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With a view to the EPSCO Council on 19 June 2025, delegations will find attached: EMCO multilateral surveillance reviews 2025 - Country-specific conclusions.

EMCO Multilateral Surveillance 2025

Country-specific conclusions

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1. Review on education and skills – 19 March 2025

Austria

While Austria is performing better than the EU average in basic skills, underachievement remains high in particular among students from disadvantaged and migrant backgrounds. The overall policy response to raise basic skills levels in education is based on a broad set of evidence-based measures and initiatives, including the new curricula introduced in the 2023/2024 school year. Given the high proportion of pupils with a migrant background, Austria has set up a comprehensive language support system to improve their educational success; however, its effectiveness could be further improved. In order to improve the educational outcomes of children with a migrant background, Austria is also encouraged to enhance their access to quality childhood education, as a means to promote language acquisition by ensuring a smooth transition to primary school. This would require strengthening ECEC capacities, including addressing staff shortages and mandatory quality standards. Targeted measures are also in place to address educational disadvantage, but these may not be sufficient to address the important challenges that persist. Projects aimed at improving basic skills of students in disadvantaged schools are welcome.

In the context of growing skills shortages, the Committee welcomes the “Level Up - Adult Education Programme” designed to specifically address the challenges posed by low literacy achievement. To support equitable growth and increase innovation capacity, Austria should improve educational outcomes and skills training, particularly among disadvantaged groups and those furthest away from the labour market. Further efforts are needed to strengthen STEM skills development, starting from primary education to adult learning. Austria should closely monitor the implementation of the measures undertaken and evaluate their impact.

Belgium

In Belgium, the Communities have adopted several measures to address performance and equity challenges in education; however, more efforts are needed to improve the opportunities and achievements of students from disadvantaged and migrant backgrounds. Continuous monitoring and evaluation are crucial to follow the progress of reforms.

To reduce grade repetition and dropout rates, Belgium is implementing ambitious policies whose effects will take time to show.

Regarding the severe teacher shortage, Communities are implementing various measures to increase the attractiveness of the profession and to improve the job stability of teachers, which are still in the early phase of implementation.

To improve the labour market relevance of education and training, further efforts are needed to increase the number of students enrolled in STEM fields in VET and higher education, especially girls and women. Belgium should further develop the graduate tracking mechanism to improve evidence on graduate pathways, also in view of increasing participation in STEM tertiary education and VET. Adult learning needs particular attention to respond to the challenges posed by the green and digital transitions.

Cyprus

Cyprus has committed to implementing a number of measures that aim at developing digital, green and blue skills, improving educational outcomes, piloting a program for Individual Learning Accounts, increasing the attractiveness of VET as well as strengthening continuous teacher training. Given that most of them are at an early stage or yet to be fully rolled out, their impact is still to materialise and strongly depends on effective implementation.

The deteriorating education outcomes and the persisting skills shortages and mismatches may require additional efforts to improve the performance of the education system and to give emphasis to VET and STEM. In this context, also addressing the low participation in early childhood education and care from the age of 3 may help lay solid foundations for skills development.

Efforts to increase participation in adult learning should continue by increasing training availability, promoting participation and mainstreaming the ILAs project to ensure a universal approach.

Actions must also be taken to ensure that the National Qualifications Framework is inclusive and responsive to skills gaps, particularly in key sectors, for vulnerable groups and those in need of reskilling.

While the introduction of micro-credentials for continuous training of teachers may help, a more holistic approach could be adopted in this regard and Cyprus needs to proceed with the implementation of the teacher evaluation system.

Ongoing measures to improve the attractiveness of its VET system and the labour market relevance of higher education and VET should be fully rolled out, while employer representatives should be better involved in the design of IVET and CVET to better link post-secondary VET institutes with the job market. Vocational and employment training schemes and incentives should shift towards digital capacity development, including the empowerment of persons with disabilities, in light of rising excess demand across occupations.

Finally, since most of the adopted and planned measures rely on the support of the RRF and ESF+, it will be crucial to ensure their long-term sustainability.

Czechia

Czechia has presented a list of measures to tackle the skills shortages in the country; however, the results of the implementation of the pilot projects remain to be seen, particularly on how they address persisting challenges in the upskilling or reskilling of underrepresented groups and decrease the skills mismatches in the labour market.

The “Integration Job” initiative shows that there is a focus on specific groups, such as the LTU and persons from marginalised communities, yet it should be highlighted/considered if this project can have a long-term effect on their integration. In the same direction, the efforts to support ECEC to facilitate parents’ entry or return to the labour market is welcomed, but expanding access to childcare beyond the recent capacity increases is crucial for ensuring long-term impact.

With regard to the simplification of foreign qualifications, efforts have been made as short cycle programmes at EQF 5 level have been introduced; however, there is further need to address this element.

The introduction of financial support to promote training opportunities for the unemployed and employed is a particularly positive step, as is the pilot operation of the ILAs, and could be examined in the next phase of the reviews on the implementation of the ILA recommendation. The increase of the financial support could be examined, given the existing utilisation of funds, national or European, and could include social investments for the improvement of the quality of the programmes with targeted content and sectors. In this context, it was acknowledged that the provision and enhancement of digital courses should be further developed.

Finally, the expansion of higher vocational education is a welcome step towards broadening participation in tertiary education. However, addressing systemic issues in university education, such as reforming the student support system and supporting student success to curb high dropout rates, will be crucial to ensure future expansion.

Finland

The measures undertaken in Finland to address labour and skills shortages and expand the offer of higher education in line with labour market needs are expected to continue. The RRF-funded measures are close to finalisation, including digital services for continuous learning and the measures to promote skills foresight, anticipation, identification and recognition. Their impact, as well as the effectiveness of the reform of public employment services, needs proper assessment and evaluation to ensure the continuity of the most successful measures after the expiry of RRF funding.

It will be important to continue addressing structural labour market challenges, such as the persistent labour shortages in the education, social and healthcare sectors, especially in rural and sparsely populated areas. Further upskilling and reskilling measures could hence be developed, particularly for in-demand green skills, also to account for the abolition of the adult education allowance. Considering the low employment rates of some groups, such as the low-skilled, it will be crucial to ensure that upskilling and reskilling measures target those most in need and that effective active support to employment is provided. The Service Centre for Continuous Learning and Employment (SECLE) continues to fund education and training that is currently required by the Finnish labour market, including the funding of 2024-25 pilots for micro- credentials.

The effective implementation of the Action Plan aiming at reducing the accumulation of higher education degrees and increasing the share of first-time applicants admitted will contribute to addressing skills shortages and increasing competitiveness as well as ensuring that the skills profiles developed during tertiary education are aligned with labour market needs, such as technological, digital and green skills.

France

France continues to show a high level of commitment and has achieved some progress in addressing skills shortages and increasing participation in training. Additional efforts could be required to improve the performance and equity of the education system and the attractiveness of the teaching profession for which a reform is being implemented. It is positive that policymaking in education and skills is guided by a solid evaluation system.

France has invested significantly in addressing skills shortages, including by developing training programmes for those in vulnerable situations, and labour shortages are declining. However, a persisting lack of adequate skills remains the main barrier to recruitment in some sectors, indicating that there is further room to better align training offers with labour market needs.

Access to training has also overall improved, yet further fostering access to and increasing the number of training programmes leading to recognised qualifications would contribute to improving the quality and labour market relevance of skills development. Dedicated strategies fostering the development of green and digital skills are also key to ensuring a fair twin transition.

Several investments and measures are in place to address the still high level of inequalities and inclusivity of the French education system. Yet, beyond increasing the social mix in schools, it remains key to ensure that all disadvantaged pupils receive the additional support needed regardless of their location or grade.

The low attractiveness of the teaching profession, also visible in the persisting recruitment challenges, affects the performance of the education system. The outcomes of the measures implemented so far to improve the working conditions of teachers need to be assessed, but additional measures could be needed, including related to the training of teachers.

Germany

Germany has made some efforts to address the skills shortages by reinforcing the basic skills and digital literacy of students and the workforce; however, there are persisting challenges in enhancing the educational performance of persons with migrant and disadvantaged backgrounds and other underrepresented groups.

The StarS programme and the agreement on work in primary schools seem promising and their evaluation could be presented in the next cycle. The expansion of the Startchancen programme - over the 10% of schools threshold - is particularly welcomed.

The national skills strategy is anticipated to have a positive impact on the enhancement of educational programmes and training, and in this context strengthening further coordination between the Länder and Bund (federal government) is of vital importance. One of several outputs of the national skills strategy are the CVET networks (Weiterbündungsverbünde). They are aiming at improving vocational and training opportunities for small and medium enterprises are in a good direction. This and other initiatives create a nationwide structure of central contact points – interconnected also with the services of the Federal Employment agency - for continuing education counselling in Germany.

The Vocational Training Guarantee was introduced to provide eligible young people without a vocational qualification (completed vocational training) access to vocational training, preferably in a company, that provides them with fully qualified training for a specific profession. This also sends a signal to young people to consider dual vocational training as a career option. Its implementation will need further assessment.

Furthermore, it was acknowledged that there are teacher shortages also in STEM disciplines, which call for long-term, sustainable planning. While the primary responsibility for addressing teacher supply lies with the federal states under Germany's federal structure, the Federal Ministry of Education can play a key enabling role by supporting innovation, fostering inter-state cooperation, and ensuring that national research and funding instruments are aligned with this pressing need.

The Toolbox Data Literacy and Data-O-Mat, as efforts to provide digital skills, are also encouraged to continue, particularly if these tools can provide a positive impact on the employability of the most vulnerable. In this regard, the financial viability needs to be secured.

Malta

Malta is showing progress in the planning of strategies and in implementing policies to address the challenges stipulated in the CSR. The provision and improvement of teaching methodology and curricula, as well as the modernisation of school infrastructure, were highlighted. Nevertheless, the share of students with insufficient level of basic skills remains high, and teacher shortages and challenges in teacher preparedness hinders education quality.

The national skills strategy is anticipated to bring reforms in the field of training, lifelong learning and the enhancement of quality educational programmes in the country; however, their effects can be evaluated at a later stage.

The swift implementation of the labour migration policy, with a view to addressing existing labour and skills shortages, would be expected to have a long-term impact on the competitiveness of Malta. Jobsplus' administered schemes together with the free training courses, which are focused on specific sectors of the economy, could lead to a decrease in skills mismatches.

The "Family-Community School Link" programme, which is currently in a pilot phase, is welcomed, but it remains to be seen if the programme can further expand.

Overall, Malta is encouraged to proceed with the necessary assessments of the policies which have been recently set in force.

Netherlands

The Netherlands is using evidence-based policies and practices to develop new, effective and quality policy initiatives. The Master Plan for Basic Skills, launched in 2022, is a promising measure, but its impact remains to be seen.

Concerning school segregation, it is important to recognise the efforts made to monitor the extent of pupil separation based on various characteristics. However, performance-based separation of students is still evident. To avoid the concentration of low-achieving students in certain schools, the Committee recommends that the Netherlands take systemic measures such as providing appropriate incentives for the creation of inclusive classrooms.

The measures initiated to tackle teacher shortages appear promising; thus, the Netherlands is encouraged to further sustain these initiatives, as well as those aimed at enhancing students' fundamental skills, even amid budgetary constraints, given the long-term social and economic benefits of these investments.

Slovakia

Slovakia has adopted a multifaceted approach that reflects a comprehensive strategy to reduce educational disparities and segregation. Several measures have been taken, and national projects have been launched to address segregation in education and more effectively support disadvantaged children. However, while the policy measures look well-structured, their full effects rely heavily on effective local implementation, which may be hindered by local disparities.

The beneficial contribution that the RRP and EU funding (ESF+) are playing in supporting curriculum reform for basic skills as well as other important reforms should be streamlined for long-term changes. Slovakia is introducing measures to strengthen the teaching profession. However, further measures to improve education outcomes, including by improving pedagogical methods and continuous professional development of teachers, are needed to strengthen basic skills.

Continuous monitoring of the impact of measures and reforms undertaken, as well as ex-post evaluations, should be ensured.

To avoid the risk of further weakening the skills base and exacerbating skills shortages in the future, Slovakia should pay more attention to improving the overall performance of the education system, including increasing the proportion of top-performing students.

As regards the availability and use of affordable high-quality early childhood education and care for children under the age of 3, Slovakia has taken positive measures; however, Slovakia should improve efforts to facilitate uptake of children under 3, in light of their still too low enrolment rates.

Slovenia

Slovenia shows some progress with regard to the CSR implementation. The modernisation of VET aiming at addressing local needs, improving quality and providing a wider range of flexible programmes is appreciated.

The updated curriculum is still to be published, and the implementation of measures to improve basic skills, in particular in reading and math, is at early stage. Addressing the decline in basic skills among young people as well as increasing the top performance is important for strengthening the skills base and tackling future skills shortages.

Increasing adult participation in education and training and developing competences relevant for the labour market should also remain a priority.

Slovenia has taken steps to utilise the potential of third-country nationals and persons with migrant backgrounds through the recent launch of the migration strategy, yet the outcomes of the implementation measures remain to be seen. Furthermore, a positive step to improve competitiveness is the provision of tax reductions to companies where shortages exist.

In addition, the fast-track procedures to attract third-country nationals to occupations where gaps have been identified and the efforts of the government to actively seek third-country nationals through onsite fairs could be assessed in terms of their effectiveness and funding sustainability, and integration should be facilitated by further reducing administrative obstacles and providing additional support measures.

With respect to upskilling and reskilling, Slovenia is further encouraged to continue efforts focusing on the provision of digital and green skills.

Sweden

Educational outcomes of pupils in Sweden have deteriorated, with the underperformance of pupils with a disadvantaged socio-economic background and migrant background being particularly high. The ongoing measures aimed at improving educational performance are positive steps, but overall, further measures will be needed to address some of the structural challenges of the education system and to address inequalities, and the outcomes should be closely monitored.

By developing measures to improve working conditions for teachers in socio-economically disadvantaged areas, Sweden also intends to address the shortage of qualified teachers. Measures are, however, still at an early stage, and their impact needs to be closely monitored.

Measures have also been taken to develop the skills of pupils and adults from disadvantaged socio-economic and migrant backgrounds, showing the clear commitment of Sweden towards a more inclusive society and labour market.

Despite a strong labour market, high unemployment rates affect in particular those born outside of the EU as well as those with low education. Several measures have been adopted to address this issue, but they are mostly still at an early stage, and therefore their impact is yet to be evaluated.

2. Review on active labour market policies, labour taxation and labour market segmentation – 2-3 April 2025¹

Active Labour Market Policies

Austria

Austria is making progress in implementing the CSR. Austria has a longstanding challenge in terms of unused labour market potential of some groups including especially women with migrant background.

A wide range of pilot measures have been introduced to better integrate women, particularly those with a migrant background, and to tackle regional disparities. However, due to limited participation and the short duration of the pilots, it remains to be seen whether these efforts can be sustained and expanded on a universal scale in the coming years.

Further steps are needed to improve the quality and affordability of childcare and long-term care services, which are crucial for increasing the labour market participation of women. The “Equal Pay Network” is particularly welcomed as a measure promoting equality in the labour market. Austria is also making progress in integrating specific disadvantaged groups, such as young people, persons with disabilities and Roma communities. Nevertheless, further efforts are needed to enhance the employability of women, particularly migrants and low-skilled workers.

¹ Germany was granted an opt-out for its CSR on labour taxation due to the lack of substantial progress in the impact of the measures presented in previous years and in the absence of new measures.

Belgium

Belgium is progressing in the implementation of measures to address the CSR. Belgium is facing several structural labour market challenges including low participation in adult learning and relatively low effectiveness of activation policies in some of the regions.

A number of initiatives have been presented to enhance training and career guidance opportunities. The Master Campuses project in Flanders is particularly positive and could offer inspiration to other regions, pending a positive evaluation.

In Wallonia, the Skills for the Future initiative marks an important step, though there remains a need to strengthen the provision of digital and green skills. Efforts at both federal and regional level to integrate the long-term unemployed and persons with disabilities are acknowledged; however, Belgium should reinforce training opportunities for the low-skilled.

More active labour market policies targeting sectors experiencing labour shortages would also be encouraged. Overall, the implementation of policies to address skills mismatches and boost employment rates should be complemented by future evaluations to ensure their viability and assess their potential expansion. Additionally, tackling the high incidence of long-term sickness leaves through empowering and responsabilising all involved parties requires further assessment.

Latvia

Latvia has taken measures to address the CSR but most of the measures taken since 2024 are non-legislative and primarily sourced from the EU funds. To address increasing skills shortages in STEM, efforts have mainly focused on enhancing digital and green skills. Latvia is making progress in strengthening the adult education model. However, challenges remain, including regional disparities in access to educational opportunities. Greater efforts are also needed to enhance employer involvement in the financing of adult education. The pilot project “Skills Management Platform”, linked to the implementation of Individual Learning Accounts, is expected to support the development of digital skills among participants; its impact will need to be assessed with a view to its possible expansion. Positive steps have been taken in the provision of training programmes in the green and healthcare sectors, and the regional approach adopted is also well noted. In this context, the swift implementation of the Human Capital Plan is encouraged, with particular attention to the financial sustainability of the policies. Further efforts are needed to increase the employment rate of the long-term unemployed and young NEETs. To complement these efforts, strengthening the capacity of Public Employment Services and ensuring public and private investment in the longer-term development of a sustainable adult learning framework is key.

Netherlands

The Netherlands has presented measures to address the CSR and progress has been made in implementation; however, labour market tightness remains a persistent challenge which may call for more rigorous reforms to tackle labour and skills shortages.

The development paths providing training opportunities and the promotion of a lifelong learning approach are positive steps. Nevertheless, further efforts are needed to enhance the digital and green skills of the most vulnerable groups, including persons with a migrant background.

The “SLIM Budget” supporting learning activities in SMEs is a welcomed initiative, and targeting sectors such as healthcare, technology and childcare should be further assessed for future expansion. The Netherlands is encouraged to accelerate efforts in implementing the five pillars of its outline for a broad labour market agenda, which aims to reduce labour shortages and activate vulnerable NEETs.

Efforts to promote equality and non-discrimination are noted, but following the 2023 evaluation, updates and possible extensions of these measures would be advisable.

Finally, providing incentives to support the transition from part-time to full-time employment or increase the number of working hours, particularly for women, would be encouraged.

Poland

Poland has taken steps to address the CSR. Several measures have been presented aimed at facilitating parents’ return to work, thereby increasing women’s participation in the labour market and helping to address demographic challenges. Despite these positive developments, challenges related to the availability of and access to high-quality affordable childcare persist. It is especially important to close territorial gaps in the access to quality and affordable childcare. Measures such as the “Grandparent Benefit”, are not being sufficiently targeted to families who are most in need of assistance. More focus is needed on supporting the employability of women, especially from disadvantaged backgrounds, low-income households and with migrant background.

Overall territorial disparities due to the regional imbalances in the socioeconomic development need to be addressed. Policies to enhance career guidance and activate young people, such as the pilot programme “Time for Youth”, are well noted. To tackle the labour and skills shortages, Poland should continue its efforts to provide more tailor-made programmes to boost the employment and retention of disadvantaged unemployed and inactive persons including via offering them training opportunities.

The steps Poland is taking towards strengthening the capacity of Public Employment Services are welcomed. The new Act on the Labour Market and Employment services can potentially help to better support the implementation of employment programmes as well as address accessibility of the provision of PES services.

Measures to integrate persons with disabilities such as the Strategy for Persons with Disabilities 2021-2030 and the projects New Solutions for People with Disabilities are considered positive developments but more needs to be done.

Labour taxation

Austria

The tax wedge on labour in Austria remains high and above the EU average. There is considerable scope to improve the tax mix to support inclusive and sustainable growth, while preserving budget neutrality, by shifting taxation away from labour towards other sources, such as property taxes, environmental taxes, or inheritance, estate, wealth, and gift taxes. Although recent measures aimed at preventing an increase in the labour tax wedge, alleviating the burden on low-income families, and stimulating growth are broadly welcomed, more structural and impactful reforms are needed. These should aim to reduce the overall taxation on labour, particularly for low-income workers, with a view to further incentivising longer working hours and reducing inactivity.

Belgium

Labour taxation in Belgium is among the highest in the EU for low and average wage earners. While the welfare system offers strong protection against the risks of poverty and social exclusion, these features can also discourage labour market participation and longer working hours. The new Federal Government has outlined several measures to address key challenges in the design of labour taxes and benefits, including reducing labour taxation and revising social benefits and pensions, within a budget-neutral framework. These ambitious and comprehensive reforms move in the right direction and have the potential to support transitions into work while reducing unemployment and low-wage traps. However, they remain at the planning stage and, given their political and social sensitivity, will require extensive stakeholder consultations and strong support to ensure successful implementation.

Czechia

With a very high employment rate, Czechia is well on track to achieve and exceed its 2030 national target. However, the pronounced gender gap in employment rates highlights the need to strengthen efforts to promote female employment and support women's return to the labour market after childbirth. Given the acute shortage of early childhood education and care facilities, ongoing efforts to expand their availability need to be further reinforced. The revision of the parental allowance and the tax credit for non-working spouses are positive developments, but additional measures are needed to increase the availability of part-time jobs and encourage a more equal sharing of caring responsibilities. Swift implementation of the proposed reform of the benefits system and the work activity bonus has the potential to address existing disincentives to work, particularly for low-income households. Overall, an integrated approach combining infrastructure improvements, cultural change, policy reforms and financial incentives can significantly enhance female employment rates, reduce gender disparities and support a more inclusive labour market.

Slovakia

The tax wedge on labour in Slovakia remains relatively high, especially for low-income earners. It is crucial that fiscal consolidation efforts preserve investment and are designed in a growth-friendly manner to help maintain Slovakia's attractiveness to investors. However, recent measures increasing the tax burden on businesses pose risks to Slovakia's competitiveness and, consequently, to labour demand. While the revision of the child tax credit and the reduction of social contributions for seasonal workers are positive steps, their impact is limited. More incisive and ambitious measures are needed to reduce the tax wedge, particularly for low-income earners, to further incentivise labour market participation and tackle the related issue of undeclared work. In particular, Slovakia could benefit from implementing a property tax reform and introducing environmental taxes, which would create the necessary fiscal space to reduce labour taxation.

Labour market segmentation

Netherlands

The high share of flexible and temporary contracts in the Netherlands is largely driven by institutional factors, including differences in taxation, social security coverage and labour protection regulations, as well as by a lack of effective public enforcement. Workers on flexible and temporary contracts continue to face a less favourable economic, financial and social situation, which can negatively affect their job and income security, opportunities for lifelong learning, career development, and access to social protection, particularly for those in vulnerable situations.

Recent efforts have been made to address the high incidence of solo self-employment in the framework of the Recovery and Resilience Plan, but many of the planned reforms have experienced considerable delays. Measures aimed at reducing the incentives for the use of flexible or temporary contracts have also been announced and could help tackle the structural drivers of labour market segmentation. However, the final design of these measures will be crucial, and their implementation is not expected before 2026 (or even 2027).