#

# European Disability Forum

# **EU Semester Country-Specific Recommendations 2022:What do they say about disability?**

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## **Introduction**

On Monday the 23rd of May, the European Commission released its Country Specific Recommendations (CSRs) as part of the European Semester Process. Each year EDF works hard to get the Commission to recommend that the Member States take more action on the rights of persons with disabilities.

This year the recommendations have focused a lot on matters related with the energetic crisis, Green and Digital transitions, the war in Ukraine and recovery from COVID 19, while the Commission has relied mainly on the National Recovery and Resilience Plans to cover the main problems found in each country. However, the disability aspect is still present, at times together with other vulnerable groups, or directly as group a need of response given the great impact of the crises. Here we will analyse what was said about disability, or indeed what is relevant to persons with disabilities, in the recommendations for each member State. We will also provide our general reaction the CSRs and discuss what this could mean for persons with disabilities in the EU.

## **What is the European Semester?**

The EU Semester is an annual cycle where the European Commission analyses poor performance on certain policy issues (primarily economic and social) in the Member States. The Commission then delivers recommendations to the Member States explaining how they can align their policies with the objectives and rules agreed at the EU level, which they are expected to act upon.

## **What are the Country-Specific Recommendations?**

The document delivering the final recommendations to each Member State is called the “Country-Specific Recommendations” (CSR). The recommendations focus on what can realistically be achieved over the next 12-18 months.

The recommendations adapt priorities identified at EU level (in the Commission's [Annual Sustainable Growth Strategy](https://ec.europa.eu/info/publications/2022-european-semester-annual-sustainable-growth-survey_en)) to the national level.

The recommendations are discussed among the governments in the Council, endorsed by EU leaders at a summit in June and formally adopted by the national finance ministers in July.

These documents are made up of a long recital, listing the issues the Commission has observed in the Member State. They conclude with between two and five recommendations, calling for specific action to be taken.

The Country-Specific Recommendations are preceded by Country Reports, more detailed analysis on the general economic and social context of each Member State.

## What do this year’s Country-Specific Recommendations say about disability?

In 2022, the gradual tendency towards increasing focus on disability issues has continued through the Country Analysis, where every Member State now has specific analysis and measures raised for disability, but stopped in the CSRs. In total, only 6 CSRs made a specific reference to persons with disabilities, compared to the 20 cases in 2020. These are Belgium, Estonia, Hungary, Latvia, the Netherlands and Poland.

The disability issues covered, both through the Country Analysis and the CSRs, were mainly about:

1. Employment of persons with disabilities
2. Poverty and social inclusion of persons with disabilities
3. Social services, de-institutionalisation and community-care
4. Social protection for persons with disabilities
5. Education, training and labour-related skills

## **What are our thoughts on this year’s CSRs?**

The 2022 CSRs have taken a different focus to the traditional scheme, as it happened last two years, given the serious challenges brought about by the COVID 19 pandemic, the Ukraine war, and the implementation of the National Recovery and Resilience Plans (NRRPs). This situation has overlapped the process started with the launch of the European Pillar of Social Rights, which included a higher level of analysis of the social indicators reflecting the socioeconomic reality of each Member State within the European Semester course.

As the last two years, we are glad to see that the Commission has acknowledged some of the ways in which persons with disabilities have been particularly affected by these crises. However, the focus is, almost exclusively, on implementing the NRRPs, on aspects related to energetic costs and dependence, green transition, as well as in adapting the institutions, instruments, employment market, social services and general socioeconomic contexts to support Ukrainian refugees – nevertheless, not mentioning the inclusion of refugees with disabilities-.

We welcome that there are considerably larger and better analysis and direct references to persons with disabilities, in areas such as employment, de-institutionalisation – this aspect, in particular, has been placed transversally throughout the Country Reports, which is a great advance - poverty, social protection and services. However, these are considered within the Country Reports, as they explain the coverage of the National Recovery and Resilience Plans, but scarcely in the Country-Specific Recommendations. This is excused by the Commission by reflecting that, this year, it relies on programmes and projects based on the National Recovery and Resilience Plans to cover most social and disability-related aspects, and expects Member States to implement them properly for the solution of these problems next years.

Nevertheless, we believe this approach is insufficient, given the highly important problems related to the situation of persons with disabilities suffered in many Member States.

About the general contents of the recommendations which are relevant, but not directly attached to the disability sector, every member state is required to close the 2021-2027 cohesion policy programming documents and subsequent launch of their implementation, together with the execution of the NRRPs. In this regard, recommendations from 2019 and 2020 are still active, and every Member State must take them into account and consider them. Also, the systematic involvement of social partners and other relevant stakeholders for this implementation is requested for every Member States, which includes the participation of DPOs.

Push for investment in the Green and Digital transitions, and use of the Just Transition Mechanism to cover resultant socioeconomic inequalities are other common requests. As well, there is a general recommendation of higher use of the European Social Fund Plus to cover the main socioeconomic inequalities found throughout the Country Report and Country-Specific Recommendations, in particular in terms of employment and education. One transversal area of interest from the disability perspective is the effort placed in tackling energy related poverty for the most vulnerable, a transversal recommendation.

Beside these general points, disability is mentioned twice in the [Communication on the main elements of the European Semester Spring Package](https://ec.europa.eu/info/publications/2022-european-semester-spring-package-communication_en), which gives a general impression on the socioeconomic situation of the EU:

* The COVID-19 pandemic has affected different population groups and regions unevenly and revealed underlying vulnerabilities and inequalities. Thanks to a prompt policy response, overall income inequalities and the risk of poverty or social exclusion remained broadly stable between 2019 and 2020 in most Member States. However, the mid-term effects of the pandemic on poverty and inequality remain uncertain. The COVID-19 crisis has disproportionately hit some regions, sectors and population groups that were already facing worse employment and social conditions, notably: the youth, low-skilled and temporary workers, **persons with disabilities**, people with a migrant background and the Roma. It also broadened educational inequalities and skill gaps and has shown the importance of ensuring access to quality education at all levels, as well as adequate coverage by social safety nets and short-time work schemes, including those supported by the European Social Fund and SURE, which helped preserve employment. The access to, adequacy and effectiveness of social benefits vary among Member States, pointing to inefficiencies in the social protection systems. Increasing the availability of affordable and social housing is warranted in a number of Member States. The pandemic has also highlighted how essential it is to have effective, resilient and sustainable healthcare systems. Several Member States still face the challenge of improving the resilience, quality and accessibility of their healthcare and long-term care systems, including the need to address shortages in the health workforce, while ensuring their long-term fiscal sustainability.
* In the context of labour shortages and persistent employment gaps, increasing the labour market participation of women, including by enhancing access to early childhood education and care, and underrepresented groups, such as **persons with disabilities** migrants and the Roma, still represents a major opportunity for inclusive and sustainable growth and equality.

## **Relevant points for each Member State**

Below we have analysed the Country Specific Recommendation and the Country Reports of each Member State. We have taken directly from the text all points that either refer directly to persons with disabilities or refer to issues that affect them. When they touch upon disability-related issues, we have also added the actual recommendations for action to be taken by the Member States. As you will see, for some Member States there is a lot in the CSRs and in the Country Reports that we consider important for persons with disabilities, whereas for others there is relatively little to report on. The wording below has been lifted directly from the documents using the Commission’s own wording.

You can find the full CSRs for each country [by clicking here](https://ec.europa.eu/info/publications/2022-european-semester-country-specific-recommendations-commission-recommendations_en), and the Country Reports are available [through this other link](https://ec.europa.eu/info/publications/2022-european-semester-country-reports_en).

## Austria

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 20,5
* The many people with disabilities that are living in institutions remains a challenge, calling for an effective deinstitutionalisation strategy. This deinstitutionalisation strategy should include community-based services fostering inclusive education, employment and independent living facilities.
* Austria’s RRP invests in a wide range of digital areas, especially in connectivity and human capital, with a focus on digitalisation in education and the upskilling and reskilling of vulnerable groups.

### Relevant points raised in the recitals of the CSR

* Several disadvantaged groups could be better integrated into the labour market, in particular low-skilled and older workers, and workers with a migrant background. (…) The ‘Promoting re-skilling and up-skilling’ measures of Austria’s recovery and resilience plan will address these challenges by supporting training for low-skilled workers and the long-term unemployed. At the same time, the planned measures do not fully address the underlying participation problem among people with a migrant background and low-skilled workers. Moreover, education outcomes for these groups need to be improved much earlier in life. There remains a need for additional retraining and lifelong learning opportunities for workers of all ages.

### Recommendations on social issues

* Boost labour market participation of women, including by enhancing quality childcare service and improve labour market outcomes for disadvantaged groups.

## Belgium

### Relevant points raised in the Country Report

* In 2021, the employment rate continues to be below the EU average (70.6% vs 73.1%). Poor labour market outcomes, especially for vulnerable groups (Low-skilled, people with a migrant background (in particular non-EU born women) and people with disabilities), are linked to financial disincentives to work, limited effectiveness of activation measures to help the jobless find work, lack of appropriate skills, low attractiveness of some low-skilled professions in terms of working conditions, discrimination and a low effective pension age.
* More than one out of three young adults with disabilities do not finish secondary education and their limited participation in higher education is one of the reasons for their low employment rate. Important education reforms are underway in the French Community but some of them were delayed by the COVID-19 crisis (Pact for excellence). Also, the Flemish Community is taking measures to improve the quality of compulsory education, notably for vulnerable pupils.
* The disability employment gap has increased, reaching 36.3 percentage points, which is well above the EU average of 24.3 percentage points. At the same time, increasing labour demand is reflected in the currently record high vacancy rate. Disincentives to work stemming from the tax and benefit systems, and low effectiveness of activation measures, in particular for vulnerable groups, hold back labour market participation. To enhance labour market integration, the recovery and resilience plan (RRP) foresees an increased provision of personalised support to vulnerable jobseekers in Wallonia and further digitalisation of the public employment services in Brussels and Flanders. The European Social Fund Plus (ESF+) complements these reforms with investment in active social inclusion measures that targets people far from the labour market.
* Strengthening active social inclusion is important for Belgium to contribute to reaching the 2030 EU headline target on poverty reduction. The national RRP includes several measures to boost the employability of the most vulnerable, including by reducing digital inequalities. Furthermore, it includes investment in childcare and social housing, including for persons with disabilities. The ESF+ will complement these investments with actions to support deinstitutionalisation of persons with disabilities Wallonia.
* The share of people at risk of poverty or social exclusion in 2020 was significantly higher for low-skilled adults (37.9%), adults with a migrant (non-EU) background (46.5%) and persons with disabilities (31.9%) relative to the overall population (20.3%), suggesting a strong correlation between lower employment rates and the prevalence of poverty.

### Relevant points raised in the recitals of the CSR

* The Belgian recovery and resilience plan also includes several measures to address labour market challenges and strengthen the social and labour market integration of vulnerable groups, such as people with a migrant background, women, youth, people with disabilities and people at risk of digital exclusion.
* The gap in educational outcomes is closely linked to students’ socio-economic and migrant background and is among the largest in the EU, leading to inequalities in education. More than one in three young adults with disabilities do not finish secondary education.

### Recommendations on social issues

* Address labour shortages and skills mismatches, notably by improving the performance and inclusiveness of the education and training system, enhancing the quality and labour market relevance of the vocational education and training and developing more flexible and attractive career paths and training for teachers.

## Bulgaria

### Relevant points raised in the Country Report

* While the labour market seems to be recovering quickly in the wake of the pandemic, the share of the population at risk of poverty or social exclusion remains high (33.6% in 2020). Vulnerable groups, such as older people, Roma and people with disabilities, are disproportionately at risk of poverty
* REACT-EU gives Bulgaria support for school education and healthcare to help it deal with the effects of the COVID-19 pandemic, as well as helping SMEs with working capital and increase their energy efficiency, contributes to the short-time work schemes, provides food to the most deprived and home care for elderly and disabled people.
* The disability employment gap is well above the EU average (33 pps vs 24.3 pps), with an employment rate of people with disabilities of 43.1% in 2020, compared to 76.1% for those without. In 2020, only 47% of Roma were engaged in any form of paid work. These figures point to the need for strengthening the provision of more tailored active labour market policies for vulnerable and underrepresented groups (e.g. people with disabilities and Roma), while taking into account the significant regional differences in labour market outcomes.
* Bulgaria’s RRP includes measures to address a series of its structural challenges: (…) Improving access to healthcare and supporting the deinstitutionalisation of care.

### Relevant points raised in the recitals of the CSR

* The recovery and resilience plan addresses the country-specific recommendations in the social field with measures to improve social inclusion, which are expected to improve the adequacy and coverage of the minimum income scheme, and with measures to move forward the integration of employment and social services. Other measures addressing the country-specific recommendations focus on skills acquisition – in particular digital skills – on improving the labour market relevance of the education and lifelong learning systems and on widening the offer of healthcare services across Bulgaria.

## Croatia

### Relevant points raised in the Country Report

* The employment rate of people with disabilities is one of the lowest in the EU (36.9% in 20 20) and the disability employment gap remains high (32.9 pps in 2020), well above the EU average (24.5 pps). This is a clear indication of the need for Croatia to tackle discrimination, by ensuring necessary workplace adaptations, and assessing the performance of the quota system in the open labour market
* The share of the population at risk of poverty or social exclusion (AROPE) has been steadily declining in Croatia and is currently slightly below the EU average, but vulnerabilities in the social protection system are still pronounced. The AROPE rate of older people is still high (32.4% against 20.3% in the EU in 2020), especially women, and people with disabilities.
* Croatia is facing very rapid demographic ageing, also linked to continued emigration, which will result in challenges for the pension, healthcare and long-term care systems. The aggregate replacement ratio (ARR), 39% in 2020 is still among the lowest in the EU. By tackling these challenges, Croatia will contribute to achieving the 2030 EU headline target for reducing the number of people at risk of poverty or social exclusion. Various RRP and cohesion policy funds measures could help with this, as well as helping to support the development of social services, promote deinstitutionalisation and ease the transition to family and community-based care.
* The reduction of poverty and integration of vulnerable groups is being tackled by developing family and community-based services. Policies aimed specifically at integrating and activating vulnerable groups will be improved by enhancing the capacity of the Public Employment Service. Reforms aim to support the process of deinstitutionalization for vulnerable groups and transition to community-based long-term care, the creation of harmonised quality standards in specific services, and the strengthening of social mentoring services. In parallel, investment in infrastructure, equipment and capacities will ensure a better access to institutional care for the persons whose well-being depends on it.

### Relevant points raised in the recitals of the CSR

* The recovery and resilience plan addresses the country-specific recommendations with reforms to reinforce the budgetary framework, active labour market policy measures and an education reform to improve access to education and the quality and labour-market relevance of education.

## Cyprus

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 23,5
* Poor digital literacy continues to negatively affect people’s employability: In 2021, 50% of the population had basic digital skills, which is below the EU average of 54%. The early school leaving rate in Cyprus increased to 10.2% in 2021, which is above the EU average of 9.7%, and is particularly high amongst non-EU born people and people with disabilities. Thus, greater efforts on inclusiveness are required in education in general, and notably in tertiary education.
* Although the at-risk-of-poverty-or-social-exclusion (AROPE) rate is relatively low in Cyprus, it remains higher than the EU average among people with disabilities (33.3% vs EU 28.9% in 2020). To foster equal opportunities and social inclusion, the ESF+ will support measures to restructure social welfare services in Cyprus, and to establish a new network of social inclusion services for people with disabilities. These measures will also be key to reaching the 2030 EU headline target on poverty reduction.
* In 2019, Cyprus had one of the highest proportions of 65+ women with a severe level of difficulty with personal care or household activities (94.7% vs EU 78.1%), yet long-term care attracts low levels of public funding at 0.3% of GDP (2019). Furthermore, staff shortages pose a challenge, including for the health system (the density of nurses is 5.2 per 1 000 population, well below the EU average of 8.4). Cyprus’ RRP and ESF+ operational programme will help address this problem by supporting long-term care for older people and people with disabilities.
* The RRP includes measures to support access to essential services, alleviate energy poverty (including via the reduction of energy and water bills), and make housing more affordable. The plan also includes targeted investments to improve the living conditions and energy efficiency of households for people living in poverty, as well as for persons with disabilities. Moreover, investments in reskilling and upskilling are expected to strengthen the green and digital skills of the population, particularly those of the unemployed, women and vulnerable groups

## Czechia

### Relevant points raised in the Country Report

* Improving the relatively low labour market outcomes for vulnerable groups, such as Roma people and people with low levels of skills, would help support the implementation of the European Pillar of Social Rights and reach the 2030 EU headline target on employment.
* Measures to address the fiscal sustainability of pension system will be needed to address the increasing pressures on public finances. These measures could include: adjusting the retirement age in line with the increase in life expectancy; incentivising the increase in participation rates of people over 60 (where these are below EU average); adjusting pension indexation rates to take into consideration the fiscal sustainability of the pension system or taking measures to increase labour supply. These measures could include, for example, supporting flexible/part-time work arrangements for young people and elderly workers, strengthening the labour market integration of women with young children and of vulnerable groups such as Roma people or people with disabilities, and facilitating migration and refugees’ integration.
* Disability employment gap (ratio) (2020)- 25,6
* The de-institutionalisation strategy currently being developed will be an important tool to comprehensively link social and health services, including concrete actions to develop community- and family-based social services.

### Relevant points raised in the recitals of the CSR

* Housing affordability in Czechia has been among the lowest in the EU in the past 5 years. Moreover, the low social housing stock cannot meet the demand of all low-income and vulnerable households (it accounted for 0.4% of total housing stock in 2019 versus 78% on average in the EU), and existing housing allowances are underutilised. In recent years, cohesion policy funding has supported investments in new social housing units, and the new programming period will continue to promote social inclusion, including via social housing.

### Recommendations on social issues

* Strengthen the provision of social and affordable housing, including by adopting a specific legislative framework for social housing and improved coordination between different public bodies.

## Denmark

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 18,1
* At 16.8% in 2020, the rate of people at risk of poverty or social exclusion is relatively low compared to the EU average of 21.9%, although certain groups, and in particular young people, migrants and persons with disabilities, face barriers to accessing the labour market and a higher risk of poverty.

### Relevant points raised in the recitals of the CSR

* Stimulate investment in construction of affordable housing to alleviate the most pressing needs.

## Estonia

### Relevant points raised in the Country Report

* While poverty has been gradually decreasing, it remains high in certain groups, including unemployed people, older people and people with disabilities. While performance on ‘no poverty’ (SDG 1) is close to the EU average, it could be further improved with better protection of older people, unemployed people and people with disabilities.
* In general, the share of people at risk of poverty or social exclusion continued to decrease in 2020 (22.8%), although it remained higher than the EU average (21.9%). The impact of social transfers on poverty reduction improved, and it is now close to the EU average. However, the adequacy of the minimum income is low, and the at risk of poverty or social exclusion rate for older people and for people with disabilities is one of the highest in the EU. 40.4% of people with disabilities are at risk of poverty or social exclusion, which is one of the highest rates in the EU (compared to the EU average of 28.9% in 2020)
* Estonia has taken some steps to improve social protection of older people and people with disabilities, notably by increasing pensions and unemployment benefits. However, gaps remain as regards unemployed people. Helping unemployed people find a job (e. g. through training and matching) and finding solutions in the benefit system can prevent people from falling into the poverty trap. Extending unemployment benefits coverage and relaxing the minimum criteria to qualify for these benefits can be effective to ensure the coverage of more people, in particular those with short work spells and in non-standard forms of work.
* The education system cannot keep up with the rapidly changing labour market and technological developments and companies provide limited training. The number of vocational education and training and higher education graduates with relevant skills is too low to fill job vacancies. In 2020 the rate of early leavers from education and training fell below the EU average. However, this hides significant differences: there is a higher rate for men, those in rural areas (12,3%) and amongst youth with disabilities (16.2%).
* Disability employment gap (ratio) (2020)- 20,6.
* Estonia is investing the 2014-2020 European Social Fund (ESF) in education and training to reform its education system and improve study materials and career advice to cut the number of early school leavers (EUR 227 million). It is also promoting social inclusion through better welfare and social services, such as affordable childcare and care services for older people and people with disabilities (EUR 169 million). The ESF also invested EUR 241 million for a more cohesive labour market, including EUR 157.5 million to reform the work ability system that helps people with disabilities join the labour market.

### Relevant points raised in the recitals of the CSR

* The adequacy of the social safety net has improved in Estonia but the at risk of poverty and social exclusion rate remains high for older persons, people with disabilities and unemployed people. Unemployed people are less protected from falling into poverty due to the restrictive criteria for receiving unemployment benefits, notably the thresholds for employment and income before unemployment. As a result, in 2021 only around 50% of all registered unemployed people received unemployment benefits, 37% of newly registered unemployed received unemployment insurance benefits and only 26% received the fixed unemployment allowance. Extending the unemployment benefits coverage and relaxing the minimum criteria to access unemployment benefits can be effective to increase social protection, in particular of those with short work spells and in non-standard forms of work.
* The Estonian population is ageing but the provision of long-term care is inadequate to meet demand due to deficiencies in the organisation and financing of long-term care. Fragmentation in the organisation and financing of long-term care between the social and healthcare sector and the state and local governments leads to an uneven provision of home and community services. Furthermore, the share of expenditure paid by those who need care (‘out of pocket payments’), was the second highest in the EU in 2019. Public expenditure on long-term care was only 0.4% of GDP in 2019 (compared to the EU average of 1.7%). A lack of common standards for long-term care and a shortage of care workers undermine the quality-of-service provision. Reforming long-term care by focusing on efficient and sustainable funding, access to integrated health and social services, setting quality standards, and ensuring a sufficiently large and skilled care workforce would increase the quality of life of those in need for care and reduce the high care burden on family members.

### Recommendations on social issues

* Strengthen social protection, including by extending the coverage of unemployment benefits, in particular to those with short work spells and in non-standard forms of work. Improve the affordability and quality of long-term care, in particular by ensuring its sustainable funding and integrating health and social services.

## Finland

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 19,9
* Finland is taking steps to reduce employment gaps for vulnerable groups, such as third-country nationals. To phase out the “unemployment tunnel” for older workers, there is scope to promote tailored activation measures for this group. Finland engaged in a long-term reform in this respect, in the context of its RRP. Phasing out of the additional days of unemployment allowance for older people should start in 2023. In parallel, the eligibility for disability benefits for this particular age group may need to be adjusted. The European Social Fund Plus (ESF+) investment will help the unemployed, inactive and those who face difficulties to integrate to the labour market, and support acquisition of skills through continuous learning and flexible educational paths.

### Relevant points raised in the recitals of the CSR

* Finland’s social security system provides ample coverage and effective protection against poverty, but it is also characterised by high complexity and some inherent inefficiencies. In particular, this concerns combining work income and social benefits and tackling long-term unemployment. A comprehensive reform of social security will be key to streamline the system, increase incentives to work while preserving social protection, and raise the

## France

### Relevant points raised in the Country Report

* A number of measures of the recovery and resilience plan aim to upskill and re-skill workers with a special focus on digital skills. Hiring subsidies for employers recruiting people with disabilities, young people under 26 and those on apprenticeships and work-study contracts are expected to help these groups find jobs.
* Two reforms included in the plan have already been implemented in 2021: (i) a law reforming hospital governance, which will allow for more flexibility in the organisation of hospitals and (ii) a law on social debt and autonomy, which supports the independence of the elderly and people with disabilities.
* The employment gap of people with disabilities rose by 3.9 pps to 22.8% in 2020.
* Youth-targeted measures have been implemented, including the set-up of a revamped youth guarantee instrument: since March 2022, young people under 26 or under 30 with disabilities, facing difficulties to access the labour market, can benefit from reinforced employment support during a maximum of 12 months, with an allowance to secure them during this period.
* The recovery and resilience plan (RRP) includes a range of measures such as hiring subsidies for employers recruiting people with disabilities and young people under 26, and for apprenticeships and work-study contracts.
* Equal access to education services for people with disabilities remains a challenge, calling for inclusion measures also in the context of a broader deinstitutionalisation process. Access to training for the low skilled remains comparatively lower (4.6% for ISCED 02 vs 14.9% for ISCED 38) although it is higher than the EU average and the impact of the adult learning measures already adopted should be monitored.
* The employment situation in French regions was particularly affected by sanitary measures taken at the heart of the crisis in 2020. However, these employment rates do not reflect the marked differences observed between vulnerable groups and the overall population. Such groups are overrepresented in outermost regions.

### Recommendations on social issues

* Address the shortage of skills by raising the level of basic skills, providing additional work-based learning options and improving the learning outcomes of all students, notably by adapting resources and methods to the needs of disadvantaged students and schools and by improving the working conditions and continuous training of teachers.

## Germany

### Relevant points raised in the Country Report

* Wealth and income inequality and in-work poverty are higher than the EU average. The proportion of the population at risk of poverty or social exclusion is relatively high, notably among children. Pandemic restrictions on school attendance disproportionately affected disadvantaged families and children, which risks exacerbating socio-economic inequalities
* The employment gap of people with disabilities (at 32.4 pps) widened in Germany in 2020. EU cohesion policy funds will support measures to strengthen the provision of upskilling and reskilling given their key role in matching the need of the labour market, contributing to addressing labour shortages and skills gaps. Tackling these challenges is key for Germany to contribute to reaching the 2030 EU headline target on employment.
* The share of persons with disabilities at risk of poverty or social exclusion was (at 31.5%) higher than the EU average (28.4%). To address these challenges, Germany is allocating a considerable share of European Social Fund Plus (ESF+) funding to programmes aimed at fostering social inclusion.
* Between 2015 and 2018, the proportion of underachieving pupils, as measured by PISA, increased for all tested subjects. Especially socioeconomically disadvantaged and migrant students are more affected.

## Greece

### Relevant points raised in the Country Report

* While the labour market has weathered the COVID-19 crisis well, strengthening the effectiveness of active labour market policies remains key to support employment, in particular of women, young people and vulnerable groups, such as people with a migrant background. The employment rate is increasing but still remains among the lowest in the EU for both men and women. Moreover, the gender employment gap of almost 20 pps poses a critical challenge. The disability employment gap is slightly above the EU average (27.7 pps vs 24.5 pps).
* The effectiveness of active labour market policies is hampered by the capacity constraints of the public employment service.
* There are persisting gaps in access to social protection for nonstandard forms of employment, particularly for the self-employed, while the share of population and especially children at risk of poverty or social exclusion continues to be relatively high.
* Despite having declined markedly since 2017, at 27.5%, the share of people at risk of poverty or social exclusion (AROPE) was well above the EU average (21.9%) in 2021 and energy poverty (17.1%) was more than twice as high as in the EU as a whole (8.2%) in 2020.
* Underachievement in basic skills remains high with considerable disparities by socioeconomic and migrant status. Greece has the highest shares of low achievers in the EU in all three PISA tests. Almost half of the students from the lowest socio-economic quartile lack basic skills in reading compared to almost 1 in 7 in the highest quartile.
* Strengthened social policy action is needed if Greece is to achieve the 2030 EU headline target on poverty reduction. The ESF+ will provide substantial funding for combating child poverty and further improving access to social and healthcare services.

### Relevant points raised in the recitals of the CSR

* While the recovery and resilience plan does include measures to strengthen active labour market policies, there remains scope for further action to increase the employability of young people and women, to support an inclusive labour market built on more and better jobs.

## Hungary

### Relevant points raised in the Country Report

* There is significant room to increase the employment rate of certain disadvantaged groups, such as the low-skilled, the long-term unemployed, people with disabilities, and Roma.
* The disability employment gap widened to 31.2 percentage points (pps) in 2020.
* Hungary would benefit from measures in the following areas:
	+ More integration of the most vulnerable groups in the labour market, in particular through upskilling, and extending the duration of unemployment benefits.
	+ Better adequacy of social assistance and equal access to essential services and adequate housing for all.
	+ Improved education outcomes and higher level of participation in quality mainstream education by disadvantaged groups, in particular Roma.

### Relevant points raised in the recitals of the CSR

* There is significant room to increase the employment rate of certain disadvantaged groups, such as the low-skilled, long term unemployed, persons with disabilities and Roma. These groups could be better mobilised by equipping them with skills and actively helping them to find jobs.
* The risk of poverty has decreased markedly, but many people are still unable to afford basic necessities. Material and social deprivation rates remain among the highest in the EU, especially for children. Poverty and social exclusion are concentrated in specific groups and territories

### Recommendations on social issues

* Continue the labour market integration of the most vulnerable groups, in particular through upskilling, and extend the duration of unemployment benefits. Improve the adequacy of social assistance and ensure access to essential services and adequate housing for all. Improve education outcomes and increase the participation of disadvantaged groups, in particular Roma in quality mainstream education. Improve access to quality preventive and primary care services.

## Ireland

### Relevant points raised in the Country Report

* Some vulnerable groups – especially lone parent households and persons with disabilities – are at a higher risk of poverty and social exclusion, often exacerbated by difficulties to participate in the labour market and find employment. It is particularly important to quickly integrate groups with lower employment rates into the workforce, especially inactive women, low-skilled people, lone parents and persons with disabilities.
* The ageing of the population puts Ireland’s long-term care system under considerable pressure, in terms of both accessibility and sustainability. The share of 'potential dependants’ in the population is projected to rise from 5.0% in 2019 to 5.6% by 2030 and 6.5% by 2050. In 2020, the share of inactive population due to caring responsibilities stood at 32.5%, well above the EU average (18.7%). This suggests a high level of unmet needs, especially in home care. Such unmet needs are likely to result in more expensive institutionalised care. Reforms envisaged in the context of the Sláintecare strategy include creating a framework to sustain the gradual expansion of home care services.
* While employment is already above pre-pandemic levels, it remains important to help underrepresented groups, e.g. women, people with low skills, single parents and people with disabilities, integrate into the labour market. While the rate of people living in very low work intensity households decreased in previous years, in 2020 their share was still at 11 .5%, among the highest in the EU. Furthermore, less than a third of people with disabilities were employed in 2019, with a disability employment gap of 38.6 pps recorded for 2020, which is also one of the highest in the EU.

## Italy

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 14,9
* Social services are fragmented and do not always sufficiently meet the needs, especially in the South. As social spending is concentrated on pensions, the poverty risk for older people (65+) is much lower than it is for the average population. It is especially high for children, people with disabilities and people with a migrant background.
* The proportion of early leavers from education and training remains well above the EU average (12.7% vs 9.7% in the EU in 2021, see Annex 13). Challenges remain as regards inclusiveness of and access to education for persons with disabilities
* Despite improvements, in 2020 the rate of people at risk of poverty or social exclusion was still above the EU average (24.9% vs 21.6% in the EU). It is among the highest in the EU for children and also relatively high for people with disabilities.
* The RRP aims to strengthen social inclusion and prevent marginalisation. The plan includes measures to strengthen social services and their territorial coverage, via reforms in the field of services for dependent people, expected in 2023, and for people with disabilities. The new Framework Law on Disability, adopted in December 2021, changes the disability assessment to take more multidisciplinary approach and aims to strengthen social services, promoting autonomy and de-institutionalization. In 2022, the first 500 projects are expected to adapt homes to the needs of people with disabilities. Italy also plans to invest to support families and children, fight child poverty, improve access to early childhood education and care, and support older people. The plan also includes complementary investment in infrastructure to redevelop the most vulnerable urban areas and projects to upgrade social and temporary housing.
* Italy completed major milestones regarding the framework law on disability, the reform of active labour market policies (including a focus on vulnerable groups) and the reform of university degrees.
* Key deliverables expected under the RRP in 2022/2023:
* Jobs market, skills and social policies: adoption of regional plans to reform active labour market policies and training; investment to strengthen public employment services (PES), the universal civil service programme and to support women-owned companies; adoption of measures to fight undeclared work; reform of services for non-self-sufficient elderly people; investment in projects to give people with disabilities more autonomy.

### Relevant points raised in the recitals of the CSR

* A wide range of reforms in key policy areas are expected to address long-standing barriers to economic growth. (…) The envisaged labour market reforms and investments to improve employment prospects, in particular of young people and women, have the potential to raise labour supply, provide equal access to skills, and ultimately support economic growth.
* Italy’s tax burden on labour is high and the profile of effective marginal tax rates on personal income is characterised by sharp discontinuities. At the end of 2021, Italy has taken steps to address these challenges, in particular by introducing a universal child allowance and reducing personal income taxes. These measures are expected to moderately increase labour supply, especially for women.

## Latvia

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 16,7
* Ensuring an inclusive and socially fair recovery remains a challenge in Latvia as reflected in the Social Scoreboard accompanying the European Pillar of Social Rights. Growth has not been fully inclusive as income inequality is among the highest in the EU, regional disparities persist, and poverty risks remain significant. While Latvia’s labour market is recovering, there are notable disparities in employment across regions and skills levels. Equipping the workforce with labour market relevant skills, including basic and advanced digital skills, remains a challenge to both labour market performance and inequality. The risk of poverty and social exclusion remains high, particularly among older people, while the poverty reduction impact of social transfers is low. Limited access to services and low adequacy of social assistance for vulnerable groups (older people, persons with disabilities, the unemployed) - including long-term care, social housing and individual needs-based social services - further hinders social inclusion.
* Weaknesses in the provision of social assistance and services limit their impact on addressing social exclusion. Delivery of social assistance and services to vulnerable groups is hindered by shortages of social workers and differences in types of assistance across municipalities, often not targeted to those most in need. Meanwhile, a reform to provide a standard basket of minimum social services in every municipality is planned to be introduced by 2027. The degree of integration and inter-institutional cooperation between social and health services, the Public Employment Service, police and child protection services is low. Meanwhile, demand for social assistance and services is increasing, in part due to the ageing population.
* The share of people aged over 65 with long-term care needs is higher in Latvia than in other EU countries, and these needs are primarily met by informal carers. Public spending on long-term care is below the EU average (0.5% vs 1.7% EU in 2019), with significantly higher spending on institutional care than home care or cash benefits. The formal care system is underdeveloped, with long waiting times. The supply of home and community-based services, while increasing, remains limited. The pandemic exposed some of the structural weaknesses of institutional care, especially fragmentation. Access, affordability and quality of care services vary across municipalities and target groups, while the integration of social and health services remains in its initial stages. The 2022 pay increases for workers in residential care institutions aim to address the high staff turnover and shortages, but the needs of informal carers are not addressed. With the support of EU funds, Latvia began the transition from institutional to community-based care in 2015, which is to be continued in the 2021-2027 period and complemented by an RRP investment in community-based housing and care services for older people. However, more integrated efforts are needed to develop the long-term care system, starting with a comprehensive long-term care strategy.
* The RRP provides for the introduction of an annual indexation mechanism to the minimum income and setting the minimum income level at 20% of median income in 2023. This is complemented with investments in accessibility and rehabilitation infrastructure for persons with reduced mobility and disabilities, as well long-term care investments for older people. Digital tools to better assess the skills of jobseekers and unemployed will be implemented by 2023. By the end of 2023, work contracts to adapt the dwellings of more than 200 persons with disabilities will have been concluded and legislative amendments to improve the minimum income support system will have entered into force.
* Poverty risks and income inequality remain among the highest in the EU. Income distribution is more unequal in Latvia than in the EU on average, with little improvement over time. Due to the low spending on social protection (13.5% of GDP vs 22.0% EU in 2020) and the low redistributive effectiveness of the tax-benefit system, the impact of social transfers (other than pensions) on poverty reduction remains limited. The situation is particularly poor for older people, the unemployed and persons with disabilities. Despite the increases, the income of the recipients of the minimum income support, pensions and disability benefit falls well below the poverty line. Significant efforts are therefore needed to improve social assistance and services for vulnerable groups, including long-term care, social housing and individual needs-based social services.
* Active labour market policy measures totalling EUR 255 million (including those targeting young people, long-term unemployed and persons with disabilities), and social inclusion measures feature prominently in the 2014-2020 ESF support package for Latvia. EUR 50.5 million was allocated to community-based social services for persons with disabilities and children in out-of-family care. Nearly 600 persons with mental disabilities and 2 300 children with functional impairments have received support for independent living in the community. (…) By the end of 2020, ESF investments supported more than 340 000 participants in funded projects of which more than 21 000 obtained a qualification.
* Latvia faces significant poverty and inequality challenges. Although severe material and social deprivation dropped and is now close to the EU average (7% vs 6.8% in the EU), the risk of poverty or social exclusion remains high, albeit is falling (2 5.1% in 2020, compared to an EU average of 21.9%). The depth of poverty is increasing (from 24% in 2016 to 28.6% in 2020) to one of the highest in the EU. Poverty or social exclusion risks for older people aged 65+ (at 43.1%) and for persons with disabilities (at 39.3%) remain among the highest in the EU. Recent increases in minimum income, pensions and disability benefits, and universal child benefits will provide some support to the poorest 10% of the population. However, with the minimum income amount se t at EUR 109 in 2021, the net income of the benefit recipients still falls well below the poverty line (EUR 444 in 2021) and the national relative household expenditure (at EUR 362). Thus, the current support provided is not expected to significantly alleviate poverty risks even after the annual indexation of benefits (scheduled for 2023).
* Status of the 2019 Country Specific Recommendation 2- Address social exclusion notably by improving the adequacy of minimum income benefits, minimum old-age pensions and income support for people with disabilities:
	+ Some Progress. Relevant RRP measures planned as of 2021 and 2022

### Relevant points raised in the recitals of the CSR

* Latvia’s public expenditure on healthcare and social protection are particularly low compared to the EU average, hampering timely and equal access to healthcare and adequate social assistance. As a result, Latvia has some of the highest income inequality, lowest poverty reduction impact of social transfers and worst health outcomes in the EU. Despite recent increases, the minimum income, minimum pensions and disability benefits fall below the poverty line. Limited access to and quality of social assistance and services for vulnerable groups further hinder social inclusion. The long-term care system is underdeveloped, with a limited supply of home care and community-based services. Social housing is scarce and often does not provide adequate living conditions. Furthermore, social assistance varies across municipalities and is often not targeted enough.

## Lithuania

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 22,7
* The RRP features reforms and investments to strengthen emergency care and modernise healthcare infrastructure, develop centres of expertise in infectious diseases, digitalise the health system, build capacity for advanced medical therapies, create a competence platform for healthcare professionals and a system to monitor the quality of care. In its plan, Lithuania will further focus on improving social protection by reforming the guaranteed minimum income scheme, extending the coverage of unemployment social insurance and improving indexation of pensions. Two reforms, namely introduction of an accreditation scheme for social care and additional benefit for disabled and elderly single persons, have already been reported as completed by Lithuania. Investment in long-term day-care centres and upgrading the infrastructure for health services will contribute to meeting the energy efficiency requirements.
* Public expenditure on social protection is persistently low while the rates of people at risk of poverty or social exclusion remain among the highest in the EU, especially for vulnerable groups such as older people (65+), single parents with dependent children and persons with disabilities.
* The at-risk-of-poverty or social exclusion rate is particularly high for single parents with dependent children (46.9% compared with the EU average of 42.3% in 2020), older people (40.2% against the EU average of 20.3% in 2020), and persons with disabilities (38.7% against the EU average of 28.6% in 2020), with limited improvements observed over time. A recent analysis shows that the increases in basic social allowance (bazinė socialinė išmoka) and in the single person benefit to the elderly and persons with disabilities (vienišo asmens išmoka) in January 2022 are expected to reduce the poverty risk for families with children (7%) and single individuals older than 65 (12%).
* Though the labour market is recovering, strengthening the effectiveness of active labour market policies remains key to supporting people to find a job, particularly vulnerable groups. (…) To address this, the EU cohesion policy funds will focus on individualised active labour market policy measures for vulnerable groups, including the low-skilled, long-term unemployed, NEETs, persons with disabilities and other groups facing the biggest barriers to enter into the labour market.

### Relevant points raised in the recitals of the CSR

* Lithuania faces a number of additional challenges related to primary and preventive care, weaknesses in the planning and delivery of social services and a lack of strategy on social housing. (…) Lack of collaboration between various ministries and other public bodies and gaps in identifying the needs hinder the integrated provision of social services. The services also insufficiently address the needs of unemployed people. Lithuania’s spending on social housing, i.e. EUR 10.31 per inhabitant (in constant 2010 prices), compared to an EU average of EUR 101.58 in 201920, is significantly below the EU average, leading to persistent shortages and long waiting lists. The quality of the social housing provided also needs to be improved. The recovery and resilience plan includes important measures such as a reform of the minimum income scheme and the tax-benefit system together with increasing the coverage of unemployment social insurance. These measures are expected to help address some of the key social protection challenges once implemented. However, beyond the measures included in the plan, further efforts are needed to improve the planning, quality and effectiveness of social services and to address the shortages and insufficient quality of social housing.

### Recommendations on social issues

* Strengthen primary and preventive care. Reduce fragmentation in the planning and delivery of social services and improve their personalisation and integration with other services. Improve access to and quality of social housing.

## Luxembourg

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 22,1
* Increased recruitment difficulties in 2021 point to growing skills mismatches in the labour market. The ongoing skills strategy, which is part of the recovery and resilience plan will help to address this challenge. EU cohesion policy funds will support measures to strengthen policies aiming for an active labour market, with a focus on young people, low-skilled people, long-term unemployed people, women and people over 45.

### Relevant points raised in the recitals of the CSR

* Luxembourg faces a number of additional challenges, notably related to growing inequality in the education system. Luxembourg’s education system is characterised by the use of three languages (Luxembourgish, German and French), as well as by a high number of pupils from diverse socio-economic and linguistic backgrounds. International test results suggest that pupils’ basic skills are lower than the EU average and are strongly linked to pupils’ socio-economic and linguistic backgrounds.

### Recommendations on social issues

* Reduce the impact of inequalities on pupils’ performance and promote equal opportunities for all students in the educational system.

## Malta

### Relevant points raised in the Country Report

* At 29.4 pps in 2020, the disability employment gap is above the EU average (24.5 pps).
* The European Social Fund (ESF) is already supporting measures to strengthen the provision of active labour market policies, with a special focus on vulnerable people. This support will be increased through the European Social Fund Plus (ESF+), with targeted actions towards fostering gender equality in the labour market and addressing unpaid care activities.
* While the overall at-risk-of-poverty-or-social-exclusion (AROPE) rate was slightly below the EU average (19.9% vs EU 21.6%) in 2020, the percentage is much higher for non-EU nationals, people aged over 65, and for people with disabilities (30.1%) than for the overall population.
* Public expenditures on long-term care are expected to more than double from 1.1% of GDP in 2019 to 3% in 2070. Apart from growing demand and ageing developments, increased health expenditure is also driven by a high dependence on the more expensive institutional residential care services (despite the increase recorded in recent years in home and day care services).

## Netherlands

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 25,4
* The high level of flexible employment (39% of the labour force in 2021) (21) and its strong growth in the last decade (see Graph 3.2) remain a concern also in comparison to other EU Member States. This development requires further attention with regard to equal opportunities in the labour market, fair working conditions, adequate social protection coverage and its role in low productivity growth. While certain workers may choose flexible employment due to changing individual preferences, some do not have a choice. The use of these types of employment is to a considerable extent influenced by institutional factors and national policy choices such as differences in tax treatment (for the self-employed without employees), social security coverage and labour protection regulations. For example, the self-employed are not subject to social security contributions related to sickness, disability, unemployment and old age.
* People with flexible and/or temporary contracts (mostly the young, low(er) skilled, people with a migrant background or disabilities), along with the self-employed without employees, were the groups hit hardest during the pandemic. As a consequence, they were faced with a (considerable) drop in income and a number of them applied for temporary income support measures and/or had to use their financial buffers.
* Significant differences remain in the working conditions (e.g. limited income security for those with on-call and zero-hour contracts) and adequate social protection coverage under different employment and work arrangements. The coalition agreement of the current government intends to address differences between permanent and flexible work arrangements and to improve social protection for the self-employed, notably by introducing mandatory disability insurance.
* In 2020, 36% of the non-EU-born living in the Netherlands were at risk of poverty or social exclusion, 22.5 pps higher than among the native-born. For people with a non-EU migrant background, the gap is driven by a more prevalent risk of poverty (29.7% versus 11.1% for the native-born), linked partly to a more unfavourable employment situation, by a higher rate of severe material deprivation (8.9% versus 1.1%) as well as greater prevalence of in-work poverty (14.9% versus 4.6%). More than a quarter (29.3%) of children with foreign-born parents were at risk of poverty in 2020, which is over three times higher than for children with native born parents (9%). In addition, 24.9% of people with disabilities were at risk of poverty or social exclusion in 2020 (versus 12% of those without).

### Relevant points raised in the recitals of the CSR

* The COVID-19 pandemic also highlighted the risks of a segmented labour market and the unfavourable employment and social situation of certain groups, as well as the significant challenges in terms of access to adequate social protection for the self-employed that are more often underinsured against sickness, disability, unemployment and old age.
* There is untapped or underutilised labour, in particular in light of the lower employment rate for people with a migrant background and the high share of part-time employment. Incentivising an increase in the number of hours worked by part-time workers, many of whom are women (62.5% of employed women worked part-time in 2021), could further reduce the existing labour market shortages and reduce the average gender pay and pension gap. Activating and up-skilling or re-skilling of the inactive (those neither working nor seeking work), those in long-term unemployment and those at the margins of the labour market via targeted and tailored actions could help alleviate labour and skills shortages while fostering equal opportunities and active inclusion.

### Recommendations on social issues

* Promote adequate social protection for the self-employed without employees, tackle bogus self-employment and reduce the incentives to use flexible or temporary contracts. Address labour and skills shortages, in particular in healthcare, education, digital and technical jobs and construction, including by tapping underutilised labour potential originating from the high share of part-time employment and the lower employment rate of people with a migrant background. Strengthen up- and reskilling opportunities, notably for those at the margins of the labour market and the inactive.

## Poland

### Relevant points raised in the Country Report

* Poland recently reversed earlier reforms that increased the statutory pension age and had limited some privileges of uniformed services. As a result of the tax reform in 2022, a person who reaches the retirement age (not receiving any old-age or disability pensions) but remains in the labour market will be exempted from the tax (up to PLN 86 thousand per year).
* Labour market outcomes are weak and worsening for persons with disabilities. The employment rate of persons with disabilities in 2020 was 46.8%, compared to 78.1% for persons without (a disability employment gap of around 31.3 pps, higher than the EU average).
* The gender employment gap has continued to increase for the last 5 years (reaching 14.00 pps in 2021, as compared to 10.8 pps in the EU). Care responsibilities for children, but also for family members with disabilities, are a barrier to female employment.
* The share of early leavers from education and training is, at 5.9% in 2021, significantly below the EU average of 9.7%, but it is particularly high among persons with disabilities.
* The share of population aged 65+ with long-term care (LTC) needs exceeds the EU average (35.9% vs 26.6% in the EU in 2019), while public spending on LTC is well below the EU average (0.8% vs 1.7% in the EU in 2019). Only 18.8% of the population aged 65+ with LTC needs use home care, compared to 28.6% in the EU in 2019. A focus on increasing psychiatric and long-term care services, including their deinstitutionalisation, may contribute to addressing these issues. Dedicated actions to attract and retain staff may also be warranted in view of the understaffing of both the health and long-term care sectors. Overall, there is scope for reinforced policy action in these domains in order for Poland to contribute to reaching the 2030 EU headline target on poverty reduction. The ESF+ will support the modernisation and promotion of access to social protection as well as improvement of accessibility.

### Relevant points raised in the recitals of the CSR

* The unemployment rate in Poland is reaching all-time lows, but the labour market participation of some groups continues to be constrained. The enrolment rate for children under the age of three in formal childcare remains one of the lowest among EU countries, and limited access to childcare prevents women from entering the labour market. In addition, the lack of support for long-term care and the lower retirement age result in an outflow of workforce from the market. Labour market disparities also affect people with disabilities, the elderly and the low-skilled, who witness employment rates below the respective EU averages. Whereas a constant drop in non-standard labour contracts can be observed in recent years, employment under temporary contracts and self-employment with low social contributions continues to affect young and low-skilled workers, increasing the risk of inadequacy of their future pensions.
* Poland’s education and training system continues to face challenges in terms of quality and inclusiveness. These challenges have been exacerbated by the pandemic, with prolonged periods of remote learning. Digital skills are lacking among teachers, pupils and the general population.
* A significant part of social expenditure does not account for different income levels, leaving scope for better targeting. Some social expenditures are not targeted and means-tested, for example the additional one-off benefit paid annually to pensioners. At the same time, social benefits coverage for people working under civil law contracts is limited, making this group more vulnerable. Although the share of population at risk of poverty has continued to decline from 21% in 2016 to 17% in 2020, challenges remain. In particular, some elderly people will be exposed to an increasing risk of poverty. This will particularly affect women, due to their shorter careers resulting in lower future pension benefits. Better targeting of benefits, for example by more common application of means-tested approach, would lead to a more efficient use of public resources in combatting poverty and supporting those who are most in need.

### Recommendations on social issues

* Increase labour market participation, including by improving access to childcare and long-term care, and remove remaining obstacles to more permanent types of employment. Foster quality education and skills relevant to the labour market, especially through adult learning and improving digital skills. Better target social benefits and ensure access to those in need.
* Improve the resilience, accessibility and effectiveness of the health system, including by providing sufficient resources to reverse the pyramid of care and accelerating the deployment of e-health services.

## Portugal

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 19,2
* Portugal performs well in the implementation of the European Pillar of Social Rights. The number of early school leavers from education and training has decreased significantly. Disability and gender employment gaps have narrowed, and childcare coverage has improved.
* The RRP constitutes a strong response to the socio-economic challenges. It addresses structural social challenges for populations and regions in need, both in mainland Portugal and in the regions of Azores and Madeira. As part of the RRP, Portugal has adopted national strategies to combat poverty and for the inclusion of people with disabilities. These aim to improve social care facilities and the coverage of social services with a community-based approach.
* Portugal’s recovery and resilience plan (RRP) is rich in health reforms and investments. It includes a set of mutually reinforcing initiatives to strengthen the response capacity of the National Health Service in the fields of primary, mental and long-term health care, combined with efficiency-oriented measures to enhance the governance, cost-efficiency, access and quality of public hospital services. Investments are also geared towards digitalising the National Health Service as a whole, with specific measures also targeting the outermost regions of Madeira and the Azores. Primary, mental and long-term health care services are planned to become strongly anchored on local services and community-based care.
* The pandemic has also exposed the fragility of Portugal’s long-term care system, which is expected to face increasing pressure in the coming years due to the ageing population. The RRP introduces reforms and investments to strengthen the networks of primary, palliative, integrated and mental health care services and to promote de-institutionalisation (moving from institutional to community-based services) and independent living.
* The Portuguese RRP includes far-reaching measures to progress towards a more equal and healthy society, such as a reform of primary care services and investments in community-based social services.

### Relevant points raised in the recitals of the CSR

* As regards Portugal’s social protection system, the effectiveness of social transfers in reducing poverty and inequality is below the EU average. In particular, the adequacy of the minimum income is low at 37.5% of the poverty threshold (EU: 58.9%). At the same time, a multitude of social benefits appear to serve similar objectives, also leading to complexity. The ensuing fragmentation of the social protection system results in relatively low take-up rates and a lack of effective focus on those most in need, hampering the coverage and ultimately the adequacy of social benefits. In this context, the implementation of the National Strategy to Combat Poverty is particularly important.
* The recovery and resilience plan is ambitious in strengthening the resilience of the health system and improving access to quality health and long-term care. The plan aims to improve the population’s overall level of skills including digital skills for various population groups and strengthens the vocational education and the training offer. The plan includes significant investments to improve social services, including by increasing the supply of social and affordable housing. The plan introduces relevant measures to reduce labour market segmentation, and to support quality employment and the preservation of jobs.

## Romania

### Relevant points raised in the Country Report

* Employment rates of the young and older people, Roma, women and the low-skilled remain far below the EU averages, while the disability employment gap increased to 30.4 pps, above the EU average of 24.5 pps. Persons with disabilities still face reduced training opportunities.
* Adverse demographics put pressure on the labour market and the training and education system. Current trends point to an 8.8% reduction in the workforce in 2030 compared to today. This will require higher productivity levels and an increase in the employment rate, notably of women, Roma, young and older people, persons with disabilities and those with a low educational attainment.
* Lack of human resources and administrative capacity at local level are among the factors affecting the availability of integrated services and progress in the deinstitutionalisation of adults with disabilities. The de-institutionalisation process for children continues, as established, with the objective of being finalized as soon as possible.
* The social reforms aim to support children, persons with disabilities and older people as well as the formalisation of domestic work. The minimum inclusion income reform intends to improve the efficiency of social assistance benefits by extending coverage, increasing adequacy and improving the incentives to take up employment. The national long-term-care strategy should help address the needs of an ageing society. The de-institutionalisation of persons with disabilities should accelerate their integration into the community. The plan also envisages establishing a new mechanism for minimum-wage setting, based on objective criteria, and the consultation of social partners.
* Certain societal groups face severe poverty. Romania has one of the highest shares of people at risk of poverty or social exclusion in the EU. The ratio between the top and bottom 20% of the income distribution (S80/S20) remains among the highest in the EU in 2020. Disadvantaged groups such as undeclared workers, the self-employed in agriculture, Roma, persons with disabilities, older people and the homeless are among the worst affected and are facing a level of risk above the EU average.
* Investments will be made to integrate energy-efficiency technologies into educational infrastructure, including in disadvantaged areas. This includes building a network of “green schools” (ensuring a balance between rural and urban areas) and 10 integrated campuses for vocational education and training. Investments in social infrastructure, including for people with disabilities and day centres for children at risk, will also aim at improving energy efficiency and reducing greenhouse gas emissions.
* Enrolment in early childhood education and care is well below the EU average, and the rate of early leavers from education and training is high and likely to worsen due to the pandemic (see Annex 13), affecting in particular students with disabilities or disadvantaged backgrounds, such as Roma and people living in rural areas. Under the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), Romania financed additional classes to mitigate the impact of COVID-19-related school closures on the most vulnerable pupils. However, there is still a pressing need to improve learning outcomes and reduce inequalities in education.
* Poverty risks and inequality remain elevated. Romania has one of the highest shares of people at risk of poverty or social exclusion (AROPE) in the EU (35.8% in 2020 vs an EU average of 21.6%). The same is particularly high among people living in rural areas, marginalised communities and vulnerable groups, including the Roma. (…) The share over 65 year-olds and people with disabilities at risk of poverty or social exclusion also remains among the highest in the EU. The impact of social transfers (excluding pensions) on poverty reduction is among the lowest across EU countries, while gaps in access to social protection remain widespread and affect in particular the unemployed and those in non-standard forms of employment.
* Social, health, educational and employment services are insufficiently integrated and the deinstitutionalisation process for adults with disabilities is lagging behind. The deinstitutionalisation process for children continues, as established, with the objective of being finalized as soon as possible. Self-reported unmet needs for medical care remains above the EU average, with substantial differences between income groups and regions. Access to long-term care services is insufficient, especially at community level, as is public spending on long-term care. For older people, home care coverage is one of the lowest in the EU and unmet needs for long-term care are significantly higher than the EU average (61.6% in 2019 vs 46.5%). Implementing the minimum inclusion income, minimum wage and pension reforms, investments in child protection and the deinstitutionalisation of people with disabilities, as outlined in Romania’s RRP could help the country achieve the 2030 EU headline target on poverty reduction.

## Slovakia

### Relevant points raised in the Country Report

* The gap in the employment rate between people with and without disabilities is 23.6 pps.

## Slovenia

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 21,7
* Other actions set out in the recovery and resilience plan include adapting working environments to the needs of people with disabilities and providing training and education to employees. Slovenia uses the support it receives from the European Social Fund to increase access to employment and activation measures, in particular for young people, people who have been long-term unemployed and other vulnerable groups.
* Slovenia’s recovery and resilience plan addresses some of the key social challenges, in particular those linked with access to healthcare and long-term care while ensuring its long-term fiscal sustainability. The adoption of parts of the relevant legislation on long-term care in December 2021 is a major step towards ensuring that the system can be better accessed and more resilient.

### Relevant points raised in the recitals of the CSR

* Long-term care costs will double by 2055. Besides healthcare and long-term care accessibility issues that are already well covered in the recovery and resilience plan, Slovenia is facing high fiscal sustainability risks in the medium and long-term, driven by spending related to the ageing population. The country has started comprehensive reforms in healthcare and long-term care in recent years. They will be implemented in several steps and mostly extend access to high-quality services and improve social rights and inclusion. While this will put an additional strain on public finances, it will be crucial for Slovenia to put forward a set of measures that establishes a stable revenue base that does not undermine the fiscal balance in the medium and long-term.

## Spain

### Relevant points raised in the Country Report

* Disability employment gap (ratio) (2020)- 21,6.
* Long-term unemployment remains well above the EU average.
* Despite recent improvements, the rate of early leavers from education and training and of low-skilled adults remains very high.
* The share of people at risk of poverty or social exclusion (AROPE) remains among the highest in the EU (27% in 2020 compared to 21.9% in the EU), especially for children (31.8% in 2020 compared to 24.2% in the EU). Eurostat flash estimates on the at-risk-of poverty rate for income year 2020, point to an increase, including for children. Other groups particularly at risk include migrants and people with disabilities.
* Unemployment assistance is currently scattered across multiple schemes, resulting in low coverage and effectiveness. Temporary workers in particular have limited effective access to permanent coverage due to strict eligibility conditions.
* Long term care is also to be strengthened, in view of ageing and longer life expectancy. Investments in the RRP also have to support the deinstitutionalisation of long-term care.

### Relevant points raised in the recitals of the CSR

* The recovery and resilience plan includes an extensive set of mutually reinforcing reforms and investments to be implemented by 2026. These help address all or a significant subset of the economic and social challenges outlined in the country-specific recommendations addressed to Spain by the Council in the European Semester in 2019 and 2020, in addition to any country-specific recommendations issued up to the date of adoption of a plan. (…) The plan is expected to help address the existing fragmentation of unemployment assistance, which resulted in gaps. It is also expected to contribute to the provision of labour market-relevant skills and qualifications that are expected to accompany Spain’s green and digital transition.

## Sweden

### Relevant points raised in the Country Report

* The flipside of the high demand for skilled labour is one of the lowest demands for low-skilled workers among EU Member States. Only 5% of employees in Sweden work in ‘elementary occupations’ (occupations usually involving simple and routine tasks, often requiring significant physical effort), which is about half the EU average (9%). In addition, a significant group of people, such as people with disabilities and women born outside of Sweden, find it difficult to become and remain employed. The COVID-19 crisis has aggravated their situation and the number of long-term unemployed has risen.
* By the end of 2020, cohesion policy investments had supported 43400 enterprises, 95000 migrants or people from migrant backgrounds, 33000 long-term unemployed and more than 40000 people with disabilities.
* The pandemic disproportionately affected the employment participation of people with disabilities, as the disability employment gap increased by 4 pps from 2019 to reach 28.9% in 2020.
* The at-risk-of-poverty or social exclusion rate (AROPE) of people with disabilities is almost double compared to those without disabilities (29% vs 15.7% in 2020), and slightly exceeds the EU average

### Relevant points raised in the recitals of the CSR

* Beyond the economic and social challenges addressed by the recovery and resilience plan, Sweden faces a number of additional challenges related to (…) unequal opportunities in education for pupils from disadvantaged and migrant background and the need for a better integration of disadvantaged groups in the labour market.
* Despite good outcomes overall, inequalities in the Swedish education system impact the level of basic skills of pupils from disadvantaged socio-economic and migrant backgrounds.
* The difference in educational outcomes has a large impact on the chances of pupils in disadvantaged situations to develop the relevant skills to finding employment.

### Recommendations on social issues

* Reduce the impact that pupils’ socio-economic and migrant backgrounds have on their educational outcomes by providing equal access opportunities to schools and by addressing the shortages of qualified teachers. Develop skills of disadvantaged groups, including people from migrant backgrounds, by adapting resources and methods to their needs to help their integration into the labour market.

## **Related documents and links**

[Country Specific Recommendations 202](https://ec.europa.eu/info/publications/2022-european-semester-country-specific-recommendations-commission-recommendations_en)2

[Country Reports 2022](https://ec.europa.eu/info/publications/2022-european-semester-country-reports_en)

[Communication on the main elements of the European Semester Spring Package](https://ec.europa.eu/info/publications/2022-european-semester-spring-package-communication_en)

[EDF Human Rights Report on Poverty and Social Exclusion](https://mcusercontent.com/865a5bbea1086c57a41cc876d/files/ad60807b-a923-4a7e-ac84-559c4a5212a8/EDF_HR_Report_final_tagged_interactive_v2_accessible.pdf)

## **Contact**

Álvaro Couceiro - EDF Policy Officer

alvaro.couceiro@edf-feph.org



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