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Opinion of the European Economic and Social Committee

Proposal for a Council Decision on guidelines for the employment policies of the Member States

(COM(2025) 230 final – 2025/0154 (NLE))

(C/2026/34)

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Section responsible	Employment, Social Affairs and Citizenship
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1. Conclusions and recommendations

1.1. The EESC supports the reconduction of the Employment Guidelines for 2025 as part of the Spring package of the European Semester, serving as a basis for the Commission's proposals for country specific recommendations in the respective domains.

1.2. The EESC believes that the new elements in the recitals, introduced in 2025, properly reflect the changes and challenges that affect economic development and the labour markets, respectively.

1.3. The EESC also takes positive note of the inclusion of a reference to national targets for 2030 on the headline targets set in the European Pillar of Social Rights (EPSR) Action Plan. It allows proper monitoring and assessment of measures taken and the further efforts needed to stay on track.

1.4. Keeping on track to meet the employment headline target by 2030 is welcome. It should be noted that employment levels increased more in sectors facing relatively high labour shortages. At the same time, relatively high levels of inactivity among underrepresented groups (women, youth, older people, those with low to medium qualifications, persons with disabilities and migrants) persist. This requires increased efforts at the national level with proper involvement of social partners and relevant civil society organisations.

1.5. As persistently low labour productivity has a negative impact on competitiveness, economic growth, job creation and living standards, it is a matter of urgency for the Member States to reverse this trend and prioritise measures that create conditions for companies to invest in digitalisation and robotisation, new technologies, R&I, skilling and up-skilling of workers. Well-functioning collective bargaining systems remain an important instrument to increase labour productivity and strike the right balance on wage setting when it comes to fairness and responsiveness of wages to productivity developments.

1.6. The EESC is concerned that most Member States continue to fall short of their national targets for adult learning by 2030. At the same time, it points out that excluding different types of non-formal education from the data does not fully reflect the realities of the learning activities undertaken. Member States should be encouraged to implement effective national solutions as regards the right to training and lifelong learning as envisaged in the EPSR, to tackle barriers and lack of motivation for skilling and upskilling.

1.7. High-quality and inclusive education at all levels, as well as a skilled workforce, are crucial prerequisites for the EU's competitiveness and better living standards. Decisive actions are needed to improve the level of basic skills and to make vocational education and training (VET) attractive, inclusive and innovative, as well as needs-based. The EU needs effective means to develop and attract STEM and AI talents. AI literacy should be recognised as a key competence and integrated into broader lifelong learning strategies.

1.8. Regrettably, progress for integrating underrepresented groups in the labour market is not sufficient. As large numbers of people outside the labour force can have a negative impact on economic growth and social cohesion, it is important to place particular emphasis on these groups, including those from rural and sparsely populated areas, as well as to implement measures to improve the employability of people outside the labour market, especially the low-skilled.

1.9. In a context of shrinking labour markets and record low levels of unemployment, the EESC supports actions taken by many public employment services to place a special focus on activation measures and stronger focus on skills and on supporting workers facing job transitions to foster green and digital transitions. The EESC underlines that the focus should be placed on young people, facilitating school-to-work transitions.

1.10. The EESC notes with concern that, despite some positive developments, progress towards the national targets to reduce poverty by 2030 varies significantly among Member States and will require a significant acceleration during the rest of the decade to reach the EU target. Additionally, child poverty remains alarmingly high. The EESC believes that productivity-enhancing and employment-generating strategies as well as effective measures to decrease in-work poverty, supported by social protection schemes, as appropriate in specific national contexts, are a key factor to tackle poverty. Regular assessment of the measures taken at the national level, along with their review where appropriate, is crucial for achieving change.

1.11. The EESC highlights that, despite geopolitical challenges and new policy objectives linked to preparedness, security and defence, cohesion policy must remain at the heart of the EU political agenda and should be properly financed through the MFF.

1.12. The EESC recalls that the role of social partners in shaping and implementing labour market reforms, including wage-setting mechanisms, according to the national practices of social dialogue and collective bargaining, remains vital. Member States should also make use of the expertise of civil society organisations, active in labour market integration and social inclusion.

2. **General comments**

2.1. The Employment Guidelines continue to make a valuable contribution to coordinating and reforming national labour markets in the framework of the European Semester, as envisaged in Article 148(2) of the Treaty on the Functioning of the European Union. The economic and employment policies of the Union and its Member States should support one another to increase competitiveness, productivity and improve working conditions, and promote upward socio-economic convergence, which can lead to better quality of life.

2.2. The EESC supports the reconduction of the Employment Guidelines for 2025, following a full update of the guidelines in 2024. This revision included references to the national targets set for 2030, facilitating the monitoring of the implementation of the European Pillar of Social Rights Action Plan that sets the EU headline targets. It placed greater focus on the implications of technological advancements and artificial intelligence. Additionally, it highlighted the importance of addressing labour and skills shortages, also via legal migration to attract talent and skills from outside the EU. The EESC maintains that this approach is suitable, recognising that the effects of the reforms introduced tend to become evident after a certain period.

2.3. The EESC aligns itself with the amendments proposed in 2025, which seek to better reflect the changing geopolitical landscape, including new elements linked to trade policy tensions, as well as the Union of Skills initiative, upward social convergence following the second year of implementation of the Social Convergence Framework and a particular focus on competitiveness.

2.4. The EESC notes that the geopolitical tensions create economic and social insecurity. Cohesion policy must be properly incorporated in the MFF, including when addressing new policy objectives linked to preparedness, security and defence.

2.5. The European Semester now also aligns with the Competitiveness Compass, which, as stated in the Commission's proposal, provides a framework to boost competitiveness by closing the innovation gap, decarbonising our economy, reducing excessive dependencies, increasing security, and defining horizontal enablers that include skills, quality jobs and social fairness. Together with the Social Convergence Framework, this will help bring about more inclusive labour markets.

2.6. The EESC takes note that the Guidelines are consistent with the new economic governance framework of the Union, which entered into force on 30 April 2024. It emphasises that the limited resources available need to be utilised in a manner that maximises their impact on targeted groups and promotes inclusive labour markets, also considering the national targets set for 2030. A balance must be struck between the need for fiscal discipline and safeguarding necessary investments in national social policies.

2.7. Labour market reforms must be carefully considered and properly designed with the meaningful involvement of social partners and, separately, relevant civil society organisations, active in labour market integration and social inclusion.

3. **Specific comments**

3.1. *Guideline 5: Boosting the demand for labour*

3.1.1. The EESC positively notes that, despite an economic slowdown, employment growth was robust between 2023 and 2024 and in 2025 and that the EU remains on course to meet its headline employment rate target by 2030 ([1]). However, employment growth was more pronounced in sectors facing relatively high labour shortages ([2]), and the EU continues to contend with relatively high inactivity rates (especially among people with disabilities ([3]) ([4])), women ([5]) and youth unemployment rates ([6]), which remain a persistent concern ([7]). The EESC also notes that many workers across the EU still face job insecurity and low paid jobs, the reasons for which are multifaceted.

([1]) European Commission, Joint Employment Report 2025.
([2]) European Commission, Joint Employment Report 2025.
([3]) In 2024, the employment rate of persons with disabilities stood at 51,8 %, 24 percentage points lower than the overall employment rate of 75,8 % (Eurostat).
([4]) See also Opinion of the European Economic and Social Committee – Promoting the social integration of persons with disabilities and persons with changed working capacity (exploratory opinion requested by the Hungarian Presidency) (OJ C, C/2024/6875, 28.11.2024, ELI: http://data.europa.eu/eli/C/2024/6875/oj).
([5]) 70,8 % employment rate for women compared to 80,8 % for men in 2024 (Eurostat).
([6]) See also Opinion of the European Economic and Social Committee on the equal treatment of young people in the labour market (own-initiative opinion) (OJ C 293, 18.8.2023, p. 48).
([7]) The youth unemployment rate (15-24) stood at 14,6 % in 2022 and 2023, before rising slightly to 14,9 % in 2024 (Eurostat).

3.1.2. Demographic trends, technological development and the twin transitions are key drivers behind these shortages and skills demands. Skilled labour shortages are impacting all sectors ([8]), both small and large enterprises, and are causing constraints on economic operations, growth and social progress ([9]).

3.1.3. Employment growth now drives GDP growth more than productivity in most Member States. The EESC agrees that persistently low labour productivity ([10]) has a negative impact on competitiveness, economic growth, job creation ([11]) and living standards. With a shrinking population, means to increase productivity can include investments in digitalisation and robotisation, new technologies, R&I, education and training. Increased investment in education and skills is a powerful tool for raising incomes and creating quality jobs, as well as a strong preventive measure against exclusion, marginalisation and inequality.

3.1.4. As self-employment has been on a declining trend since 2022 ([12]), with variations across countries and sectors, the EESC stresses that genuine and voluntarily chosen self-employment must be supported. In addition ([13]), greater emphasis should be placed on entrepreneurship skills at all educational levels and on increasing financial literacy, in order to boost income opportunities, productivity, but also career development.

3.2. *Guideline 6: Enhancing labour supply and improving access to employment, lifelong acquisition of skills and competences*

3.2.1. The EESC notes with concern that most Member States continue to fall short of their 2030 national targets for adult learning ([14]). However, this data is based on the Adult Education Survey, which excludes four types of non-formal learning activities from data collection: courses; workshops or seminars; guided on-the-job training (planned periods of education, instruction or training directly at the workplace, organised by the employer with the aid of an instructor); private lessons. Thus, the data does not fully reflect the realities of the learning activities undertaken. Member States, in consultation with social partners and relevant CSOs, need to be involved in implementing effective national solutions as regards the right to training and lifelong learning as envisaged in the EPSR and, where relevant in a national context, tackle barriers and lack of motivation for skilling and upskilling.

3.2.2. The EESC supports ([15]) the ambition behind the Union of Skills and underlines the strategic importance of high-quality, inclusive education and a skilled workforce as a key component for the EU's competitiveness and better working conditions.

3.2.3. Basic skills are crucial. Low achievement in primary schools, which has significantly declined across most Member States, hinders progress in VET, higher education and adult learning. Vocational programmes often fall behind changing skill requirements. Efforts are necessary to enhance the reputation of VET, making it more attractive, inclusive and innovative, including for persons with disabilities, taking their needs into account.

([8]) Skills and labour shortages are particularly persistent in **healthcare, STEM fields (notably ICT), construction, transport, and certain service-based occupations (e.g. cooks and waiters**). Labour shortages in the **manufacturing sector** are particularly high and continued to grow in some countries (Eurofound, European Company survey 2019; European Commission, Employment and social developments in Europe, 2023: Addressing labour shortages and skills gaps in the EU).

([9]) Opinion of the European Economic and Social Committee – Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions on the Union of Skills (COM(2025) 90 final) – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on the Action Plan on Basic Skills (COM(2025) 88 final) – Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on a STEM Education Strategic Plan: skills for competitiveness and innovation (COM(2025) 89 final) (OJ C, C/2025/5159, 28.10.2025, ELI: http://data.europa.eu/eli/C/2025/5159/oj).

([10]) European Commission, Joint Employment Report 2025.

([11]) Productivity growth averaged 1,4 % before 2007, fell to 0,8 % in 2010–2019, and further declined to 0,7 % in 2023 (European Commission, Labour market and wage developments in Europe 2024).

([12]) 10,5 % in 2024 compared to 11,7 % in 2022 (Eurostat).

([13]) EESC opinion on 'Union of skills' (OJ C, C/2025/5159, 28.10.2025, ELI: http://data.europa.eu/eli/C/2025/5159/oj).

([14]) From 37,4 % in 2016 to 39,5 % in 2022 (Joint Employment Report 2025).

([15]) EESC opinion on 'Union of skills' (OJ C, C/2025/5159, 28.10.2025, ELI: http://data.europa.eu/eli/C/2025/5159/oj).

3.2.4. The EESC notes that progress in early childhood education and care has been slow over the past decade, with notable differences among Member States. On the positive side, early leaving from education and training is declining across the EU, although it remains a challenge, particularly among young men. Tackling this issue can have a positive impact on work-life balance, gender equality and children's development, thereby improving labour market participation and employment opportunities for women.

3.2.5. To shape Europe's future economy, close productivity and innovation gaps, there is a need for a higher level of ambition in developing world-class talent in STEM and AI. AI literacy should be recognised as one of the key competences and integrated into broader lifelong learning strategies. Education and training, fostering inclusiveness and attracting underrepresented groups, particularly women, are important.

3.2.6. The EESC reiterates that if Europe wants to become more attractive to global talent, it needs streamlined administrative procedures, visa facilitation and fast-track pathways for skilled migrants in strategic sectors, while ensuring they have equal and fair access to and treatment within the EU labour market, and being mindful of the potential corresponding 'brain drain' in the countries of origin.

3.2.7. Regrettably, despite progress, women, youth, older people, those with low to medium qualifications, persons with disabilities, and migrants remain underrepresented in the labour market, depending on the country-specific context. The EESC agrees that within the framework of the Union of Skills, particular emphasis should be placed on these groups, including those from rural and sparsely populated areas. The Union of Skills proposal for community learning can be expanded through CEDEFOP-researched Community Lifelong Learning Centres ([16]).

3.2.8. It is essential for Member States to attract more people into the labour market, as high numbers of people outside the labour force can restrict economic growth and thus hinder productivity and competitiveness. This can be achieved through structural measures to facilitate the inclusion of vulnerable groups with a combination of suitable national policies, e.g. in-work benefits ([17]) to increase employability, upskilling and reskilling of low-skilled persons; combining income from various sources, such as part-time work and child allowances to encourage parents to rejoin the labour market faster; promoting work-life balance through flexible working arrangements and supporting diverse though predictable contractual arrangements; and ensuring access to reliable, high-quality public service horizontal enablers like transport, care services, while eliminating discriminatory attitudes and supporting measures for reasonable accommodations at work for people with disabilities ([18]).

3.3. *Guideline 7: Enhancing the functioning of labour markets and the effectiveness of social dialogue*

3.3.1. The EESC welcomes the decline in long-term unemployment across the EU, especially in Member States with the highest rates. However, participation in active labour market policies still varies greatly between Member States. In this context, the role of social partners in shaping and implementing labour market reforms through social dialogue and collective bargaining remains vital. Social partners play a key role in proposing specific solutions at the appropriate level (national/sectoral/company).

3.3.2. The EESC agrees ([19]) that consultation with civil society organisations can also be crucial for creating effective and inclusive policies.

3.3.3. In the context of low levels of unemployment, the EESC welcomes the efforts undertaken by many public employment services to place greater emphasis on activation measures and a stronger focus on skills and on supporting workers facing job transitions to foster green and digital transitions and encourages others to do so. The EESC underlines that the focus should be placed on young people, facilitating school-to-work transitions. The full implementation of the Youth Guarantee is crucial.

([16]) EESC opinion on 'Union of skills' (OJ C, C/2025/5159, 28.10.2025, ELI: http://data.europa.eu/eli/C/2025/5159/oj).
([17]) The OECD defines in-work benefits as 'permanent work-contingent tax credits, tax allowances or equivalent work-contingent benefit schemes, designed with the dual purpose of alleviating in-work poverty and increasing work incentives for low-income workers'.
([18]) 2025 Employment Guidelines.
([19]) European Commission Joint Employment Report 2025.

3.4. *Guideline 8: Promoting equal opportunities for all, fostering social inclusion and fighting poverty*

3.4.1. The EESC fully supports efforts to promote equal opportunities for all, inclusive labour markets and to attract more workers into employment or professional activities. Inclusive labour markets are even more crucial now due to skills and labour shortages and the pressure on public budgets.

3.4.2. Despite the recent crises that have impacted the socio-economic situation of the EU (COVID-19 crisis, high energy costs, inflation and the cost of living), poverty has declined ([20]). However, progress towards the national targets to reduce poverty varies significantly among Member States. This is especially true for child poverty, which though broadly stable remains alarmingly high, despite a slight decline in 2023. The EESC believes that productivity-enhancing and employment-generating strategies as well as effective measures to reduce in-work poverty, supported by social protection schemes, are a key factor to tackle poverty. Regular assessment of the measures taken at the national level, along with their review where appropriate, is crucial for achieving change and a better quality of life. Social partners and civil society organisations play a crucial role in fighting poverty.

3.4.3. The EESC is concerned that in-work poverty across the EU is higher among non-EU citizens (22,5 %), those born outside the EU (18,5 %), low-educated workers (18,4 %), part-time employees (12,6 %), temporary workers (12,6 %), and households with dependent children (10,0 %) ([21]). In-work poverty is a complex issue, requiring a holistic approach. To combat in-work poverty, measures such as active labour market policies, education and training, support for creation of quality jobs, fair wages in line with productivity developments and affordable housing are needed. Enabling conditions for collective bargaining is also an effective measure.

3.4.4. Demography presents significant challenges to social protection systems and their capacity to ensure adequate and fiscally sustainable pension schemes and long-term care. In this context, considering the diverse national models and practices, the role of social partners and collective bargaining, it is key, at the national level, to assess and, where relevant, develop the role of supplementary pensions to complement public pension schemes. In this respect financial literacy is important to allow individuals to have a better understanding of other forms of additional income support for their retirement ([22]).

3.4.5. It is essential to tackle the structural challenges, including the availability, affordability, and quality of long-term care, which are also worsened by labour and skills shortages.

Brussels, 18 September 2025.

The President
of the European Economic and Social Committee
Oliver RÖPKE

([20]) In 2023, the number of those experiencing poverty or social exclusion risks had decreased by 703 000 compared to 2022, and by 1 571 000 relative to the base year 2019. This last reading of the data represents the second consecutive year of decline, following a period of stability over 2018-21, Joint Employment Report 2025.

([21]) European Commission, Joint Employment Report 2025.

([22]) Opinion of the European Economic and Social Committee – Financial literacy and education for Europeans (exploratory opinion at the request of the European Commission) (OJ C, C/2025/5149, 28.10.2025, ELI: http://data.europa.eu/eli/C/2025/5149/oj).