU-SILC)

Note: i) Only significant (for the definition of this see table in the section on SPPM methodology in Annex 2) changes have been highlighted in green/red (positive/negative changes). ii) For HR, major break in series in EU-SILC data in 2023 for income-related indicators and also AROPE, so change not shown.

Compared to the reference year 2019, figures published by Eurostat that are unadjusted for breaks in series suggest the child population in the EU at risk of poverty or social exclusion was up by 1.5 million in 2023, with underlying rises of around 0.7 million in the number of children at risk of poverty and in the number experiencing severe material and social deprivation, and of 0.8 million in the number of children living in (quasi-)jobless households.

However, again these comparisons to 2019 are affected by major breaks in series for EU-SILC data in Germany in 2020 and in France in 2022. Estimated break-free figures suggest the EU child population at risk of poverty or social exclusion in 2023 was up by a more limited 0.6 million compared to 2019, reflecting a rise of 0.4 million in children at risk of poverty, a reduction of 0.2 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 22).

Figure 22. Evolution of the risk of poverty or social exclusion indicator for children and its components in the EU27 (1000s), 2015-2023, adjusted for major breaks in DE (in 2020) and in FR (in 2022)



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.

Summary of developments in the AROPE populations at Member State level

Individual Member States' figures for 2023 (Table 8) show mixed trends in the population at risk of poverty or social exclusion compared to the year before and in progress towards national 2030 poverty and social exclusion targets. Around half of Member States saw a noticeable rise in this population in 2023, thus moving away from the poverty target, and only a third a reduction. Relative to the year 2019, there have been noticeable absolute reductions in the population at risk of poverty or social exclusion in Bulgaria, Greece, Poland, Romania and above all Italy, and substantial rises in Germany, Spain, and most notably France.

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.

Table 8. 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)	AROPE population 2019 (1000s)	AROPE population 2020 (1000s)	AROPE population 2021 (1000s)	AROPE population 2022 (1000s)	AROPE population 2023 (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)	Overall change 2019-2023 (1000s)
BE	-279	2,260	2,307	2,142	2,144	2,150		47	-165	2	6	-110
BG	-787	2,324	2,332	2,193	2,206	1,933		8	-139	13	-273	-391
CZ	-120	1,264	1,205	1,123	1,209	1,247		-59	-82	86	38	-17
DK*	(-30 VLWI)	994	970	1,000	997	1,056		-24	30	-3	59	62
DE**	(-1200 VLWI)	17,401	16,735	17,255	17,543	17,886		-666	520	288	343	485
EE	-39	311	300	293	332	327		-11	-7	39	-5	16
IE	-90	988	932	985	1,003	988		-56	53	18	-15	0
EL	-860	3,059	2,880	2,971	2,722	2,658		-179	91	-249	-64	-401
ES	-2,815	12,169	12,642	13,040	12,189	12,552		473	398	-851	363	383
FR*	-1,100	11,716	12,006	12,115	12,970	12,740		290	109	855	-230	1,024
HR	-298	841	806	817	752	772		-35	11	-65	20	-69
IT	-3,200	14,803	14,821	14,834	14,305	13,392		18	13	-529	-913	-1,411
CY	-10	162	156	154	150	153		-6	-2	-4	3	-9
LV	-95	506	473	488	482	476		-33	15	-6	-6	-30
LT	-223	712	685	661	690	695		-27	-24	29	5	-17
LU	-4	119	119	126	121	139		0	7	-5	18	20
HU*	Reduce MSD rate of families with children to 13% (AROPE by 292,000)	1,923	1,854	1,865	1,750	1,872		-69	11	-115	122	-51
MT*	(-3.1 AROPE p.p.)	100	100	103	103	105		0	3	0	2	5
NL	-163	2,809	2,739	2,862	2,863	2,989		-70	123	1	126	180
AT	-204	1,434	1,460	1,519	1,555	1,592		26	59	36	37	158
PL	-1,500	6,575	6,307	6,296	5,873	5,972		-268	-11	-423	99	-603
PT	-765	2,173	2,056	2,312	2,084	2,104		-117	256	-228	20	-69
RO	-2,532	7,032	6,897	6,572	6,525	6,033		-135	-325	-47	-492	-999
SI	-9	279	295	275	276	287		16	-20	1	11	8
SK	-70	795	744	841	888	943		-51	97	47	55	148
FI	-100	788	810	773	891	866		22	-37	118	-25	78
SE	-15	1,879	1,832	1,790	1,941	1,932		-47	-42	151	-9	53

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. 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 in for FR adjusted in 2022 and 2023 due to a major break in 2022, due to the new inclusion of overseas departments and regions.

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 ⁽³⁴⁾ as highlighted in the SPPM vertical assessment (SPPM VA) tables in the Country Profiles annexed to the report.

Box 2 – The SPPM vertical assessment exercise

The SPPM VA exercise is based on the list of the most relevant **JAF indicators** as determined by the ISG³⁵ and making use of the most recently available values (**SILC data 2023**), as published by EUROSTAT in mid-June of this year. To determine KSCs and GSOs, comparison is made between the current levels across Member States and the changes between 2020 and 2023 figures.

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 ⁽³⁶⁾. 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 the overall broad stability in the social situation that has been ensured during the shocks of the pandemic, Russia's aggression towards Ukraine and the high inflation wave. Differences in level and intensity of the outcomes of the exercise should be noted: for example, there are KSCs based on persistent challenges, and emerging KSCs due to negative developments of the indicator/s.

Poverty, social exclusion and inequality

All Member States other than Cyprus 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 18 Member States show GSOs 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. **Inequality**

⁽³⁴⁾ For further details on the assessment methodology see section 2 of Annex 2 (technical annex) "SPPM methodology used for the identification of Member States' key social challenges and good social outcomes"

³⁵ See the table "Social Policy areas covered by the assessment and subcategories" in the above section 2 of Annex 2.

⁽³⁶⁾ <https://ec.europa.eu/social/main.jsp?catId=1538&langId=en>

appears as a KSC in 9 Member States, while 4 Member States have GSOs in the area. The **housing** situation, notably issues related to housing deprivation and housing cost overburden, for various age groups, is a KSC in 13 Member States, with 6 Member States registering GSOs in this area. Regarding non-JAF analyses, KSCs concerning the social situation of **persons with disabilities** were identified in 11 Member States, notably in relation to their risk of poverty and social exclusion and their poverty gap compared to people without disability. **Roma** inclusion features as a KSC in 7 Member States. The social situation of **migrants and refugees** is a KSC in 10 Member States, including sometimes their labour market situation. 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 9 Member States. The analysis on **energy** poverty highlighted KSCs in 6 Member States.

Effectiveness of social protection

Under this area, the **social inclusion of children** has been analysed from the perspective of the effectiveness of social protection for children and that of 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. Overall, in these areas, 23 Member States registered KSCs, with 6 showing GSOs. Challenges in the area of **active inclusion** are related to the effectiveness of **social benefits** for the working age population, the effectiveness of **social services**, and **inclusive labour markets**. In particular, the adequacy of minimum income schemes, according to the SPC benchmarking exercise in this area, was found to remain limited in 8 Member States. From the perspective of **gaps in access to social protection** for some categories of non-standard workers or self-employed, challenges were observed in 11 Member States regarding effective access or linked to adequacy.

Pensions

The analysis in the area of pensions encompassed issues related to the effectiveness of social protection in old age, pensions adequacy issues, as well as gender gaps in old age poverty and pensions. In terms of poverty prevention or income replacement in old age, 19 Member States registered KSCs, and 9 showed GSOs. Key challenges were observed for 6 Member States concerning **pension adequacy** related to high gender poverty gaps and pension gaps issues.

Long-term care

Insufficient access to long-term care services, their affordability, quality, or the sub-optimal design of long-term care systems, has been identified as a KSC in 12 Member States, while GSOs have been flagged for 3 Member States.

Healthcare

The health status analysed by life expectancy of the population proves to be a KSC in 20 Member States, while 8 Member States display good results. As concerns **access to health care**, challenges have been identified for 13 Member States.

V. Monitoring social policy developments in the EU Member States

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 Programs 2023 and 2024, the Committee carried out 17 meetings since September 2023 ⁽³⁷⁾, out of which 12 meetings were organised jointly with the Employment Committee. The meetings were held partially physically (8) or virtually (9). Many of the joint meetings were dedicated to the delivery of works, related to the European Semester and the ones initiated by the Spanish and Belgian presidencies. The Committees provided numerous deliverables to the Council, namely:

- [Opinion of the Employment Committee and the Social Protection Committee on the value added of social investment and the role of the EPSCO Council filière in the governance of the European Semester](#), endorsed by the Council (EPSCO) on 28 November, 2023.
- [Future policy priorities for the Union on the European Pillar of Social Rights - Opinion of the Employment Committee and the Social Protection Committee](#), endorsed by the Council (EPSCO) on 11 March 2024.
- [Council Conclusions on the 2024 Annual Sustainable Growth Survey and the Joint Employment Report](#), approved by the Council (EPSCO) on 11 March 2024.
- [Social Convergence in the Union: Opinion of the Employment Committee and the Social Protection Committee](#), endorsed by the Council (EPSCO) on 20 June, 2024.
- [Council Conclusions on the role of labour market, skills and social policies for resilient economies](#), approved by the Council (EPSCO) on 20 June, 2024.
- [Voluntary guiding principles for EU Member States for evaluating economic effects of reforms and investments in the labour market, skills and social policy domains](#), endorsed by the Council (EPSCO) on 20 June, 2024.
- [Assessment of the country-specific recommendations for 2024 and implementation of the country-specific recommendations for 2023: Opinion of the Employment Committee and the Social Protection Committee](#), endorsed by the Council (EPSCO) on 16 July, 2024.

⁽³⁷⁾The closing date of the Annual Report 2023, the number of meetings covers the period of October 2023 to September 2024.

V.i Thematic work

a) Pension Adequacy

The triennial Pension Adequacy Report of the Social Protection Committee and the European Commission provides an overview of Member States' pension systems in terms of income adequacy, poverty risks and inequalities, assessing how well they support adequate incomes in old-age today and in the future. The [2024 Pension Adequacy Report](#) consists of two volumes, the first analysing the EU's overall pension adequacy and the impact of recent crises on pensioners' living standards, and the second providing detailed profiles of pension systems in each of the 27 Member States and Norway.

The Report highlights that European pension systems have protected retired Europeans' living standards in the face of global challenges. Resilient public pensions, indexation, and redistribution mechanisms have maintained pension adequacy during the recent crises. However, the report finds that the risk of old-age poverty continues to grow, and pension incomes are predicted to decrease in the coming years, calling for reinforced policies to promote longer careers, healthy ageing policies, inclusive labour markets, and greater flexibility in retirement pathways. Pension income remains more equally distributed than income from work, depending on the design of the pension systems and taxation rules. Low earners have higher pension replacement rates in all countries, while having a short career reduces the replacement rate less than proportionally though this may not always be enough to lift people out of poverty. At the same time, the Report points out that further reforms may be needed to ensure fair retirement security for all and prevent socio-economic inequalities from increasing with age, amid demographic and labour market changes.

Older women continue to be particularly exposed to poverty risks. Because of gaps cumulated during working life (e.g. gender pay gap, shorter or interrupted careers), women receive on average 26.1% lower pensions than men, and 5.3% of women receive no pension at all.

Pensions of formerly self-employed workers are projected to be one-third lower than those of full-time employees with similar career lengths. Part-time or fixed-term workers may struggle to access pensions due to low earnings, limited working hours or fewer opportunities to build pension entitlements. For people with severe care needs, long-term care costs can exceed pension income, highlighting the need for comprehensive social protection support.

This year, the report was endorsed by EPSCO through a dedicated set of [Council Conclusions on pension adequacy](#). The Council Conclusions highlight the complementary nature of the Pension Adequacy Report and the [2024 Ageing Report](#) and recognises the importance of closely coordinating the analysis of the sustainability of ageing-related expenditure with the adequacy of pensions and long-term care.

The Report was discussed, along with the Ageing Report, at the high-level [conference on longevity in Europe](#). The discussions explored how to balance sustainability and adequacy in pension, long-

term care and health-care systems with an ageing population in the EU, and how participation, learning and equity can help shape transforming labour markets in a longevity society. The event represented an important step towards closer collaboration between SPC and EPC, notably on pension policy.

b) Thematic Review: Council Recommendation on ensuring a fair transition towards climate neutrality ⁽³⁸⁾

The [2022 Council Recommendation on ensuring a fair transition towards climate neutrality](#) (adopted as integral part of the 'Fit for 55 package'), aims to ensure that the Union's transition towards a climate-neutral and environmentally sustainable economy by 2050 is fair and leaves nobody behind. In this context, Member States agreed to adopt and implement, in close cooperation with social partners, comprehensive and coherent policy packages that address the employment, skills and social aspects of the green transition. The Recommendation refers to the role of the EMCO and SPC to examine in their respective area of competence the implementation, on the basis of adequate reporting and multilateral surveillance tools. In the SPC, the review followed the established format of a thematic discussion, focusing on relevant policy measures within the Committee's competence, notably adequate social protection and related aspects in the context of the green transition.

Key messages:

Most countries are taking measures to improve their existing social protection systems addressing employment and social challenges, though only few countries explicitly address how these systems account for the challenges of the green transition. There was a strong call for a comprehensive and structured exchange of best fair green transition practices with the support of the Commission.

More systematic changes clearly reflecting the new challenges of the green transition are needed in adjusting the existing systems of social protection. The measures to adjust existing social protection systems vary wide in scope and timing. Some countries consider that existing systems are sufficient in providing social protection for individuals affected by the green transition and should remain sustainable. Moreover, only a few countries implement measures to improve risk reduction and risk-transfer solutions to shield households and enterprises, and measures vary widely in terms of access and affordability of insurance solutions. Further efforts would contribute to more efficient reduction of the climate protection gap, i.e. the share of non-insured economic losses in total losses after a climate-related catastrophe event, such as floods, wildfires or droughts.

In a number of Member States, there is scope for further shifting taxation away from labour towards other sources more supportive of environmental goals. However, environmental taxes may have adverse distributional effects, by putting comparatively higher burden on lower-income households. Little information is available on how Member States intend to use public revenues

⁽³⁸⁾The review was held at the meeting on 24 October 2023.

from energy and environmental taxes to offset adverse social and distributional impacts of climate change policies. The use of revenues for more targeted social benefits which provide relatively more support to poorer households can improve the distributional outcomes of green tax reforms such as carbon pricing measures.

Nearly all Member States have already implemented or plan to implement reforms to improve the access and quality of childcare, long-term care and healthcare services, which are key for vulnerable households most affected by the green transition. Most reforms include a strong focus on reducing regional inequalities in quality and access to care and/or measures to reduce emissions, such as energy efficient renovations or construction of care facilities. A follow up on these plans needs rigorous monitoring structures and impact assessment.

Finally, and despite not being directly covered in the current review, almost all Member States have reported some form of temporary measures, mainly in the form of targeted benefits and allowances, to households most affected by inflation in energy prices caused by Russia's war of aggression against Ukraine and the ensuing period of high inflation. In this context, many countries enacted targeted and temporary direct income support, notably to people and households in vulnerable situations, to mitigate adverse income and price developments. Most of them applied temporary specific allowances to compensate for increasing prices, with some examples of temporary adjustments to existing benefit or pension levels.

The EPSCO Council endorsed the [Key messages from EMCO and SPC on the implementation of the Council Recommendation on ensuring a fair transition towards climate neutrality](#) at its meeting in November, 2023.

c) Thematic discussion on the implementation of the 2019 Council Recommendation on access to social protection ⁽³⁹⁾

The SPC held a [thematic discussion](#) about the state of play and potential future actions on how to strengthen the implementation of the Council Recommendation on access to social protection. The discussion aimed at gathering reflections from the Member States on their challenges in implementing the Council Recommendation and, related to that, to explore ideas on what could be done at the EU-level to further support its implementation.

The conclusions of the thematic discussion were the following:

- Member States welcomed the discussion and confirmed that access to social protection for all remains an important policy objective. The 2019 Council recommendation on access to social protection is considered to be the right policy framework and there is no need for new legal instruments.

⁽³⁹⁾ The review was held at the meeting on 16 February 2024.

- Continuation of the implementation of the Recommendation together with relevant stakeholders is essential, taking into account the competences of the Member States and the diversity of national social protection systems.
- Member States support continued work on monitoring the implementation at EU level and improving available indicators. It can partially be fulfilled by the European Semester process, but regular dedicated stocktaking of the implementation of the Recommendation is key.
- The existing monitoring framework requires an update and improvement, delivered by the SPC Indicators Subgroup, but it is important to avoid additional administrative burden and where possible existing monitoring systems should be used for gathering information.
- The possibility of providing a periodic report to the Council that would facilitate recurring ministerial exchanges on the topic could be explored, while taking into account that additional administrative burden for reporting should be kept to a minimum.
- The discussion confirmed that structural challenges still exist in many Member States and since new challenges are also foreseen, the continuous exchange of practices at EU-level can support the Member States in their preparatory work on reforms or policy measures.
- There is strong support for mutual learning among the Member States, in a way to subsequently focus on different aspects of the Recommendation.
- The Commission stands ready to facilitate the mutual learning, among others by collecting ideas of common interest for topics of future events.
- EU funds (such as the Technical Support Instrument) are available, and Member States are encouraged to use them for preparing policy reforms.

d) Thematic social reporting: Implementation of the Council Recommendation on access to affordable high-quality long-term care, as a deliverable of the European Care Strategy

Demographic and societal developments are increasing the need for long-term care (LTC) and are expected to exacerbate the current structural challenges of affordability, availability and quality of LTC, against the background of increased pressure on resources. The number of persons potentially in need of LTC in the EU is projected to rise from 31.2 million in 2022 to 33.2 million in 2030 and 37.8 million in 2050⁴⁰. Insufficient access to formal services often leads to unmet care needs or excessive burden on informal carers. In 2019, 46.6% of people aged 65 or more with severe difficulties in personal care or household activities in the EU reported an unmet need for help in such activities. This was significantly more pronounced for people in the lowest income quintile (51.2%) compared to those in the highest (39.9%).

⁴⁰ According to the projections from the baseline scenario in the "2024 Ageing Report. Economic and Budgetary Projections for the EU Member States (2022-2070)", Institutional Paper 279, April 2024, Brussels

Access challenges are exacerbated by skills gaps and labour shortages, which are expected to worsen as the workforce ages. Member States struggle to attract and retain care workers, with many vacancies remaining unfilled. While on average there were 3.2 LTC workers for every 100 individuals aged 65+, there is a very high variability across the EU, ranging from 0.2 to 10.4 LTC workers across the Member States⁴¹. The sector is estimated to need up to 7 million more workers by 2030, with significant shortages expected for health professionals, health associate professionals, and personal care workers⁴². Difficult working conditions, low pay, non-standard work arrangements, and increasingly complex skill requirements make recruitment and retainment more difficult. Domestic and live-in carers, who are often mobile EU or third-country workers, often face particularly difficult working conditions and more difficult access to social protection. This is especially relevant for those performing undeclared care work.

Informal care plays a crucial role in long-term care provision, but it comes with significant challenges, particularly for the mostly female caregivers. The availability of informal care is expected to decrease as more women participate in the labour market, work longer as well as in light of changing family structures and labour mobility. Informal caregiving can have serious physical, mental, and financial costs, including reduced employment opportunities and lower pension accrual. Despite its economic value (the estimated value of informal care accounts for 2.4% of EU GDP), informal care also incurs public costs, such as lost tax revenue and social security contributions.

Against this background, the 2022 Council Recommendation on access to affordable high-quality long-term care aims to improve access to affordable, high-quality long-term care⁽⁴³⁾ for all people who need it, setting out a comprehensive policy framework to drive investments and reforms in long-term care. The Recommendation concerns all formal and informal carers and applies to long-term care provided across all care settings. It supports the implementation of Principle 18 of the European Pillar of Social Rights, which sets out that "Everyone has the right to affordable long-term care services of good quality, in particular homecare and community-based services."

Member States were recommended to *"have in place a long-term care coordinator or another appropriate coordination mechanism, in accordance with national circumstances, supporting the implementation of this Recommendation at national level"*. All Member States appointed [national long-term care coordinators](#), with whom an effective platform for policy dialogue has been established. Monitoring and analytical work, mutual learning, and exchange of best practices, as well as EU funding and technical support, are mobilised to support advancing shared policy goals.

Further, Member States were invited to *"communicate to the Commission, within 18 months from the adoption of this Recommendation, the set of measures taken or planned to implement it, building where relevant on existing national strategies or plans and taking into account national, regional and local circumstances"*. To support the consistency of the reporting, as well as policy dialogue and mutual learning at EU level, voluntary guidance for reporting on the implementation

41 Eurostat, EU LFS 2023. LTC workers identified by crossing sector (NACE) codes 87.1, 87.3, 88.1 and occupations (ISCO) codes 2221, 2264, 2266, 2634, 2635, 3221, 3255, 5321, 5322

42 Cedefop (2023). Handling change with care: skills for the EU care sector. Luxembourg: Publications Office, <http://data.europa.eu/doi/10.2801/38259>

(43) 2022/C 476/01, [EUR-Lex - 32022H1215\(01\) - EN - EUR-Lex \(europa.eu\)](#)

was developed together with the long-term care coordinators and was endorsed by the Social Protection Committee in December 2023.

In the framework of the thematic social reporting, 25 Member States (AT, BE, BG, CY, DE, EE, EL ⁽⁴⁴⁾, ES, FI, FR ⁽⁴⁵⁾, HR, HU, IE, IT, LT ⁽⁴⁶⁾, LU, LV, MT, NL, PL, PT, RO, SE, SI, SK) submitted their national plans ⁽⁴⁷⁾⁴⁸. The level of engagement is indicative of a high commitment as concerns the implementation of the Recommendation at national and regional levels and confirms the good level of convergence when it comes to policy priorities at the Member States' and EU-level.

Member States were invited to establish a baseline for reporting by identifying the gaps or remaining challenges in relation to the policy objectives of the Recommendation. All reporting Member States included in their national plans their **assessment of gaps** in long-term care. Most gaps appear in particular as regards the funding of LTC, workforce, availability of services, including territorial disparities, and quality of services, notably through better integration and coordination of care provision.

The **policy responses** explain how the key objectives of the Recommendation are followed up in the national context, by providing details on how the Member States intend to close the gaps, if any, in relation to the specific provisions of the Recommendation. The vast majority of the national plans mention specific policy objectives to be pursued at national level, in line with the Council Recommendation. The measures range from comprehensive reforms covering all or most of the dimensions of the Recommendation to more specific policy measures targeting a certain LTC policy dimension. An overview of the main features of the national plans, including selected examples of relevant policy measures, is provided below.

The overall policy responses are underpinned by **specific measures** adopted or planned to be adopted. These provide, to the extent possible, information on the type of measure, target group, timeline, funding, and expected impact. The range and scope of measures vary across countries, and many benefit from EU-funded support, notably through the Recovery and Resilience Fund and the European Social Fund+.

The Council Recommendation calls on Member States to ensure that social protection for long-term care is adequate. That means long-term care should be comprehensive, covering all assessed mental and physical needs, timely, and affordable, protecting people from poverty and maintaining their dignity. While more than half of the Member States report relevant measures in this area⁴⁹, some selected examples of relevant measures are presented below.

(44) Plan received in Greek, pending translation

(45) Plan received in French, pending translation

(46) Plan received in Lithuanian, pending translation

(47) **CZ** submitted a preliminary version of its plan and **DK** has submitted a Note on key political developments on LTC, pending the formal submission of their national plans.

48 To be published on the EUROPA portal

49 AT, BE, CY, CZ, DE, DK, EE, ES, FR, HR, HU, IE, IT, LV, NL, PT, SI, SK

Box 3: Examples of policy measures to ensure adequacy of social protection for LTC

Belgium introduced the 'BelRAI' instrument, a tool designed to enhance collaboration among home care providers, nursing homes, and organizations. This ensures that care is both timely and comprehensive by facilitating better communication and coordination across different care settings.

Through its project "Support for the Implementation of a Coordinated Approach in the System of Social Protection Provision", Czechia is piloting, since 2023, the implementation of case management in the provision of assistance to citizens at the level of municipalities with extended powers to increase timeliness and cost-effectiveness of interventions.

Estonia amended its LTC legislation in 2022-2023 to prioritize home care, improve the needs assessment process, and ensure that both the care recipient's and caregiver's needs are considered comprehensively. Low-income recipients are helped to cover their care costs, to make care more affordable and maintain living standards of person with care needs.

The Irish National Dementia Strategy supports better awareness, timely diagnosis, and integrated services, ensuring that those with dementia receive appropriate and timely care in a community setting.

The Netherlands launched a public campaign to stimulate dialogue about housing options for older people. In addition, the government allocated funds to municipalities specifically for social work and fall prevention programs.

Since 2023, Finland has mandated the use of the Resident Assessment Instrument (RAI) for assessing the service needs and functional capacity of older persons, to ensure that care is provided in a timely manner and based on accurate assessments of individual needs. Social welfare workers are to assess urgent care needs immediately, with action starting within seven working days of contact.

Slovenia has set up a completely new social protection branch for long-term care, and a new mandatory social insurance contribution for long-term care in Slovenia will be levied as of January 2025.

Member States are invited to continuously align the offer of long-term care services to long-term care needs, while providing a balanced mix of long-term care options and care settings to cater for different long-term care needs and supporting the freedom of choice, and participation in decision-making, of people in need of care. A particular focus is to be placed on improving home care and community-based care, closing territorial gaps, and rolling-out accessible innovative technology and digital solutions in the provision of care services. While more than two thirds of the Member States report relevant measures in this area⁵⁰, some selected examples of relevant measures are presented below.

⁵⁰ AT, BE, BG, CY, CZ, DE, FR, DK, EE, ES, HR, HU, IE, IT, MT, NL, PT, RO, SE, SI, LV, SK

Box 4: Examples of policy measures to ensure availability of LTC

Austria piloted digital solutions like the "Salve App" for standardized care requests and fall sensors in nursing homes, enhancing care accessibility and safety for older people. Innovation camps and funding for care technology helped address regional disparities by bringing advanced care options to more areas, including rural regions.

Belgium, through its digital tool Alivia, streamlined care coordination among multiple providers for individuals with intensive care needs. This digital solution ensures that care is aligned with the individual's specific requirements and prevents gaps in care delivery.

Bulgaria's 'Care at Home' programme offers integrated health and social services, combined with staff training, to ensure that care is comprehensive and coordinated. This supports the autonomy of older people by providing them with the necessary services to live independently for as long as possible.

Ireland's Enhanced Community Care programme, focused on reducing hospital dependency by strengthening community healthcare services, includes improvements in general practice, primary care, and community-based services, which ensure that older people can receive the care they need in their own communities.

France's "Ageing Well" Strategy, launched in 2023, includes measures aimed at delaying dependence, adapting social housing for aging tenants, hiring 50,000 professionals for care facilities, and preventing senior social isolation. Planned territorial resource centres will enhance home care services provided by facilities for dependent older people (EHPADs).

The Croatian Recovery and Resilience Plan (RRP) includes the construction of 18 centres for older people, which aim to improve the quality and accessibility of long-term care, particularly in underserved regions.

In Hungary, the "Gondosóra" ("Caring watch") program was rolled out to ensure that every citizen over the age of 65 is entitled to a digital smart device to support their independent lifestyle and ageing in place.

Since 2024, Malta has been expanding its Carer at Home Scheme, which provides financial support to older citizens with low dependency, who employ carers with a recognised qualification to assist them with their daily needs.

Slovenia's Long-Term Care Act of 2023 introduces a comprehensive range of services, including e-care and services aimed at maintaining independence, to ensure a balanced mix of care options for older people and allow them to choose the type of care that best suits their needs.

Finland, through its KATI programme, promoted technological solutions for independent living and home care, ensuring that individuals with specific needs can maintain their independence.

Sweden supported municipalities with assistive technology to boost the independence of older people and reduce the reliance on care staff.

Member States are recommended to have in place high-quality criteria and standards for all long-term care settings and a national quality framework for long-term care, including an appropriate quality assurance mechanism. While more than half of the Member States report relevant measures to improve quality⁵¹ and to provide integrated care⁵², some selected examples of relevant measures are presented below.

Box 5: Examples of policy measures to ensure high quality of LTC

Austria's standardized assessment system for retirement and nursing homes (NQZ) certifies not only high-quality care but also ensures a positive workplace environment for caregivers. Additionally, Austria's dementia strategy involves those affected through a federal working group, reflecting the recommendation to integrate high-quality standards and continuously improve care practices.

Bulgaria enforces mandatory standards for social and integrated health services, covering management, staff qualifications, and service effectiveness. T

In 2022, Spain amended its Accreditation and Quality Agreement to enhance the quality of long-term care by introducing a needs-based, community-oriented care model that surpasses the previous standards.

In July 2023, Estonia adopted detailed minimum quality requirements for general care and home care and in February 2024 it amended its Action plan on an integrated care model, laying down the roles and responsibilities of the actors involved and defining the financing of the system.

Measures planned for 2023-2025 in France include inspecting 7,500 care facilities for older people, hiring 120 inspectors, strengthening criminal record checks for professionals, and establishing a single point of contact in each department for abuse alerts.

Malta offered free Maltese courses focused on medical terminology for third-country nationals, which helps ensure that care providers are well-equipped to meet the country's high-quality standards.

As part of its LTC reform, Romania is investing in day care and recovery centres for older persons, complemented by home care services financed through the RRF loan component. The reform also integrates quality requirements in the procurement of care services and emphasizes the prevention of abuse in institutions and homes.

The Fixed Care Contact in Home Care implemented by Sweden in 2022 ensured personalized and coordinated support through a designated caregiver for each care recipient. The initiative fosters autonomy and independent living, as everyone receives tailored care that respects their personal needs and preferences, promoting their inclusion in the community.

⁵¹ BE, BG, CY, CZ, EE, ES, FI, FR, HR, IE, IT, MT, LV, NL, PT, SE, SI, SK

⁵² AT, BE, CY, ES, FI, HR, IE, LT, RO

Member States should support quality employment and fair working conditions in long-term care, improve the professionalisation of care and address skills needs and worker shortages in long-term care. Nearly all the Member States report a wide range of relevant actions, such as to improve the working conditions, for instance through wage increases or occupational health and safety measures⁵³, provide regular training and upskilling⁵⁴, and to address the staff shortages⁵⁵. Some selected examples of relevant measures are presented below.

Box 6: Examples of policy measures to improve the attractiveness of the LTC sector

Austria has taken several steps to improve working conditions for long-term care employees by providing grants for salary increases and introducing additional leave and time credits. Additionally, Austria is actively promoting diversity in care homes, recognizing the value of a diverse workforce in providing culturally competent and inclusive care services.

The Strategy for human resource development in the social sphere adopted by Bulgaria in 2024 aims to improve working conditions in the social sector, skills and competencies, to attract more workers, better align education pathways and provide more motivation and support.

In 2022, Germany mandated collective wage agreements for long-term care workers, ensuring fair and standardized compensation across the sector. It reformed its tertiary nursing education by introducing dual study programmes that combine practical experience with academic learning, offering remuneration during studies and simplifying the recognition process for foreign qualifications.

Spain implemented more flexible requirements for long-term care providers in rural areas by allowing unqualified hired workers to undergo immediate and free training. This initiative addresses the skills shortage by facilitating rapid upskilling of workers, ensuring that care services remain accessible and of high quality even in less populated regions.

In 2023, France introduced several measures to support home care professionals, including issuing a professional card, providing annual mobility support aid, and trialling a lump-sum allowance for travel time.

Ireland's Strategic Workforce Advisory Group on Home Carers and Nursing Home Healthcare Assistants produced recommendations focused on key areas such as recruitment, employment conditions, training, sectoral reform, and implementation strategies, to build a resilient and skilled LTC workforce.

Latvia established a general agreement between the Ministry of Welfare and social workers' trade unions that regulates working conditions, wages, and training for employees in state-funded long-term care settings.

Portugal amended its labour code in 2023 to provide better protection for domestic workers, many of whom are involved in long-term care roles. The amendments strengthen legal

53 CY, ES, FI, FR, IE, LV and SI

54 BE, BG, DE, CY, FI, LT, LV, MT, PT, SK and SE

55 DE, EE, ES, FR, HU, LT, PL and SK

protections, ensuring fair working conditions, appropriate wages, and safeguarding against exploitation and abuse.

In 2023, Sweden introduced legislation establishing a Protected Professional Title for Nursing Assistants, to ensure high-quality care and patient safety. The measure enhances professional recognition and sets clear standards for qualifications and competencies within the nursing assistant role, thereby improving the attractiveness of the profession and ensuring consistent, high-quality care across the country.

Finland's Good Work Programme (2024-2027) aimed at enhancing staff training, promoting international recruitment, and establishing competence verification through a national register. This programme seeks to attract and retain skilled professionals in the long-term care sector by providing clear career development opportunities and recognizing competencies effectively.

Complementing workforce-related provisions, Member States are called to establish clear procedures to identify informal carers and support them in their caregiving activities, including financial support, respite care, and ensuring their connection to formal care services. While more than half of the Member States report relevant measures in this area⁵⁶, some selected examples of relevant measures are presented below.

Box 7: Examples of policy measures to support informal carers

France's 2023-2027 "Acting for Caregivers" strategy includes several measures to support informal carers, such as increasing access to psychological support and respite care. The strategy also introduced an informal carer leave (CPA) and a daily allowance for informal carers (AJPA).

Latvia launched a pilot project in mid-2023, funded by the Recovery and Resilience Facility (RRF), aimed at improving the skills of informal caregivers, project which will be expanded into state-supported training programs in the future.

Portugal implemented a statute that recognizes and supports informal caregivers, offering financial aid and formal care connections. The statute was amended in 2023 and 2024 to further establish conditions for caregiver rest, ensuring that informal carers receive the necessary support without compromising their own well-being.

Finland requires the development of a care and service plan that must be created in collaboration with both the care recipient and the informal carer. This approach ensures that informal carers are actively involved in the care process and have a clear understanding of the care recipient's needs and the support available to them.

Finally, the Recommendation highlights that Member States should ensure effective governance in long-term care by involving stakeholders in policy design, implementation, and evaluation and establishing a national framework for data collection and evaluation.

⁵⁶ AT, BE, DE, EE, ES, FR, FI, HU, IE, LV, MT, NL, RO, SE, SI, SK, PT

Box 8: Examples of policy measures to ensure effective governance of LTC

Throughout 2023, Austria prepared its LTC report through a broad stakeholder consultation, ensuring that various voices and perspectives are considered in the policymaking process. Additionally, Austria has maintained a LTC services statistics database since 2012 and launched the Care Data Reporting project in 2021, which went online in February 2024.

Cyprus is finishing the preparation of an Online platform gathering all social care structures (expected completion in September 2024) to provide access to this information for supervisory bodies and to the public.

Estonia plans to implement a Data Strategy for 2024-2025, transitioning to registry-based data collection by 2027. This strategy aims to improve the accuracy and reliability of data related to long-term care, supporting better policy planning and evaluation.

Ireland established an independent Commission on Care for Older People to assess health and social care services for older individuals and provide strategic recommendations to the Government. A Reference Group consisting of non-governmental and civil society organizations, along with other key stakeholders, advises the Commission.

In Italy, the ministerial decree "Standards for the development of territorial assistance of the National Health Service" aims inter alia to establish a comprehensive organizational model for territorial assistance and promotes socio-health integration both institutionally and professionally.

Luxembourg established the Higher Council for the Elderly, to enhance beneficiary participation in long-term care governance. This council ensures that the voices of older adults are heard and considered in the design and evaluation of policies affecting their care.

In 2023, Poland established the office of the Minister for Senior Policy to coordinate relevant activities and make policy and legislative proposals and is running an Interministerial Team for Systemic Solutions related to the older people with one Working Group dedicated to LTC.

Romania plans to establish an inter-ministerial strategic control structure for long-term care development by 2026. This structure will oversee the implementation and coordination of long-term care policies across different governmental departments, ensuring a unified approach to addressing long-term care needs.

Slovakia launched a new Social Services Information System in 2022, which improves the management and supervision of social services. This system enhances the transparency and efficiency of long-term care services by centralizing information and enabling better oversight.

In terms of **timing**, most Member States refer to measures taken or expanded since the adoption of the Recommendation in December 2022, while some others⁵⁷ also refer to measures planned for the future. Many Member States also quote relevant measures taken in the past, i.e. before the adoption of the Council Recommendation. Overall, the reporting is indicative of a high intensity of policy reforms in long-term care, and related investments, over the last few years.

⁵⁷ BE, CY, DE, DK, EE, ES, FR, HR, HU, IE, LV, MT, PT, SI

Member States were also invited to reflect upon **the consultation or stakeholders' involvement** in the preparation of the implementation measures. In this sense, some Member States⁵⁸ refer to involvement of social partners in the preparation of specific measures, while virtually all reporting Member States mention involvement of civil society organisations.

As a **way forward**, the reports from most Member States⁵⁹ mention remaining long-term care challenges not (sufficiently) addressed by those measures already taken/planned. The most significant ones concern the need to continue improving adequacy of social protection for LTC/sustainable funding for LTC⁶⁰, further improve digital infrastructure in LTC⁶¹, ensure adequate funding for emergency preparedness in LTC⁶², addressing regional disparities in provision of services⁶³, the need for common EU level indicators and benchmarks on LTC⁶⁴, the need to focus more on/funding for prevention⁶⁵, addressing labour shortages i.e. through awareness raising on the rights of care workers and upskilling measures⁶⁶ including the need to facilitate labour market entry for care workers from third countries⁶⁷ to continue improving LTC quality⁶⁸ and find better ways to monitor outcomes, such as the quality of life and person-centeredness⁶⁹, to ensure integrated care⁷⁰ and working towards a cultural change in the care model to facilitate the shift from institutional to personalised care⁷¹. Ensuring adequate and sustainable financing and, in some cases, improving the administrative capacity to effectively implement planned measures, represents salient remaining challenges, in the context of budgetary constraints and competing priorities at national level.

Finally, all reporting Member States stress the importance of **EU support** to implement the Council Recommendation, with some asking to improve visibility of EU funding strands relevant to LTC, simplify application processes and provide technical assistance to national/local authorities to help them applying for EU support. Member States also mention the added value of exchanges on best practices and mutual learning in the area of long-term care and call for a close monitoring of the implementation efforts at EU level and a strong commitment to implement the Recommendation and the commitments under the European Care Strategy. Methodological voluntary guidance in long-term care is appreciated, such as the 2010 European Voluntary Quality Framework for Social Services (EE). Other areas of possible EU support mentioned include support for training and upskilling of informal carers, for example by designing training options based on transversal skills and competences not dependent on national contexts), carry out research on topics of common interest (e.g. ICT in LTC, quality of life and well-being of care receivers and caregivers, policy

⁵⁸ AT, BE, DE, EE, ES, FR, HR, HU, IT, NL, LU, LV, SK, PT

⁵⁹ AT, BE, BG, CY, DE, EE, ES, HR, HU, IE, IT, LT, LU, LV, MT, PL, PT, RO

⁶⁰ AT, BG, ES, DE, IE, IT, LT, PL, RO, SK

⁶¹ ES, IE, LV, LT, RO, SK, BE

⁶² LV

⁶³ BG, DE, FI, IT, HR, LV, RO

⁶⁴ PT

⁶⁵ EE

⁶⁶ AT, BE, BG, CY, FI, HR, IE, ES, LU, PL, RO, SK

⁶⁷ EE, IE

⁶⁸ BE, ES, IE, PL, SK

⁶⁹ EE

⁷⁰ BG, CY, IE, RO, SK

⁷¹ ES

innovation in LTC), supporting and maintaining international networks for exchanges of experience and the need for more awareness raising at the EU level on cultural shift in the care model (from institutional to person-centred approaches).

Box 9: Deliverables under the European Care Strategy

A **self-assessment tool for a structured qualitative analysis of national long-term care systems** is being developed as part of the strategic partnership with the **World Health Organisation**. After being piloted in Lithuania, Ireland, and Greece, the tool and an implementation guide will be ready in autumn 2024 for use by public authorities at national and regional levels.

Four Member States⁷ received technical support under the **Technical Support Instrument**, via its 2023 **Flagship on strengthening the coordination between health and social care sectors and integrated care provision**. TSI support for long-term care will continue to be available under the next call, including as part of the flagship on addressing demographic change.

The European social dialogue committee for social services set up in 2023 brings together European employers and trade union organisations of the sector, covering approximately 9 million workers across the EU. Its work programme covers actions to retain and attract social services workers (including measures to enhance workforce diversity, skills development, uptake of digital technologies, improving working conditions, and enhancing the quality-of-care jobs), socially responsible public procurement for social services, and capacity building activities of national social partner organisations, and has a clear focus on the long-term care sector.

To respond to the increasing need for skilling in the long-term care sector, as documented by CEDEFOP, service providers, social partners and training providers set up a large-scale skills partnership for long-term care, under the Pact for Skills, with the support of the Commission. The partnership aims to improve career paths and the quality of care provided, making the long-term care sector more attractive. Training courses will focus on digital skills and person-centred care. The partnership is supported by a project funded under the Erasmus+ programme, Care4Skills.

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

As part of its treaty-based mandate, the Social Protection Committee (SPC) systematically monitors Member States' reform activities. One of the key instruments used in this task are the Multilateral Implementation Reviews (MIR), which entail reviewing Member States' reform 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.

During the 2024 Semester cycle, the Committee conducted 16 reviews of country-specific recommendations (CSRs) in policy areas under its competence, as issued by the Council in 2023. Additionally, piloting the Social Convergence Framework (SCF) as described in the related EMCO-SPC Key Messages and the underlying Report of the EMCO-SPC joint Working Group ⁽⁷²⁾ and laid out in the Joint Employment Report (JER) 2024 Key Messages ⁽⁷³⁾, the 7 countries falling into the second stage analysis ⁽⁷⁴⁾ were reviewed in joint SCF pilot reviews of the Employment Committee (EMCO) and the SPC, also covering the 2023 CSRs, if relevant. In order to reconcile the various reviews in the 2024 semester cycle and to reduce administrative burden, the MIRs were implemented in an integrated country focused global approach, thus not splitting the text of the CSRs into thematic batches, as it has been the practice so far, allowing a more holistic view on reforms in each reviewed Member State. The CSRs addressed specific challenges in the fields of social protection and social inclusion, pensions, healthcare, long-term care, housing affordability and energy poverty.

The country-specific reviews were complemented by a horizontal exchange, accompanied by a presentation of country case(s), in particular referring more in depth to some of the reforms implemented in the Recovery and Resilience Plans (RRPs). The horizontal exchange covered all policy areas, tweaked to the particular challenges addressed by the discussed CSRs and avoiding overlapping with other thematic activities of the Committee. The conclusions of the reviews fed into the joint [Opinion of the Employment Committee and the Social Protection Committee on the 2024 cycle of the European Semester](#), endorsed by the Council.

Horizontal findings

The majority of these recommendations focused on long term fiscal sustainability issues with elements related to adequacy, fairness and equality between men and women, efficiency of public spending, including through better targeting or streamlining of social benefits and improved adequacy or incentives to work. High participation in the labour market, also of older people, and efficiency in health care and long-term care provision, are key to reconciling adequate benefits and affordable high quality services with sustainability of spending in an ageing society, as pointed out by the need for overarching reform of pension, health care and long-term care systems. New emerging challenges and measures on housing affordability were assessed. Closely related to this, discussions on energy poverty made evident the large scope of the policies involved, ranging from more traditional social protection measures, such as benefits and allowances, to other policies more related to the green transition or energy prices. Hence the need to integrate multiple aspects in order to make them not only effective but also fit for ensuring fairness and protecting people in vulnerable situations.

⁽⁷²⁾ See the [Key Messages on the introduction of a Social Convergence Framework in the European Semester](#) and the related [Report of the EMCO-SPC Working Group](#). The documents were presented to the Council (EPSCO) on 12 June 2023. The features of the Social Convergence Framework were discussed within the Working Group between October 2022 and May 2023.

⁽⁷³⁾ Adopted by the Commission as part of the Autumn Package on 21 November 2023, and subsequently [by the Council \(EPSCO\)](#) on 11 March 2024.

⁽⁷⁴⁾ The Commission published the second-stage analysis via a [Staff Working Document](#) on 6 May 2024. The reviews were conducted by EMCO and SPC on 16 May.

Most of the reviewed Member States have received similarly worded CSRs 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.

- Such actions include the establishment of dedicated bodies assessing the functioning of the **pension system** to support/prepare reforms or to support actions such as introducing a digital tracking service for pension rights. In this context the involvement of social partners, and other stakeholders was emphasized.
- Member States recognize that fostering increased participation in the labour market in general or specifically supporting the employment of older workers can improve the fiscal sustainability of the pension system. While in most of the reviewed Member States no dedicated actions are planned to raise (further) the statutory retirement age, measures - such as for example tightening early pension access conditions and reducing incentives to retire early, combined with incentives such as the reduction of social contributions, tax reduction, co-financing, job referrals, skills development, training or career guidance, or initiating a broad-based dialogue with the participation of the social partners on possible incentives to defer retirement beyond the statutory pension age - are being introduced to raise the effective retirement age and encourage deferred retirement.
- In an effort to address their sustainability challenges, several Member States are taking steps to increase the revenue of the pension insurance system by increasing the contribution rate and/or broadening the insurance base or by widening the financing base. In some of the reviewed Member States, dedicated funds have been established to help address the deficit of the pension insurance.
- Steps are being taken for the introduction of an ambitious and overarching reform in some Member States and further development of the occupational and personal pensions is being explored in others. Member States also address the challenges regarding the gender pension gap, guaranteeing adequate pensions for all, for instance by facilitating and increasing labour market participation of women, equalizing the retirement age between women and men and promoting service provision.
- As far as **health care** is concerned there is a need to close health gaps by tackling health inequalities both across and within countries, which requires a multisectoral approach, addressing unmet needs for medical care. In addition, investments towards resilient and accessible health systems need continuity, underpinned by robust data⁷⁵ collection mechanisms (that also allow better diagnosis).
- Member States are regularly encouraged to reduce out of pocket costs for healthcare, ensure a more equal distribution of services across territories, improve primary care, address staff shortages, better organise services and reduce waiting times.

⁷⁵ When possible, sex-disaggregated.

- New measures to finance the healthcare system, including by changing the nature of the health insurance from complementary, voluntary to mandatory have been introduced.
- Comprehensive healthcare reform packages (including a focus on the strengthening and expansion of digital health services) were presented, alongside with investments in primary care, primary care units and teams. Structural reforms as well as better coordination and governance to address fragmentation and realignment of interlinked financing with task responsibilities was acknowledged to further increase efficiency.
- The presented challenges triggered by an ageing society have been putting **long-term care systems** under pressure, in addition to the persistent need for qualified care workers, especially since the COVID-19 pandemic.
- A wide range of measures has been reported, linked to access, affordability and quality, such as the provision of an increased allowance for 24-hour live-in care and the introduction of on-line training and free-of-cost supervision.
- Measures to reinforce the financing of LTC through agreements between state and financial entities or through the implementation of a new long-term care insurance have been introduced.
- Several policy measures to support economic growth and employment, as well as **reforms of the social protection systems** in order to simplify them and improve their efficiency have been introduced, including for instance overarching reform to incentivise labour market participation.
- Creation of a single social benefit out of various types of social benefits serves multiple objectives, however it is a complex process that implies several changes in the legal and administrative frameworks to keep the focus on people most in need, while guaranteeing adequate support. Digitalisation elements in the reforms allow to achieve immediate visible results. The exchange of similar practices acknowledged that often it has been easier to implement new supplementary benefits than to consolidate existing ones and develop a comprehensive new system.
- To improve the efficiency of public expenditures, spending reviews have been incorporated into the legal framework, with specific provisions describing how such reviews will be integrated with the budgetary process.
- In order to strengthen the provision of **adequate and in particular social housing**, holistic approaches were taken and well elaborated activities are planned aimed at improving housing affordability. The development of the necessary legal framework has to be complemented by additional funding and financing mechanisms in order to achieve the objectives.
- One review highlighted the relevance of this challenge also in well-established welfare systems, where access to social housing and housing benefits are provided. Still, especially

high-cost regions, like big cities, are confronted with challenges regarding access to housing, housing inclusivity and increasing costs, as well as long waiting times for social housing.

- The discussions on **energy poverty** made evident the wide scope of the policies involved, ranging from more traditional social protection measures, such as benefits and allowances, to other policies more related to the green transition or energy prices. Hence the need to integrate multiple aspects in order to make them not only effective but fit for ensuring fairness and to protect people in vulnerable situations.
- In this context, attention to social aspects is needed in housing construction and renovation policies, which often aim to mainly address decarbonisation. The reviews highlighted the need for appropriate definitions of energy poverty and vulnerable households, which should take into consideration both energy efficiency and income-based criteria. This would lead to better identification of the population in need, better targeting of people in vulnerable situations and setting of measurable targets.
- Knowledge gaps in the area of energy poverty are being addressed through studies or dedicated energy poverty observatories. The revision of existing schemes (bonuses, incentives) is also part of reform efforts. Outreach to potential beneficiaries is also key, once measures are in place.
- National strategies and plans are in place that adopt comprehensive and forward-looking approaches, including targets. EU National energy and climate plans were mentioned, as one of the exercises to ensure the right mix of policies in this area. It was concluded that energy poverty measures have to be targeted on vulnerable groups, where room for improvement still exists.
- **EU funding**, including the Recovery and Resilience Fund and the Technical Support Instrument, is largely supporting these processes.
- The need for **mutual learning** and other opportunities to exchange views in this area emerged from the exchanges, also further to the recent adoption of EU guidance and funding opportunities.
- In the area of good governance, some of the reviewed Member States mention reporting exercises, **periodical/ex-ante assessments**, as well as ex-post analyses of the reforms adopted or measures taken, which could be seen as a step forward in order to develop more transparent and robust proposals.

The SPC welcomed the reported measures and views positively the efforts made by the Member States. At the same time, the discussions in the Committee 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.

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 coordination⁷⁶. 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 workshops 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 related to Council Recommendations

Minimum income

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 Minimum Income Network (MINET) was recognised by the Council Conclusions on Strengthening Minimum Income Protection to Combat Poverty and Social Exclusion in the COVID-19 Pandemic and Beyond⁽⁷⁷⁾. 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 by providing inputs and support to this process with relevant exchange of practices and information. The mandate of the working group lasts until the end of 2025 and the group has at least two meetings per year.

In 2024, the group focused on the topics of understanding and improving the take-up of minimum income benefits, of adequacy and ensuring sufficient income support and of addressing

⁽⁷⁶⁾ 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.

⁽⁷⁷⁾ The [Council Conclusions](#) called to "STRENGTHEN the exchange of best practices, the networking of national contact points for cross-country assistance and the mutual learning in further developing minimum income protection at national and regional level including within the Minimum Income Network (MINET) as a technical forum of the Social Protection Committee"

incentives and disincentives to facilitate labour market transitions. At a joint meeting with Social Innovation Projects promoters, members exchanged good practices for integrated delivery of active inclusion, notably on cooperation among stakeholders for outreaching to and retaining beneficiaries.

Access to social protection

In order to further support the implementation of the 2019 Council recommendation on access to social protection for workers and self-employed, the Commission has resumed the organisation of mutual learning events, as a follow up to the Commission's report to the Council (adopted in January 2023) on the implementation of the Recommendation after the first four mutual learning events organised in this area in 2019-20.

Such mutual learning events involve representatives of Ministries, social partners and civil society organisations as well as social protection administrations/organisations. Mutual learning focus on innovative practices identified in all the four main dimensions of the Council recommendation, i.e. formal access, effective access, adequacy and transparency.

In February 2024, the Commission organised an in-person Mutual Learning Event on access to [healthcare, sickness benefits and accidents at work](#). It was based on a detailed thematic [report](#), multiple country specific [presentations](#) as well as a final [post-event summary report](#), that highlights the remaining challenges faced by non-standard workers and the self-employed as well as the practices and actions taken by Member States to overcome them. This event followed another in-person Mutual Learning Event on access to social protection focused on [transparency and simplification](#), that took place in October 2023.

European Child Guarantee

In line with the 2021 Council Recommendation establishing a European Child Guarantee (ECG) all Member States nominated national Child Guarantee Coordinators (CGCs), in charge of coordination and monitoring of the implementation of the Recommendation in their country. To foster mutual learning, exchange good practices and follow up on the actions taken in response to the Recommendation, sixteen meetings of CGCs have taken place since June 2021, including two in-person meetings in 2024 (one organised by the Belgian EU Presidency in May and one by the Commission in June).

All Member States submitted their national action plan and a majority of them have also submitted their biennial progress report (due in March 2024).

In November 2023, the SPC endorsed a common monitoring framework for the European Child Guarantee ⁽⁷⁸⁾ prepared by its Indicators Subgroup, a tool on which CGCs could rely to draft their progress report.

Long term care

⁽⁷⁸⁾ Available on the ISG website : [Monitoring and benchmarking frameworks - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#)

To support Member States' implementation efforts, three mutual learning seminars were organised in 2023-2024 on the implementation of the 2022 Council recommendation on access to affordable high-quality long-term care: one on [quality of long-term care](#), one on [social protection for long-term care](#), and one on [long-term care workforce](#). Key take aways include:

- Person-centred and integrated care requires systemic change in the design, governance, and regulation of care, incorporating the views of users and their families, and investing in training the care workforce. ICT and digital tools play a key role in this respect. Comprehensiveness of service provision requires overcoming horizontal and vertical fragmentation.
- Multidisciplinary teams, where all health and care providers are connected in responding to the needs of care users via individualised care plans are crucial for delivering high-quality services and for smooth transitioning between various care settings.
- Overarching quality framework(s) at national level should cover all types of settings, while reflecting their diversity and allowing for flexibility in their application. All stakeholders should be involved in the elaboration of quality standards. There is a need for collaboration and continuous quality improvement.
- Needs assessments should include more than functional limitations in activities of daily living, i.e. also cognitive decline and limitations, as well as social participation. They should also enhance their focus on prevention of future care needs.
- Timeliness should be ensured through maximum waiting times enshrined in law and penalties for delays. Timeliness also depends heavily on the availability of adequately skilled staff. Outreach services, facilitating ageing in place, raising awareness about services and monitoring are useful levers to deliver timely interventions.
- The affordability of long-term care can be ensured by providing a sufficient level of cash or in-kind benefits to cover a comprehensive set of needs. While means-testing is a key strategy for targeting those most in need, this can lead to substantial unmet needs.
- The workforce remains the major challenge, with key questions around improving working conditions and pay levels and need for effective measures for retainment and increasing attractiveness. As concerns social dialogue, reinforcing collective agreements for the homecare sector and social dialogue with private providers appeared as areas where more vigorous efforts are needed.
- Continuous training on the job should be compatible with a heavy workload, for instance through the use of micro-credentials and modular learning. There is an increasing alignment of skills' assessment and training curricula to person-centred care delivery.
- On targeted support to vulnerable workers, good practices to improve access to social protection and labour rights include regularisation campaigns for undeclared workers, information campaigns with the support of social partners and civil society, specific laws and/or collective agreements for domestic/live-in carers, as well as programmes and pathways for ethical recruitment of third country nationals.

Thematic mutual learning activities steered by the Commission

Inequality and distributional impact assessments

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 and focused on a defined set of policy levers building on former work from the Commission and EMCO, EPC and SPC. That conference paved the way for mutual learning events in which policy makers and experts have the opportunity to exchange best practices 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 poverty and inequality reduction across the EU. The Communication presents guidance to Member States to undertake, strengthen and enhance the quality of DIA (while the Staff Working Document also takes stock of the state of play of DIA across Member States).

To support Member States and promote the exchange of good practices related to DIA, the Commission has initiated a series of Mutual Learning Events, 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 mutual learning events combine thematic and methodological topics and presentations of country experiences.

In February 2024, the Commission organised a first in-person mutual learning event on DIA in the form of a conference with both panel discussions and parallel working groups on specific selected topics (which are summarised in a [report](#)). Workshops covered DIA modelling, access to and use of data for DIA, evidence-driven design of benefits, DIA in the digital and green transition and dissemination of results of DIA. The final panel with Chairs and vice-Chairs of the SPC, EMCO and EPC identified multiple policy areas relevant for the three Committees in which DIA can support evidence-based policy making, emphasizing the need for continuous and transparent coordination.

The virtual mutual learning event of June focused on the opportunities offered by the Technical Support Instrument (TSI), while two additional virtual events are planned for the second half of 2024.

Effective policies to end homelessness

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 through the signature of the Lisbon Declaration in June 2021, and brings together Member States, the European Parliament, the Committee of the Regions, the Economic and Social Committee, social partners and relevant civil society stakeholders, in a commitment to fight homelessness. Since its

launch, the Platform has become a focal point in the fight against homelessness, by: (1) [promoting mutual learning](#), (2) supporting the development of better statistical evidence and knowledge on homelessness and (3) promoting the use of EU funds.

Between 2022 – 2024, the Commission organised a series of mutual learning events for the Platform members, supported by academic reports. The main objective of the Mutual Learning Events is to support Member States to develop and improve their national homelessness strategies.

Experts, policy-makers and practitioners were brought together to discuss specific themes and challenges, identify good practices and gain valuable knowledge on various dimensions of policies addressing homelessness.

In 2024, the event in April focused on the topic of “Financing the fight against homelessness: Funding opportunities for inclusive policy measures”. Future mutual learning activities of the European Platform on Combatting Homelessness will take place under the [EPOCH Practice project](#), co-financed by the European Commission.

Persons with disabilities

The Commission expert group ‘[Disability Platform](#)’ was set up in October 2021, replacing the Disability High-level Group. It is one of the flagship initiatives of the Strategy for the Rights of Persons with Disabilities (SRPD) 2021-2030, established to support the implementation of the Strategy as well as national disability strategies.

It brings together national focal points, in charge of the implementation of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), EU-level civil society organisations representing persons with disabilities, as well as service providers and the Commission.

The Platform is a forum to discuss policies and practices on disability. The group also exchanges on the implementation of the actions of the Strategy, and on the UN’s assessments of Member States’ implementation of the UNCRPD. The Disability Platform meets three times a year and works based on an annual work programme, drafted in consultation with the members of the Platform.

Five sub-groups have been set up to address more specifically the flagship initiatives of the Strategy, namely:

- sub-group on the European Disability Card,
- sub-group on Accessible EU,
- sub-group on the Disability Employment Package,
- sub-group on Independent Living,
- sub-group on social services.

In 2024, the Platform held two meetings, on 18 March and 25 June, focusing on several topics including accessible elections, passengers’ rights, assistive technologies, equal access to health,

social services, legal capacity, social protection and inclusive education. A third meeting is planned on 3 October. The Platform also addressed the setting of priorities for the second phase of the Strategy after 2025. A seminar organised by the Belgian Presidency with members of the Platform, on 19 March, focussed on this specific aspect, as well as on UNCRPD implementation, on employment and on free movement of persons with disabilities.

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 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 of the issue discussed based on the host/guest countries experiences, and from national and EU-wide perspective.

Where appropriate, the peer review may also include or be implemented in a form of 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.

During the last year, three peer reviews were organised and additional 3 are planned at the time of the Annual Report's preparation.

In November 2023, a peer review on [*Experimental methods for impact evaluation of social inclusion policies*](#) was hosted by Spain. Representatives from six peer countries (Belgium, Bulgaria, Czechia, Malta, Portugal and Slovenia) focused on the Policy Lab, or laboratory of inclusion and activation strategies, that accompanies the implementation of the Spanish national minimum income scheme. This experimental design tool uses a treatment group and a control group to assess the impact of a particular intervention. The Policy Lab oversees the design, implementation, and evaluation of 34 complementary pilot measures on educational, employment, and psychosocial programmes involving local governments and the third sector through Randomised Control.

In April, 2024, Cyprus hosted a peer review for *Health monitoring of care homes in relation to the COVID-19 pandemic*. The Cypriot Ministry of Health presented their Joint Initiative with the Deputy Ministry of Social Welfare to assess the spread of infectious diseases among residents of care facilities in Cyprus and monitor the health and social well-being of older persons in care homes, persons with disabilities and others requiring long-term care. The aim of the peer review was to identify strengths, weaknesses, opportunities, and threats of the approach and to explore the potential transferability of this approach to other Member States.

In July, 2024, Latvia hosted a review on *Minimum Income adequacy*, with the aim of exchanging on national practices and experiences in designing minimum income schemes to ensure that everybody is protected. Assessing the adequacy of minimum income benefits for individuals with low or no income is a timely topic, as Latvia has been revising its minimum income policy. Representatives and experts from Latvia and seven peer countries (Belgium, Croatia, Cyprus, Lithuania, Poland, Slovakia, and Slovenia) convened to discuss about adequacy and impact of minimum income schemes on poverty and social exclusion. They also sought to offer Latvian authorities valuable insights from the experiences of other Member States, particularly regarding methods and criteria for determining the adequacy of social assistance (around concepts like “basic needs” and “life in dignity”). Participants also examined the role of individualised support including through essential and enabling services, as well as the interplay between social services, minimum salaries and pensions, and coordination with other key policies.

Three additional peer reviews are planned to be held by the end of 2024, hosted by Austria, Ireland and Norway, to discuss the respective topics of *“Participation of persons with disabilities in the development of social services at local level”*, *“National Housing First Programme”* and *“Social protection and inclusion of older persons”*.

Acknowledgments

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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, Ragnar Horn and Flaviana Teodosiu. 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 18 September 2024. The Council of the European Union discussed the key messages of the report on 10 October 2024 and endorsed them on October 2024.