

Brussels, 16 June 2025
(OR. en)

9595/25

SOC 329
EMPL 207
EDUC 189
ECOFIN 639

NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee/Council
Subject:	Assessment of the country-specific recommendations for 2025 and implementation of the country-specific recommendations for 2024: Opinion of the Employment Committee and the Social Protection Committee - <i>Endorsement</i>

Delegations will find attached the Opinion of the Employment Committee and the Social Protection Committee on the assessment of the country-specific recommendation for 2025 and the implementation of the country-specific recommendation for 2024, to be endorsed by the Council (EPSCO) at its session on 19 June 2025.

Addenda to this Note:

- EMCO-SPC Social Convergence reviews 2025 - Country-specific conclusions (ADD 1)
- EMCO multilateral surveillance reviews 2025 - Country-specific conclusions (ADD 2)
- SPC multilateral implementation reviews 2025 - Country-specific conclusions (ADD 3)

Opinion of the Employment Committee and the Social Protection Committee on the 2025 European Semester cycle

13 June 2025

Preamble

Based on the provisions of Articles 148, 150 and 160 of the Treaty on the Functioning of the EU (TFEU), the Council Decisions establishing the Committees, and Regulation 2024/1263 on the effective coordination of economic policies, the Employment Committee (EMCO) and the Social Protection Committee (SPC) are competent for the implementation of the European Semester in relation to employment, skills and social policies.

Accordingly, throughout the 2025 European Semester cycle, following the respective proposals presented by the European Commission, EMCO and SPC contributed to the finalisation of the annual *Joint Employment Report (JER)*¹, the *Recommendation on the Economic Policy of the Euro Area (EAR)*², and the new *Country-Specific Recommendations (CSRs)*.³ Furthermore, the Committees prepared a set of Council Conclusions to accompany the *2025 Joint Employment Report*⁴ and a *horizontal note* for the European Council to accompany the 2025 CSRs.⁵

¹ The 2025 Joint Employment Report was [proposed by the Commission](#) as part of the Autumn Package on 18 December 2024. Following negotiations in the Committees, it was [adopted by the Council](#) at the EPSCO meeting on 10 March. The final publication is available [at this link](#).

² The [employment and social aspects](#) of the Euro Area Recommendation were approved at the EPSCO meeting on 10 March. The recommendation was [finally adopted](#) at the ECOFIN meeting on 13 May.

³ The 2025 Country-Specific Recommendations were [proposed by the Commission](#) as part of the Spring Package on 4 June. Following negotiations in the Committees, the employment and social aspects are adopted by the Council at the EPSCO meeting on 19 June. The final adoption is scheduled at the ECOFIN meeting on 8 July.

⁴ The [Council Conclusions on the 2025 Joint Employment Report](#) were approved by the Council at the EPSCO meeting on 10 March.

⁵ The horizontal note on the 2025 Country-Specific Recommendations, prepared under the authority of the Polish Presidency, is meant to contribute to the political debates in the Council (at EPSCO and ECOFIN meetings on 19 and 20 June, respectively) and the European Council (on 26-27 June).

The Committees also examined the progress made by the Member States in the implementation of the relevant 2024 CSRs issued by the Council. The implementation of the *Social Convergence Framework* (SCF) also contributed to monitor the state of upward social convergence in the EU.⁶ Regarding the latter, the first-stage analysis was integrated into the 2025 JER, while the second-stage analysis was published by the Commission, after a bilateral exchange with the Member States concerned, and a consultation run with the social partners on risks and challenges to upward social convergence. The findings of the second-stage analysis were then discussed in EMCO and SPC via a series of *Social Convergence Reviews*.⁷

Following the entry into force of Regulation 2024/2163⁸, in 2025, the Committees also discussed for the first time the employment and social aspects of the new *Medium-Term Fiscal Structural Plans* (MTFSPs)⁹ and the related *Annual Progress Reports* (APRs)¹⁰ prepared by the Member States. In cooperation with the ECOFIN Committees, EMCO and SPC also contributed to the preparation of the Council Recommendations endorsing the MTFSPs.¹¹

Section 1 of this Opinion contains the Committees' overall views on the governance aspects of the European Semester. **Section 2** contains reflections on the 2025 CSR proposals adopted by the Commission and presented to EMCO and SPC on 5 June 2025. **Section 3** contains the outcome of the examination of Member States' progress towards the implementation of the relevant 2024 CSRs and of the findings of the Social Convergence Framework, in the form of thematic messages arising from the multilateral surveillance reviews conducted by the Committees. Country-specific conclusions are enclosed as **annexes**.

⁶ The design and features of the Social Convergence Framework are described in 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 a dedicated EMCO-SPC Working Group active between October 2022 and May 2023.

⁷ The Commission published the second-stage analysis via a [Staff Working Document](#) on 11 April. The reviews were conducted by EMCO and SPC on 13 May (see Section 3.1).

⁸ [Regulation \(EU\) 2024/1263](#) of 29 April 2024 on the effective coordination of economic policies and on multilateral budgetary surveillance and repealing Council Regulation (EC) No 1466/97.

⁹ The Medium-Term Fiscal-Structural Plans are published [at this link](#).

¹⁰ The 2025 Annual Progress Reports are published [at this link](#).

¹¹ The recommendations are proposed by the Commission and adopted at ECOFIN Council meetings.

Section 1

Governance aspects of the European Semester

The 2025 European Semester cycle marked the first year of implementation of the new EU economic governance framework, in which the European Pillar of Social Rights remains one of the common priorities of the Union. In line with previous calls¹², the Committees welcomed the establishment of a more integrated approach to economic, fiscal, employment and social policies, including through strengthened cooperation between the EPSCO and ECOFIN *filières* of the Council. The 2025 Semester cycle recognised that employment, skills and education, and social priorities are essential for delivering on the principles of the Pillar, and at the same time one of the key horizontal enablers for strengthening the Union's competitiveness and sustainable and inclusive growth. In this context, EMCO and SPC discussed the relevant aspects of the first round of MTFSPs submitted by the Member States, contributed to the preparation of the Council recommendations endorsing their content, and discussed the related content of the APRs. The medium-term plans place a strong focus on employment, skills and education, and social policies, with a large share of the measures justifying an extension of the fiscal adjustment path falling in these domains due to their expected positive impact on economic growth.¹³ Building on the extensive reflections held between 2023 and 2024 on the economic effects of labour market, skills and social policies¹⁴, the Committees look forward to being consulted on the design and mandate of a dedicated 'knowledge hub' by the Commission. This initiative can further help foster a shared understanding of how employment, skills and education, and social reforms and investments contribute to both social progress and sustainable and inclusive economic growth.

¹² See the [Opinion on the value added of social investment and the role of the EPSCO Council filière in the governance of the European Semester](#) (Paragraphs 8, 9 and 11) endorsed by the Council in November 2023 and the [Opinion on the future policy priorities for the Union on the European Pillar of Social Rights](#) (Paragraphs 16 and 17), endorsed by the Council in March 2024.

¹³ See the [letter from the Chairs of the Employment Committee and the Social Protection Committee to the EPSCO Ministers](#), dated 26 February.

¹⁴ These 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).

In relation to the employment and social dimension of the Semester, throughout the 2025 cycle, the Committees discussed the progress achieved so far towards the 2030 EU and national targets on employment, skills, and poverty and social exclusion reduction.¹⁵ While the EU is well on track to reach the 2030 headline target of at least 78% of the population in employment - with seven Member States having already achieved their national targets and the majority appearing on track - EMCO noted with concern that progress towards the EU adult learning target has been limited, with only 10 Member States reducing the gaps towards their national targets.¹⁶ At the same time, SPC acknowledged that the COVID-19 pandemic, as well as the energy crisis and the high inflation experienced in recent years have allowed for only a modest reduction in the number of people at risk of poverty or social exclusion in the EU, with only half of the Member States having made progress towards their national targets and around one third having experienced deteriorations. In May, the Committees welcomed the opportunity to further provide their views on the content of the next European Pillar of Social Rights Action Plan, complementing the views already expressed in their *Opinion on the future policy priorities for the implementation of the European Pillar of Social Rights*¹⁷ prepared in 2024.

¹⁵ The Committees presented an [Opinion on the 2030 national target setting process](#) to the Council in June 2022.

¹⁶ In this context, several EMCO members called for further reflections on the feasibility of switching from AES to LFS data (as currently planned), as well as the potential to consider on-the-job training in light of the limited progress to date and of the relevance of this kind of training in some countries.

¹⁷ See Footnote 12.

To support the identification of risks and challenges to upward social convergence, the Commission implemented the Social Convergence Framework. Following the review of the pilot implemented in 2024¹⁸, the Committees positively noted the earlier publication of the second-stage analysis by the Commission, which also allowed for better preparation of the related multilateral surveillance reviews. EMCO and SPC took note of the integration of the Framework's findings into the 2025 CSR proposals and the Country Reports, thereby supporting the identification of policy actions in order to foster upward social convergence. Some Committee members nonetheless reiterated doubts regarding the Framework's ability to comprehensively capture risks to social convergence, notably due to the timeliness of certain social indicators and the absence of some relevant policy areas in the Social Scoreboard and asked for more dialogue to ensure transparency in the process leading to the identification of countries at risk of social convergence made by the Commission. The Committees stand ready to work with the Commission to implement adjustments to improve the analysis and process.

As per standard practice, EMCO and SPC also held comprehensive discussions with the EU Social Partners and representatives of Civil Society Organisations on the policy priorities set out in the Autumn and the Spring Packages. These exchanges resulted in a constructive and substantive dialogue, which was duly considered in the preparation of this Opinion. The Committees reaffirm that the involvement of social partners, representatives of civil society, and other relevant stakeholders at all stages of the European Semester and national policymaking cycle is a key factor for the success of economic, employment, and social policy coordination and implementation. In this context, in the first half of 2025, EMCO and SPC further strengthened the involvement of social partners and civil society organisations in their activities, with a view to fostering their involvement in the identification of challenges and the formulation of relevant policy responses.¹⁹

¹⁸ See the [Assessment of the Social Convergence Framework as implemented on a pilot basis in the 2024 European Semester cycle](#), which was discussed by the Council at the EPSCO meeting on 2 December 2024.

¹⁹ During the 2025 European Semester cycle, tripartite meetings were held in the EMCO Policy Analysis Group (PAG) on 11 March - with the involvement of national social partners from all Member States - and in SPC on 11 April (with also the involvement of civil society), both to discuss the implementation of the Commission's [Action Plan on labour and skills shortages](#) published in March 2024.

Also, a joint meeting between members of EMCO and Education Committee (EDUC) took place in March upon the publication of the Union of Skills by the European Commission. In the exchange of views, Member States stressed the importance of the initiative and further investments in education and skills and discussed about its different aspects.

Finally, the Committees call upon the Commission — in close cooperation with future Council Presidencies — to establish from 2026 onwards an adequate and predictable timeline for the publication of the Spring Package. During this year's cycle, EMCO and SPC strongly voiced their dissatisfaction with the late publication of the Spring Package on 4 June, which put at risk the Treaty-based involvement of the EPSCO *filière* in the preparation and approval of the new CSRs. The delay required exceptional adjustments at both Committee and Council level, including the postponement of the EPSCO Council meeting initially foreseen for 12 June (to 19 June), and special arrangements within the Committees to ensure that EPSCO Ministers could at least approve the employment and social aspects of the new CSRs. Nonetheless, contrary to standard practice, the CSRs of shared EPSCO-ECOFIN competence could not be approved by the EPSCO Ministers and will be directly adopted at the ECOFIN Council meeting scheduled on 8 July. Moreover, the compressed timeframe for examining the employment, skills and social aspects of the CSRs risks undermining the credibility of the Semester process and negatively affecting both ownership and the quality of the final recommendations due to the limited time for genuine multilateral discussions.

Section 2

Assessment of the Commission proposals for 2025 Country-Specific Recommendations

The 2025 CSR proposals marked a shift from the “parsimonious” approach established in 2022, related to the comprehensive nature of the Recovery and Resilience Plans, to a more comprehensive set of recommendations. As last year, the Semester cycle focused on fostering competitiveness and prosperity in the Union by addressing bottlenecks to sustainable and inclusive economic growth and productivity potential. Within the remit of the EPSCO *filière*, this translated into numerous proposals for CSRs on addressing labour and skills shortages and skills mismatches, strengthening education and training systems, promoting labour market integration and effective active labour market policies, reducing disincentives to work in labour taxation and social benefit systems, and strengthening social protection and social inclusion systems. This also resulted in an approach providing key focus on improving competitiveness while upholding the social dimension of the Union to ensure that nobody is left behind.

To further incentivise employment, Member States are encouraged to further strengthen active labour market policies, including through targeted measures for those underrepresented in the labour market, and reforming tax-benefit systems. The Commission’s analysis underscores the importance of promoting job quality and better working conditions, with social dialogue and collective bargaining set to play a vital role, in accordance with national laws and/or practices. This is considered essential for removing barriers to labour market participation and contribute to Europe’s attractiveness and competitiveness, as recently highlighted also by the *EMCO Opinion on the dimensions of job quality*.²⁰

²⁰ See the [Opinion on the dimensions of job quality](#), prepared for the EPSCO Council meeting on 19 June.

The new recommendations appropriately placed a very strong emphasis on education and skills development as key drivers for a competitive and prosperous Europe, with all Member States receiving recommendations in this respect. This is further motivated by recent trends revealing a decline in basic skills performance and the slow progress in increasing adult learning participation. In this context, Member States are encouraged to expand lifelong learning opportunities, improve the recognition of skills, better align curricula and teaching methods with labour market needs, and enhance the overall quality and inclusiveness of education and training. Accordingly, several CSR proposals focus on providing more targeted education support for disadvantaged pupils and strengthening inclusive education and training, while education and skills policies should consider the growing demand for advanced and STEM skills – particularly in strategic sectors tied to innovation and the green and digital transitions – and further address current and future labour and skills shortages and mismatches.

In the fields of social inclusion and social protection, in particular for pensions, healthcare, and long-term care, the 2025 CSR proposals placed appropriate attention to both adequacy and fiscal sustainability concerns. Member States are recommended to reform their pension systems —complemented by measures aimed at prolonging working lives—and to improve the efficiency and effectiveness of other social protection and inclusion benefits. At the same time, they should broaden access to essential and social services - including healthcare, and long-term care – by also taking into account territorial disparities. In response to demographic shifts and the related increasing demand for healthcare and long-term care, a transition towards preventive, community-based approaches is considered essential. Concerning poverty, and in particular child poverty, Member States are recommended to address these challenges, also by improving the effectiveness, coverage and adequacy of social transfers and social assistance, while ensuring their fiscal sustainability. The CSR proposals also underscored where relevant developments in terms of housing affordability, which risk undermining living standards.

Despite the *ad hoc* arrangements needed to finalise the 2025 CSR proposals, EMCO and SPC ensured cooperation with the Economic Policy Committee (EPC) and the Economic and Financial Committee-Alternates (EFC-A) to allow for an effective examination of several policy issues of a cross-cutting nature. In line with the standard practice, the discussion of education, training and skills-related CSRs took place in EMCO, with the participation of delegates from the Education Committee (EDUC). Health-related CSRs were discussed in SPC, with members invited to coordinate at national level with relevant experts.

Section 3

Main findings on the implementation of the 2024 Country-Specific Recommendations and on the state of social convergence in the Union

Multilateral surveillance is one of the core tasks of EMCO and SPC within the framework of the European Semester.²¹ It entails, *inter alia*²², an in-depth assessment of the reforms, investments, and broader policy actions triggered by the CSRs issued by the Council in the previous Semester cycle. As such, the multilateral surveillance activities play an essential role in supporting Member States' policy actions through exchanges of policy knowledge and best practices and by promoting a shared understanding of country-specific challenges with a view to informing the Council.

²¹ For EMCO, the exercise is based on Art. 148 and 150 TFEU, while for SPC it is based on Art. 160 TFEU. The new [Regulation \(EU\) 2024/1263](#) confirmed EMCO and SPC among the relevant committees to be involved in the European Semester process according to their respective competences. The two Council Decisions establishing the Committees ([2015/772](#), repealing 2000/98 for EMCO; and [2015/773](#), repealing 2004/689 for SPC) also assigned them the mandate to contribute to all aspects of the European Semester in their respective domains.

²² In EMCO, the multilateral surveillance activities comprise also dedicated reviews on the implementation of certain Council Recommendations in the remit of EPSCO and addressed to all Member States. In SPC, dedicated in-depth thematic discussions are organised or joint reports are conveyed for following up on relevant Council Recommendations.

In 2025, both Committees assessed the implementation of the relevant 2024 CSRs and, in the context of the new country-specific analysis of the Social Convergence Framework, discussed and drew conclusions also on the Commission’s second-stage country analysis on social convergence. For all country-specific reviews, the evaluations were based on Member States’ reporting on the most recent measures taken, followed by assessments of those measures by other Member States and the Commission. The country-specific conclusions were mutually agreed and are annexed to this Opinion.

3.1. Horizontal findings from EMCO and SPC on upward social convergence

On 13 May 2025, EMCO and SPC conducted a series of “Social Convergence Reviews” on the basis of the analysis of upward social convergence by the Commission in line with the Social Convergence Framework. This country-specific analysis contributes to the monitoring of employment, skills and social policy developments in the European Semester, in line with Art. 148 TFEU. It also supports the national implementation of the principles of the European Pillar of Social Rights and the achievement of the 2030 EU headline and national targets on employment, skills and poverty reduction, with due regard for respective competences and the principles of subsidiarity and proportionality. The reviews covered the risks and challenges to upward social convergence faced by the Member States analysed in the Commission’s second-stage country analysis on social convergence published on 11 April²³, as well as the implementation of the 2024 CSRs issued to these Member States, where relevant.

²³ See the [Commission’s second-stage country analysis on social convergence in line with the Social Convergence Framework \(SCF\)](#).

- In a context of strong and resilient labour markets, the 2025 second-stage analysis of the Social Convergence Framework highlighted **challenges in particular in the areas of social protection and inclusion** due to some deteriorating patterns, and in the area of education and skills. Labour market challenges, however, also persist, notably those related to gaps in the participation and employment rates of specific groups (women, young people, persons with disabilities, third-country nationals), sizeable skills and labour shortages, as well as regional disparities affecting some Member States. Overall, belonging to a population group in a vulnerable situation too often remains a strong predictor of educational and labour market outcomes.
- Some Member States face challenges related to persistently **high risks of poverty or social exclusion** - especially for some groups - difficulties in setting up efficient social protection systems that effectively address poverty risks, and high income inequalities, particularly in light of the high inflation experienced in recent years, which has inevitably had a greater impact on low-income and jobless households. Child poverty rates also remain generally high, making it crucial to fully implement the European Child Guarantee. Other Member States continue to face challenges in improving access to affordable healthcare and long-term care services, which is particularly critical in the light of population ageing. Ensuring access to high-quality active inclusion measures - integrated with access to essential and social services - should remain a priority in many Member States, including with a view to reducing inequalities among population groups and across regions, and to strengthening social cohesion. In recent years, reforms and investments have been planned or implemented, especially with the aims of increasing labour market activation and the adequacy of social benefits and pensions, as well as expanding access to affordable healthcare and long-term care systems. Potential trade-offs between adequate financing and the sustainability of social protection and social security systems remain highly relevant in this context, pointing to the need for effective and efficient tax and benefit system design.

- **Participation of adults in training** remains low and well below the 2030 EU - and, in many cases, also the national - targets. Continuing efforts to improve the quality and equity of education and training systems and to strengthen basic skills appears urgent, also with a view to tackling persistent disparities in educational outcomes and skills levels related to socioeconomic conditions. In this context, individuals with low skills remain the least likely to engage in training activities and, consequently, to benefit from the green and digital transitions. Challenges also persist in addressing early leaving from education and training, with only slow progress observed in this respect. Enhancing the capacity to deliver well-designed and better-targeted **active labour market policies**, combined with other enabling services, remains vital to empower people in vulnerable situations and from underrepresented groups, and to equip them with the skills needed to enter, remain and progress in the labour market, also in light of the green and digital transformations.
- The commitment of Member States to address specific challenges in the domain of education and skills is evident, with many reforms and ongoing programmes being implemented - also through the European Social Fund+ (ESF+) and the Recovery and Resilience Facility (RRF) - to raise levels of basic and digital skills, and to reform vocational education and training as well as higher education systems. Similarly, measures are being introduced to strengthen the integration of NEETs and persons with disabilities into the labour market, including through the continued implementation of the Youth Guarantee, and through incentives and information campaigns for employers. Yet, many of these measures are at an early stage of implementation, and outcomes have yet to materialise. The reviews also highlighted the continued importance of using robust monitoring tools and conducting impact assessments to **evaluate the effectiveness of policies** and identify any necessary adjustments, including during implementation.

3.2. Horizontal findings from EMCO

On 19 March, the Employment Committee held its annual review on education and skills aimed at assessing progress towards the implementation of the relevant CSRs and at addressing emerging challenges identified in the Employment Performance Monitor and the Social Scoreboard. A thematic discussion took place based on the main findings of the 2025 Joint Employment Report. In addition, on 18 March, a joint meeting of the Employment Committee and the Education Committee took place to exchange views on the Commission Communication on the Union of Skills, the STEM Education Strategic Action Plan and the Action Plan on Basic Skills, as well as to discuss case studies on the use of artificial intelligence in education and training systems.

- **Labour and skills shortages** across EU countries slightly declined in 2024 but remain high, especially in some key sectors for the green and digital transitions, such as STEM sectors, as well as those most impacted by an ageing population, such as the care sector. In a context of slowing economies but strong labour markets, the persistence of labour and skills shortages clearly indicates that structural skills mismatches affect EU labour markets.
- The EU is far from reaching the **2030 adult learning target**, with only three Member States having already achieved their national targets and many more lagging behind. Substantial and accelerated efforts are therefore required to reach the target by 2030. Policies should in particular aim to improve participation in adult learning for those outside the labour market, those with low and medium educational attainment and those aged over 55, who are currently participating less in training.
- Limited progress has been made at EU level related to **digital skills**, with slightly more than half of the European citizens aged 16-74 having at least basic digital skills in 2023. Yet, significant disparities are recorded between Member States and proficiency in digital skills has worryingly declined among young people.

- Enrolment in **early childhood education and care** has grown in the last decade and seven Member States have reached the 2030 target. Yet, significant disparities persist across EU countries as well as between socio-demographic groups, with those from disadvantaged socio-economic backgrounds and people living in remote areas particularly impacted.
- **Basic skills** are worryingly deteriorating, with the share of underachievers in reading, math and science increasing in most Member States. Disadvantaged socio-economic background remains the main predictor of underperformance, with the gap with advantaged students widening. The quality of education is challenged by persisting teacher shortages, which are more severe in STEM fields and in disadvantaged schools.
- On the other hand, the EU is on track to reach the **tertiary education attainment target**, yet the issue remains to improve the labour market relevance of higher education to address skills shortages in several fields and address gender gaps. This is particularly relevant for STEM fields, where girls continue to be underrepresented. In this context, Member States continue to show high levels of commitment to tackle the challenges they face related to improving education outcomes and equity, better aligning curricula with labour market needs, developing skills of the labour force and increasing adult participation in learning. Several Member States have launched major reforms, including the modernisation of the curricula and strengthening the teaching profession, but their impact is yet to be seen.
- Measures are also implemented across the board to further **expand the availability of upskilling and reskilling programmes, enhance targeted support for jobseekers and adapt VET curricula to labour market needs**. Yet, there is in many cases the need to intensify these efforts, and step up policies to foster labour mobility, attract skilled third-country nationals, tackle the deterioration of basic and digital skills and, where relevant, address the increasing shortage of teachers.

- The strong causal link between socio-economic background and low education outcomes, reduced participation in training and learning activities and poor labour market perspectives call for intensified efforts by the EU and Member States in ensuring **access to quality education and training** since early age for everyone.
- **In-depth impact assessment** of the measures implemented to address the challenges faced by Member States is key, with a view to the continuation of those that are most successful beyond the expiration terms of ESF+ and RRF, which currently finance the vast majority of them.

On 2-3 April, EMCO held its annual review on Active Labour Market Policies (ALMPs), Labour Taxation, and Labour Market Segmentation, aimed at assessing progress towards the implementation of relevant CSRs, as well as addressing emerging challenges identified in the Employment Performance Monitor and the Social Scoreboard. In addition to country-specific reviews, a thematic discussion took place based on the main findings of the 2025 Joint Employment Report. The Vice-Chair of the PES Network was also invited to update the Employment Committee on the activities of the Public Employment Services in the Member States.

- While the labour market remained strong in 2024, there is still room to unlock the **employment potential of people from disadvantaged groups**, who continue to face challenges in entering and remaining in the labour market. This is particularly important for addressing the still high level of labour shortages and, in the longer term, offsetting the decline in the working-age population due to demographic trends.
- While Member States are intensifying efforts to better target active labour market policies, including through employment subsidies, and strengthening the capacity and service delivery of Public Employment Services, **ALMP spending** remains low in some countries.
- **Gender differences** are also observed, with women being less likely to participate in activation measures. Increased efforts are needed to expand ALMP coverage, notably for people in vulnerable situations and disadvantaged groups.

- Involuntary temporary and part-time employment, undeclared work, bogus self-employment, and new forms of work continue to contribute to **labour market segmentation**, impacting gaps in access to social protection, career development and skills development opportunities.
- While the **share of temporary employment** decreased in 2024, low transition rates towards open-ended contracts and a high share of involuntary temporary employees remain matters of concern in many Member States.
- The **reduction in involuntary part-time employment** in almost all EU countries is positively noted. Nevertheless, in some Member States, it still affects more than 40% of people working a reduced number of hours, particularly women.
- A broad commitment is observed to address institutional factors, including **taxation and employment protection legislation**, which often drive labour market segmentation and to incentivise transitions towards open-ended contracts. Measures are also being implemented to integrate new forms of work, such as hybrid and remote working, into legislation.
- Large room for improvement remains in many Member States in **shifting taxation away from labour towards other tax bases** and reviewing the design of tax-benefit systems to increase labour market participation and incentivise longer working hours.
- The **design of tax and benefit systems** still needs to be improved in many European countries, where significant disincentives to work persist for inactive people, unemployed persons, low-wage earners and second earners. This poor design is also one of the factors behind gender disparities in the labour market, strongly influencing working choices within households, particularly those of second earners.
- In addition, as **care responsibilities** often disproportionately fall on women, gender employment gaps in many countries are driven by the lack of adequate early childhood education and long-term care services.

3.3. Horizontal findings from SPC

During the 2025 Semester cycle, the Committee conducted 11 reviews of country-specific recommendations (CSRs) on 10-11 April in policy areas under its competence, addressing specific challenges in the fields of pensions, healthcare, long-term care and social protection and social inclusion. All country-specific reviews were based on Member States' reporting on the most recent measures taken, followed by assessments of those measures by other Member States and the Commission. The country specific reviews were complemented by various horizontal elements of the multilateral surveillance exercise, benefitting from the corresponding thematic discussions organized in the SPC meetings. In this context the SPC held an in-depth thematic discussion at its March meeting on “integration of policies supporting older persons economic activity”, in relation with pension policy. At its April meeting of the committee, a tripartite discussion was organized for reviewing the implementation of the 2024 Action Plan on Labour and Skills Shortages in the EU. The discussion focused on two areas, corresponding to social protection and social inclusion, long term care and healthcare challenges, namely by exchanging views on policy developments for supporting activation of underrepresented groups, and tackling labour shortages in the long-term care and healthcare sectors. The horizontal findings rely on the workshops of the country reviews and the conclusions of the referred thematic discussions.

The discussions concluded that concerning active ageing, Member States applied policy responses covering

- **Incentives to extend working lives**/improving incentives to defer retirement, through improved accrual rates + additional bonuses/ pension benefits for older workers remaining in the labour market beyond the statutory retirement age.

- **Flexible options toward retirement:** the possibility of combining income from employment with pension benefits and facilitating gradual access to retirement, through gradual reduction of working hours or transition to part-time work in the years leading up to retirement.
- **Adjusted thresholds** under which additional income will not affect pension payments to remove barriers for combination of income from work with pensions, as discouraged by the full taxation of additional income or the full payment of social insurance contributions.
- **Labour market training and qualification** support within the context of active labour market policies to unemployed older workers and to older workers threatened by redundancy and as part of regular upskilling provision throughout the life course.
- **Wage subsidies and subsidised employment** supporting the re-integration of older workers, and return-to-work schemes to reduce risks to early labour market exit due to long spells of absence from work due to health issues.
- **Sustainable workplace practices** tackling barriers to the participation of older workers in multiple areas: workplace facilitators, digital skills/use of digital technologies, hybrid and tele-work, HR practices and smart age management, beside targeted measures to address age discrimination and promote equitable treatment of older workers.
- **Social dialogue and collective bargaining** enhancing the right of older workers beyond legal minima, including protection from dismissal, promotion of workplace safety and reduced physical and psychosocial risks, the provision of additional annual leave days, seniority-based salaries and additional rights to carers' leave.

In general, the discussion on active ageing concluded that

- **Changing the narrative and mindset** concerning the ageing population is fundamental—both for individual decisions and for effective policy measures. Older persons, given their better health and higher life expectancy, should be perceived as valuable assets rather than a burden to society.
- The mindset should be changed both for **individual decisions and for effective policy measures**. At the individual level, older people's self-awareness and self-perception of capabilities should be strengthened, via tailor made upskilling and reskilling policies to better adapt to the changing labour market and digital environment.
- Concerning the notably highlighted **health-related challenges**, prevention of work incapacity, workplace adaptations, and policies ensuring successful return to work after prolonged illness are essential.
- **Incentives to extend working life** should take into account the varied capabilities of different occupational groups. That implies the perception of retirement as a process and the necessity to adjust retirement pathways for different career profiles.
- To **exploit the untapped potential for people in the age group 60-64** to increase their employment, especially among women, measures should address needs concerning care responsibilities, such as for instance: flexible working hours, partial pension arrangements, and facilitating reintegration following caregiving breaks.
- The **'policy package'** should integrate pension, targeted active labour market, social and gender equality policies, tailor made company policies and practices, including workplace-based age and preventive health management, social partner activities, and provision of health and care services.

Concerning the challenges for labour shortages, Member States implement policy measures to

- **Enhance coordination with relevant service providers** and facilitate access to enabling and essential services for minimum income beneficiaries. For instance, gateway or one-stop shop structures between Public Employment Service (PES) and authorities providing benefits (national social security/assistance institutes) have been established for jobseekers and people experiencing social and professional integration challenges. In other cases, the PES have enhanced their cooperation at regional and national levels, strengthening partnerships with municipalities, NGOs, and service providers, such as health care centers.
- **Strengthen social support schemes concerning access to enabling and essential services**, with improved access to education and training opportunities, career guidance and social counselling, including budgetary advice to prevent indebtedness. Some Member States have introduced provisions to increase flexibility in combining employment with social benefits under certain conditions, while others have adopted or are planning measures to improve work incentives for minimum income recipients.

It was concluded that

- **For active inclusion**, the focus on **coordinated approaches** was confirmed, cooperation and integration of the Public Employment Services with other (social) service providers for the provision of integrated and personalized support is key.
- Activation is relevant not only for its economic rationale, but also for social cohesion.
- Minimum income should **not create a poverty trap** and there is a need for supportive employment services and targeted training, provided in cooperation with social partners.
- It is important to **combat stereotypes** to ensure the activation of women, people with a migrant background and Roma people.
- Finally, the interventions highlighted that transitions from unemployment and inactivity should lead to employment in **quality jobs, with income security**, while avoiding precariousness and in-work poverty.

- **In the long-term care and health care sectors**, the importance of **adequate and sustainable staffing** is key, among others focusing on improved wages and also other measures for physical and mental well-being.
- Addressing shortages in the concerned sectors calls interventions to **attract young people** in the sector, with targeted initial education and training, while the existing labour force should also receive relevant targeted and continuous up- and re-skilling, with a great emphasis on digital skills.
- Nursing is physically very demanding, which increases the risk of occupational illnesses, including musculoskeletal and psychological disorders. Therefore, policies, in particular **health and safety** should aim for a preventive approach.
- The **investment needs** in the sectors are essential: small pilots should be scaled up and the potential of new technologies and innovations (such as digital medical devices and telecare) should be fully exploited.
- **Territorial inequalities** in the access to services represent a challenge to be addressed by appropriate measures. Member States reported on several innovative approaches, for example practices of mobile clinics, telemedicine, reallocation of tasks from doctors to pharmacists and nurses.

Annexes:

1. Country-specific conclusions of the 2025 EMCO-SPC Social Convergence Reviews.
2. Country-specific conclusions of the 2025 EMCO multilateral surveillance reviews.
3. Country-specific conclusions of the 2025 SPC multilateral implementation reviews.